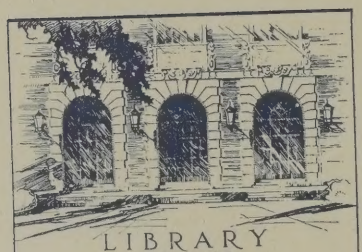

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SESSION OF 1941

REASONS FOR PARDONS GRANTED BY GOVERNOR

Commonwealth of Pennsylvania,
Governor's Office, Harrisburg, January 7, 1941.

To the Honorable, the House of Representatives of the Commonwealth of Pennsylvania:

I have the honor to present herewith the reasons for pardons granted by me from May 6, 1940 to date.

ARTHUR H. JAMES.

BOARD OF PARDONS

In re application of Joseph Matthews, C-7636, No. 2224, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph Matthews, convicted of robbery, being armed with an offensive weapon, in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County, on January 7, 1932, be commuted from 10 years, to 8 years, 4 months, expiring on May 7, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Philadelphia County to imprisonment in the Eastern State Penitentiary for from 10 to 20 years on January 7, 1932.

The Board of Trustees of the Eastern State Penitentiary reports that applicant has maintained a good conduct record and has a constructive attitude. The trial judge, the Honorable Harry S. McDevitt states: ". . . He is a steady worker in the refrigeration plant, and before that assignment was in the shoe shop. His institutional record is good, he associates with very few of the inmates, and keeps mostly to himself. I think he is deserving of consideration, and I am inclined to think he has learned his lesson." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board of Pardons and stated that the applicant has a criminal record. That many stores were held up, and that a gun was used, however, if the Board feels that the applicant has reformed and will live an honest life, the district attorneys' office has no objection to the granting of clemency. The investigation of the Board of Pardons indicates that the applicant together with an James Eddis and one William White engaged in a series of robberies in the City of Philadelphia. His accomplices were committed to the Pennsylvania Industrial School, Huntingdon, and are now at liberty. The applicant has served approximately 8 years and 4 months of his minimum sentence. The Board has been assured that employment will be offered to the applicant upon his release. Mr. Daniel Duffy has agreed to employ the petitioner if and when he is released from the Eastern State Penitentiary. Mr. Duffy has also agreed to act as his sponsor. The Board of Pardons is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until January 7, 1952.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Henry Sload, C-9488, No. 3210, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Henry Sload, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Chester County on January 30, 1934 be commuted from 7½ years to 6 years, 3 months, expiring on April 30, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Chester County to imprisonment in the Eastern State Penitentiary for from 7½ to 15 years on the 30th day of January, 1934.

The Board of Trustees of the Eastern State Penitentiary reports that applicant has maintained a good conduct record and he has not demonstrated any bad habits. The trial judge, the Honorable W. Butler Windle, in a communication to the Board of Pardons has stated: " . . . I have no suggestion to make believing that this is a matter in regard to which the board of Pardons should assume full responsibility." The district attorney, Thomas C. Gawthrop, Esquire, appeared before the Board and stated that Sload was the ring-leader of the gang, which was the reason for the severity of the sentence. Two accomplices were involved in this crime one Harry Davis and one Theodore Griffiths. They were both sentenced to imprisonment of from 2 to 4 years in the Eastern State Penitentiary and were paroled therefrom during the year 1935. The district attorney further stated that he was not in a position to express any recommendation and he would leave the matter to the discretion of the Board of Pardons. The investigation of the Board of Pardons indicates that the applicant was unquestionably guilty of the crimes for which he was sentenced. The offense in this case was hold-up and robbery of a gas station attendant in the Borough of Phoenixville. The accomplices were immediately arrested and their state-

ments incriminated the applicant. A warrant was issued for his arrest on February 6, 1933, but it was almost a year before applicant was apprehended. The applicant has served approximately 6 years and 3 months of his minimum sentence and he has demonstrated to forsake criminal ways and become a law-abiding citizen. He will be under the sponsorship of Mr. Joseph Quinn, 1106 East Haines Street, Philadelphia, who will also provide him employment. Mr. Quinn has been engaged in business for a period of 25 years and is well able to take care of the applicant in the future by providing him definite employment.

The Board is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a useful citizen. The applicant will be under the supervision of the Board of Pardons until January 30, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Plank, C-7527, No. 3367, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of George Plank, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on November 23, 1931; and the sentence of entering to steal in the Court of Oyer and Terminer and quarter Sessions of Philadelphia County on January 9, 1936, be commuted on Bill No. 1141 November 1931, from a maximum of 10 years to a minimum of 5 years, 11 months, expiring on May 9, 1940, and a maximum of 8 years, 5 months, expiring on June 9, 1944; and on Bill No. 649 February 1935, from a minimum of 1 year to a minimum of 1 day, expiring on May 10, 1940, and a maximum of 3 years, expiring on May 10, 1943.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Philadelphia County to imprisonment in the Eastern State Penitentiary for from 1½ to 10 years on November 23, 1931. On June 24, 1933 the applicant was released from the Eastern State Penitentiary on parole. On January 9, 1936 the applicant was again sentenced by the Oyer and Terminer and Quarter Sessions Court of Philadelphia County to imprisonment in the Eastern State Penitentiary for from 1½ to 3 years for the crime of entering to steal. This sentence to begin upon the expiration of the unexpired parole period.

The Board of Trustees of the Eastern State Penitentiary reports that applicant has maintained a good conduct record and a satisfactory attitude. That the applicant has been employed in the Maintenance Department of the Penitentiary and is considered to be a willing and industrious worker. The trial judge, the Honorable Harry S. McDevitt states: " . . . Since his transfer to the Graterford Prison, his conduct record has been satisfactory, and such as he associates with are the better type inmates. He is employed as a mechanic in the garage repair shop and a steady worker. He has learned welding during his confinement, and did some of the work on the front gate of the Philadelphia institution. He may have learned his lesson, but whether he goes straight or otherwise after he leaves the institution will depend upon his environment, for I am inclined to think he is easily led and is short on moral stamina." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that if the petitioner should not go back to crime, the district attorney's office would have no objection to the extension of clemency. The investigation of the Board of Pardons indicates that the applicant was unquestionably guilty of the crimes for which he was sentenced. The offense in this case was entering an apartment occupied by Edward and Walter Warshaw, located in the Milner Hotel, 3310 Chestnut Street, Philadelphia, and stole $33.00 from the pocket of Walter Warshaw. The applicant has served five years and 11 months of the sentence imposed November 23, 1931. The Board has been assured that employment will be offered to applicant upon his release. He will be under the sponsorship of Mr. Thomas Merryweather of the Crime Prevention Bureau of Philadelphia.

The Board is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until June 9, 1944.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Leo Patrick Nicholl, D-4632, No. 3537, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Leo Patrick Nicholl, convicted of riotous destruction of buildings in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on October 3, 1934, to be computed from January 15, 1940 be commuted from 2½ years to 3 months expiring on April 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of riotous destruction of buildings and was sentenced by the Oyer and Terminer and Quarter Sessions Courts of Montgomery County to imprisonment in the Eastern State Penitentiary for from 2½ to 5 years on October 3, 1934. Sentence to be computed from the expiration of the original sentence imposed in Philadelphia County on July 22, 1929. Expiration of original sentence was January 15, 1940.

The Board of Trustees of the Eastern State Penitentiary reports that applicant has maintained a good conduct record and has maintained a constructive attitude. The trial judge, the Honorable George C. Corson stated in part as follows: " . . . However, from the record, he appears to have served quite a long period of time as a result of his conviction and if you feel that he is ready

to be paroled I have no objection to such action." The trial district attorney did not appear before the Board and he did not voice any objection in this matter. The investigation of the Board of Pardons indicates that this applicant was in the Graterford Prison riots during which property damage was done to State owned buildings. The applicant was one of about 150 prisoners who were held for questioning in connection with the riot. He and 29 others were punished with additional sentences. The applicant has demonstrated his determination to forsake criminal ways and become a useful citizen. At the time of the commission the applicant was serving a sentence imposed upon him in the County of Philadelphia on July 22, 1929, which was for a period of 7½ to 15 years. He was paroled on this sentence on January 15, 1940, in order that he might commence service on his present sentence.

The Board has been assured that employment will be offered to him upon his release. He will be under the sponsorship of Mr. Joseph Potts, who conducts the Potts Ice Cream Company. Mr. Potts will also furnish applicant with employment.

The Board is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until January 15, 1945.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re Application of Frank Richiy, C-7386, No. 3607, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the life sentence of Frank Richiy, convicted of murder in the first degree in the Court of Oyer and Terminer and Quarter Sessions of Luzerne County on September 30, 1931, be commuted from life imprisonment to 8 years, 7 months, expiring on April 30, 1940, for deportation to Italy, and a maximum of life imprisonment.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of murder in the first degree and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Luzerne County to life imprisonment in the Eastern State Penitentiary.

The Board of Trustees of the Eastern State Penitentiary report that the applicant maintains a good conduct and has not demonstrated any bad habits. The trial judge, the Honorable W. A. Valentine, states: " . . . I beg to state that if he had not accompanied his petition for clemency with the proviso that he be deported I would have objected to the same. However, under the circumstances I have no objection if the Board members think his request should be granted." The assistant district attorney, J. C. Flannery, Esquire, appeared before the Board and stated that the district attorney's office was not opposed to the granting of this petition if the applicant could be definitely deported. If he is not to be deported, the office then opposes the granting of clemency. There is on file at the Eastern State Penitentiary a warrant issued by the United States Immigration Bureau for the deportation of the applicant to his native land—Italy. The investigation of the Board of Pardons reveals that the applicant slashed the throat of his former wife with a razor, cutting the jugular vein, which caused her death. An attack was made on one Adolph Benson a paramour of the applicant's former wife who was present in the room at the time the crime was committed.

The applicant has served 8 years and 7 months of his sentence. The Board of Pardons feels no further good can be accomplished by keeping him in prison. The Board is of the opinion that this applicant is ready for release, provided he returns to his native land, and therefore, recommends that the applicant's sentence be commuted for the purpose of deportation.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Leonard Grickiewicz, B-2343, No. 3789, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Leonard Grickiewicz, convicted of robbery in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on November 24, 1930, be computed from a minimum of 10 years on Bill No. 23 to a minimum of 9 years, 5 months expiring on April 24, 1940, and a maximum of 20 years, on Bill No. 26 from a minimum of 10 years to a minimum of 1 day, expiring on April 25, 1940, and in Bill No. 28 from a minimum of 10 years to a minimum of 1 day, expiring on April 26, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Allegheny County to imprisonment in the Western State Penitentiary for from 30 to 60 years on November 24, 1930.

The Board of Trustees of the Western State Penitentiary reports a satisfactory institutional record. The applicant has been employed for several years as a clerk in the parole department in the Western State Penitentiary and has never violated the trust that has been placed in him. The trial judge, the Honorable George V. Moore did not make a reply to our communication addressed to him. The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board and voiced no objection by the district attorney's office. The investigation of the Board of Pardons indicates that the applicant together with one Joe Skorki, one Jack McLaughlin, one John Eglar and one Joseph Skarupa engaged in a series of robberies and larcenies in and around Allegheny County. The applicant together with his accomplices were sentenced to the Western State Penitentiary. All of his accomplices have been released on parole. The applicant has demonstrated his determination to forsake criminal ways and become a useful citizen. He has served 9 years and 5 months of his first minimum sentence. The Board has been assured that employment will be offered to this applicant upon his release. He will be under the sponsorship of Mr. William

B. Rodgers, a former member of the Board of Trustees of the Western State Penitentiary, who will also provide applicant with employment.

The Board of Pardons is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen.

The Board, therefore, recommends that his sentence of imprisonment be commuted. He will be under the supervision of the Board of Pardons until April 26, 1960.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Clarence Foster, C-6943, No. 4205, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Clarence Foster, convicted of robbery in the Court of Oyer and Terminer and Quarter Session of Lackawanna County on March 17, 1931, be computed from 10 years to 9 years, 1 month, expiring on April 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Lackawanna County to imprisonment in the Eastern State Penitentiary for from 10 to 20 years on the 17th day of March, 1931.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has a good conduct record and his habits are good. The trial judge, the Honorable E. C. Newcomb, is deceased. The president judge, the Honorable Will C. Leach, in communication to the Board of Pardons stated that he knew none of the facts in the case. The district attorney, M. J. Eagen, Esquire, has advised the Board of Pardons that his office has no objection to the granting of this petition. The investigation of the Board of Pardons indicates that this applicant was unquestionably guilty for the crimes for which he was sentenced. He and his accomplice Everett Horne, were engaged in a series of crimes which extended into Delaware and Lehigh Counties. Indictments were found against the applicant and his accomplice, which resulted in his receiving a suspended sentence in the Courts of Delaware County in July 1932, and he received a sentence of from 3 to 6 years in Lehigh County to run concurrently with the original sentence imposed in Lackawanna County on March 17, 1931. Everett Horne, the accomplice in this case received a commutation of his sentence during the month of November, 1938 and is now on parole. The applicant had no prior criminal history at the time of the commission of the crimes for which he seeks release. The applicant has served 9 years and 1 month of his minimum sentence, and he has demonstrated his determination to forsake criminal ways and become a useful citizen. He will be under the sponsorship of Mr. Glenn Wager, 47 Duane Street, Niagara Falls, New York, who will also furnish him with employment.

The Board is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until March 17, 1951.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES.
Governor.

BOARD OF PARDONS

In re application of Earl Lindenmuth, D-1171, No. 4323, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Earl Lindenmuth, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on March 9, 1936 be commuted from 5 years to 4 years, 2 months, expiring on May 9, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Philadelphia County to imprisonment in the Eastern State Penitentiary for from 5 to 10 years on March 9, 1936.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has maintained a good conduct record and has a satisfactory attitude. The applicant has been employed as an instructor in the institution school for a period of 3 years. He has attempted to improve himself by a course of studies in mechanical drawing. He has completed the Mechanical Drawing course and has received his International Correspondence School diploma. He has also taken a course in Architectural Drafting and made good progress. The trial judge, the Honorable Harry S. McDevitt, stated in a communication to the Board of Pardons as follows "...He has studied mechanical drawing in the prison and is now instructing some of his fellow inmates on the subject. I would say his outlook is fair, even though he did seem to be a steady worker before his difficulties." The assistant district attorney, James W. Tracey, Jr., Esquire, stated that the district attorney's office did not object to the application in any way. That the applicant has maintained a satisfactory institutional record and has served a period in excess of 4 years of his minimum sentence. The investigation of the Board of Pardons indicates that the applicant is unquestionably guilty of the offenses as charged. The offense in this case was entering with intent to steal. The applicant and two co-defendants went into a delicatessen store owned by one Abe Shuman, where they stole $50.00 from the cash register. The applicant has demonstrated his determination to forsake criminal ways, and become a useful citizen. He has served 4 years of his minimum term of 5 years.

The Board has been assured that employment will be offered to this applicant upon his release by the W. H. Sink Iron Works, located at 1809 Harlan Street, Philadelphia. Mr. C. J. Rinker, 5301 Bayton Street, Philadelphia, has agreed to act as his sponsor if released.

The Board of Pardons is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until March 9, 1946.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Francis Callaghan, B-6822, No. 4575, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Francis Callaghan, convicted of robbery, receiving stolen goods in the Court of Oyer and Terminer and Quarter Sessions of Allegheny County on April 27, 1939, to be commuted from March 11, 1939 from 2½ years to 1 year, 2 months expiring on May 11, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of robbery, receiving stolen goods and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Allegheny County to imprisonment in the Western State Penitentiary for from 2½ to 5 years on April 27, 1939. Sentence to be computed from March 11, 1939.

The Board of Trustees of the Western State Penitentiary reports a satisfactory institutional record. The trial judge, the Honorable E. E. Creps in reply to the communication addressed to him by the Board of Pardons states in part: ". . . I am satisfied that Callaghan was properly convicted, that he merited the sentence imposed, and that a pardon ought not to be granted him, nor is he entitled to any clemency." The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board of Pardons and filed an affidavit in which was indicated that a member of the jury was prejudiced against the defendant and that he voiced his prejudice to the citizens of his community. Mr. Bell advises that there was a question in the mind of the district attorney as to whether the applicant was properly convicted, and therefore, offers no objection to the granting of clemency. The investigation of the Board of Pardons indicates that there is doubt as to the applicant's guilt. The applicant together with one Mike Carrigg and one Walter Powers were arrested for the crime of robbery. Carrigg was sentenced to the Western State Penitentiary and Powers to the Allegheny County Workhouse. Both of the co-defendants testified under oath that the petitioner was not present during the commission of the crime and he did not participate in any way. The defense offers an alibi. The applicant has a criminal history extending back to 1921, however, he has not been arrested or charged with any serious offenses. He has now served 1 year and 2 months of his minimum sentence, and because of doubt expressed by the district attorney's office as to the validity of his conviction and because he has demonstrated to forsake criminal ways and become a useful citizen, the Board, recommends that his minimum term be commuted to 1 year and 2 months, expiring on May 11, 1940.

The Board has been assured that employment will be offered upon his release. He will be under the sponsor ship of Mr. Patrick Callaghan, 511 Mercer Street, Turtle Creek, Pennsylvania.

The Board of Pardons is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until March 11, 1944.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Hawrylak, No. 4809, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that John Hawrylak convicted of larceny of an automobile in the Court of Quarter Sessions of Allegheny County, on June 13, 1934 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of larceny of an automobile in the Court of Quarter Sessions of Allegheny County on June 13, 1934. Sentence was suspended by the court and applicant was placed on probation for a period of 1 year and ordered to pay costs of prosecution.

The trial judge, the Honorable William H. McNaugher did not reply to our letter of inquiry. Ralph T. Bell, Assistant District Attorney of Allegheny County appeared before the Board and stated that the district attorney's office had no objection to the granting of the petition. The investigation of the Board of Pardons reveals that the applicant together with one Gilbert Busch visited a beer garden in Mt. Oliver, and after consuming a considerable quantity of beer, they left the beer garden and went down the street where a Buick automobile was parked. The applicant's accomplice got into the car and managed to get it started. Applicant ran along behind the car until they turned the corner where the car stopped and Busch was unable to get it started again. Applicant and his accomplice abandoned the car and walked up the street where they saw another parked car which they got into, but were unable to get it started. Two state highway patrolmen came on the scene and asked them why their lights were not on. Applicant and accomplice not being able to answer satisfactorily, they were placed under arrest.

The applicant desires a pardon in order that he may apply for employment in the City of Pittsburgh. It is not his purpose to apply for employment with the police or fire department, but in a service capacity where his services might be utilized and with the conviction standing against him he is unable to compete in a civil service examination.

The Board, therefore, recommends that a full pardon be granted to the applicant. It will remove part of the stigma of the crime from the applicant and his family and will be of material assistance to his advancement and progress in the business world.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Doran, D-3696, No. 4814, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Joseph Doran, convicted of breaking and entering and jail breaking, the Court of Oyer and Terminer and of Quarter Sessions of Luzerne County on January 16, 1939, to be computed from October 31, 1938 be commuted from 3 years, 9 months and 25 days to a minimum of 9 months expiring on April 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crimes of breaking and entering and jail breaking and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Luzerne County on January 16, 1939, sentence to be computed from October 31, 1938, to undergo imprisonment in the Eastern State Penitentiary for from 6 months to 1 year and an additional 3 years, 9 months and 25 days, being the unexpired portion of the sentence imposed for the crime of breaking and entering.

The Board of Trustees of the Eastern State Penitentiary report the applicant having a good conduct record and that he has maintained a satisfactory attitude. The trial judge, the Honorable Benjamin R. Jones, in communication addressed to the Chaplain of the Eastern State Penitentiary states as follows: ". . . I know his wife and they have three small children and she is having a terrible struggle to get along. For the sake of her and the children, I do not hesitate to break my accustomed rule and recommend to the Board of Pardons that he be paroled and given another opportunity to re-establish his home and conduct himself as a peaceful, law-abiding citizen." This letter is on file with the Board of Pardons. The assistant district attorney, J. C. Flannery, Esquire, appeared before the Board of Pardons and stated that the district attorney's office was opposed at this time to the granting of clemency. He also stated that box-car thefts in Luzerne County had ceased after the arrest of the applicant and the office further objected because of the prison behavior of the applicant during the period he was confined in the Luzerne County Prison. The investigation of the Board of Pardons indicates that the applicant was unqestionably guilty of the crimes for which he was sentenced. The offense in this case was the breaking and entering into the property of the D. L. & W. Railroad Co., and that he did feloniously take therefrom personal property. While serving his sentence in the Luzerne County Prison information was received by the applicant that his infant child, age six months, was in a precarious condition and was not expected to live. The applicant left the Luzerne County Jail and went directly to his home to see the dying infant. He returned to the Luzerne County Prison after being out of custody for a period of one hour. The applicant has served about 1 year, 3 months of his sentence and has demonstrated his determination to forsake criminal ways and become a useful citizen. The Board has been assured that employment will be offered to the applicant upon his release by Mr. Michael Gilroy, mine foreman at the Heidilberg Coal Company. Mr. Gilroy has also offered his willingness to act as his sponsor.

The Board of Pardons is of the opinion that the applicant is ready for release and with the asssurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until May 11, 1943.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George E. Sanders, C-4948, No. 4815, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of George E. Sanders, convicted of statutory rape in the Court of Oyer and Terminer and Quarter Sessions of Susquehanna County on November 15, 1928 be commuted from 8 years to 7 years, 8 months, expiring on May 6, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of statutory rape and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Susquehanna County to imprisonment in the Eastern State Penitentiary for from 4 to 8 years on November 15, 1928. The applicant was released on parole November 15, 1932. On September 6, 1935, applicant was sentenced in the Quarter Sessions of Bradford County for the crime of driving an automobile while under the influence of intoxicating liquor and was sentenced to the Bradford County Prison to a term of 1 year. September 18, 1936, he was returned to the Eastern State Penitentiary for violation of parole.

The Board of Trustees of the Eastern State Penitentiary reports that applicant has a good conduct record. The trial judge, the Honorable Charles M. Culver has indicated in a communication to the Board of Pardons he will rely to the judgment of the Board in this case. The present district attorney, Joseph L. Carrigg, Esquire, in reply to a communication to the Board of Pardons states as follows: " . . . Replying to your letter of March 18, regarding application of George E. Sanders for a pardon may I say, that as far as this office is concerned we will be satisfied that a pardon be granted." The investigation of the Board of Pardons indicates that this applicant was unquestionably guilty of the crimes for which he was sentenced. The applicant has demonstrated his determination to forsake criminal ways and become a useful citizen. He has served approximately 7 years and 8 months of his maximum sentence of 8 years. The Board of Pardons has been assured that employment will be offered to the

applicant upon his release. The applicant's father, George Sanders, is willing to act as sponsor and has indicated his willingness to assist his son in making an adjustment, if released on parole.

The Board is of the opinion that the applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until September 6, 1940.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Frank Castro, D-969, No. 4820, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Frank Castro, convicted of murder in the second degree in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on November 1, 1935 be commuted from 10 years to 4 years, 6 months expiring on May 1, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of murder in the second degree and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County to imprisonment in the Eastern State Penitentiary for from 10 to 20 years on the 1st day of November, 1935.

The Board of Trustees of the Eastern State Penitentiary report that the applicant has maintained a good conduct record and has demonstrated a constructive attitude. The applicant has been employed as a barber during his entire period of incarceration. The trial judge, the Honorable Raymond MacNeille, in a communication to the Board of Pardons has stated in part ". . . the sentence imposed was lenient and am unable to say whether it would be safe to return him to society." The assistant district attorney, James W. Tracey, Jr., Esquire, stated that the district attorney's office objected to the granting of clemency in this case. That the applicant on his first trial was convicted of murder in the first degree and a new trial was granted, and which the applicant plead guilty, and the sentence that was imposed by the Court was not in the opinion of the district attorney's office excessive, and that the minimum sentence should be served. The investigation of the Board of Pardons indicates that the applicant together with a girl, Evelyn Quiachon, a Filipino, was sitting in a taproom located at the S. E. corner of 11th Street and Columbia Avenue, Philadelphia, and that one Andrew Keating accompanied by George Messmer and William Kaufer, were drinking at the bar nearby, and Keating, looking in the direction of the Filipino girl made a remark which caused the applicant to take exception. Keating and his companion left the taproom being followed by the petitioner and an argument started and the petitioner drew a razor and slashed Keating. Keating died about 5 days after the assault. The applicant has demonstrated his determination to forsake criminal ways and become a useful citizen. He has served 4 years and 6 months of his minimum sentence.

The Board has been assured that employment will be offered to the applicant by Dr. B. M. Gancy, 504 Philadelphia Pike, Wilmington, Delaware. Dr. Gancy has also consented to act as his sponsor.

The Board of Pardons is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until November 1, 1955.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Chester Bonetsky, B-5230, No. 4823, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Chester Bonetsky, convicted of robbery, receiving stolen goods in the Court of Oyer and Terminer and Quarter Sessions of Beaver County on December 2, 1936 be commuted from 10 years to a min. of 3 years, 5 months expiring on May 2, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, receiving stolen goods and was sentenced by the Oyer and Terminer and Quarter Sessions Courts of Beaver County to imprisonment in the Western State Penitentiary for from 3 to 10 years on the 2nd day of December, 1936.

The Board of Trustees of the Western State Penitentiary did not recommend this applicant at this time because of his prior criminal history. His institutional record is reported as being satisfactory. The trial judge, the Honorable Frank E. Reader, has advised the Board of Pardons that he has no recommendation to make. The trial district attorney, Robert E. McCreary, Esquire, in a communication to the Board of Pardons states: ". . . I am inclined to the view indicated by the Board of Trustees that the parole record of this man justifies the postponement of consideration of clemency to the applicant." The investigation of the Board of Pardons reveals that the applicant was unquestionably guilty of the crimes for which he was sentenced. The offense in this case was entering a butcher shop located in the Borough of Ambridge, and after asking for meat the applicant pointed a barrel shot-gun stating that he wanted his money. The proprietor resisted and the applicant pulled the trigger of the gun in an effort to shoot the proprietor, but the hammer of the gun embedded itself in the flesh of Mr. Chaiet's hand, preventing the gun from being discharged.

The applicant has served 5 months beyond his minimum term. The Board has been assured that employment will be offered to this applicant upon his release. He will be under the sponsorship of Mr. George Hoy, Chief of Police, Ford City, Pennsylvania, who has advised the Board of

Pardons that he will make every effort to assist this applicant.

The Board is of the opinion that this applicant is ready for release and with the assurance of employment and the excellent sponsorship there is every reason to believe that he will conduct himself in the future as a law-abiding citizen. The applicant will be under the supervision of the Board of Pardons until December 2, 1946.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Howard A. Hunter, No. 4834, April Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Howard A. Hunter, convicted of false pretense and conspiracy in the Court of Quarter Sessions of Beaver County, on July 8, 1939 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to five bills of indictment in the Quarter Sessions Court of Beaver County on July 8, 1939, to the charges of false pretense and conspiracy, and was sentenced to undergo imprisonment in the Allegheny County Workhouse for from 4 months to 1 year, to pay costs and fine of $656.15, make restitution in the amount of $1349.84. The applicant was released on parole November 7, 1939. Full restitution has been made.

The trial judge, the Honorable Frank E. Reader, has advised the Board of Pardons that the petition of the applicant should be favorably considered. The trial district attorney, Robert E. McCreary, Esquire, communication to the Board of Pardons is as follows: " . . . we think the end of justice will not be frustrated by the granting of this application." The investigation of the Board of Pardons reveals that the applicant had been duly elected County Commissioner of the County of Beaver, did with his accomplice convert funds and property of Beaver County to his own use and to the use of one Charles Goldstein and other persons, the same being then and there the moneys and property of the said Beaver County Institution District and the said Beaver County Poor District convert same to their own use. The applicant is engaged in the general contract business and has been so engaged for a period of years. He employs from 20 to 200 men and specializes mainly in construction work. In the transaction of his contracting business it is necessary from time to time to post bond, and because of this conviction against him, it is difficult for him to obtain a bond.

The Board, therefore, recommends that a full pardon be granted to the applicant. It will remove part of the stigma of the crime from the applicant and his family and will be of material assistance to his advancement and progress in the business world.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of David Prosser, B-4302, No. 135A, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on David Prosser, convicted of entering, felonious shooting with intent to kill, aggravated assault and battery, in the Quarter Sessions Court of Mercer County, on June 7, 1932; and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on September 8, 1934, be commuted on Bill No. 164 September 1934, from a minimum of 3 years to a minimum of 1 day, expiring on June 12, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (And also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, vs. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the

Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of James Duran, B-2171, No. 136A, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on James Duran, convicted of breaking and entering with intent to commit a felony, larceny of an auto, in the Quarter Sessions Court of Erie County, on August 28, 1930, be commuted on Bill No. 34 September Sessions from a minimum of 5 years to a minimum of 1 day, expiring on August 28, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Harr, C-7152, No. 137A, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on John Harr, convicted of felonious entry, larceny, receiving stolen goods, burglary, in the Oyer and Terminer and Quarter Sessions Court of Bucks County, on June 23, 1930, be commuted on Bill No. 75 from a minimum of 1 year to a minimum of 1 day, expiring on June 12, 1940, on Bill No. 76 from a minimum of 1 year to a minimum of 1 day, expiring on June 13, 1940, and on Bill No. 77 from a minimum of 1 year to a minimum of 1 day, expiring on June 4, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum

of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of William Smoker, C-6208, No. 424, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on William Smoker, convicted of burglary, entering to steal, larceny, in the Oyer and Terminer Court of Philadelphia County on June 5, 1930, be commuted on Bill No. 142 from a minimum of 5 years to a minimum of 1 day, expiring on June 6, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES.
Governor

BOARD OF PARDONS

In re application of Antoni Algero, A-14089, No. 485, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Antoni Algero, convicted of murder of the second degree in the Court of Oyer and Terminer of McKean County on June 4, 1925 be commuted from 20 years to 11 years, 7 months, expiring on June 15, 1940 for deportation to Italy.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of murder in the second degree and was sentenced by the Oyer and Terminer Court of McKean County on June 4, 1925 to a term of imprisonment in the Western State Penitentiary for from 10 to 20 years. Applicant was released on parole December 4, 1935.

The petitioner's history on parole was satisfactory until about August 1, 1936 when he left the state of Pennsylvania without permission from the proper authorities and went to the city of Cleveland, Ohio, from which point he reported until November 4, 1936. On December 18, 1936 applicant was arrested in the city of Cleveland charged with shooting to kill. On May 4, 1937 he was sentenced by the Honorable Walter McMahon of the Criminal Courts, Cuyahoga County, Ohio, to a term of imprisonment in the Ohio State Penitentiary for from 1 to 20 years. The petitioner was released on parole and returned to the Western State Penitentiary on May 15, 1939 as a parole violator. The United States Department of Labor, Immigration Bureau, has lodged a warrant for the deportation of the applicant upon his release from the custody of the prison authorities to his native land—Italy. The Board of Trustees of the Western State Penitentiary advises us that they would only recommend his release subject to deportation to Italy. The sentencing judge had not made any reply to our letter of inquiry as to its attitude in this case.

The Board of Pardons is of the opinion that no further good can be accomplished by retaining the custody of the petitioner in the Western State Penitentiary, and therefore, recommends that the sentence be commuted to a maximum term of 11 years, 7 months, expiring on June 15, 1940 on condition that he is deported to Italy and that the applicant remain on parole under the supervision of the Board of Pardons until November 15, 1948.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Thomas, C-277, No. 592, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on Joseph Thomas, convicted of attempted robbery, assault with intent to commit rape, rape, in the Oyer and Terminer and Quarter Sessions, Court of Chester County, on May 3, 1920, be commuted on Bill No. 7 August 1920, from a minimum of 2½ years to a minimum of 1 day, expiring on May 4, 1940, and on Bill No. 8 August 1920, from a minimum of 7½ years to a minimum of 1 day, expiring on May 5, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of David Lehr, C-2982, No. 1349, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on David Lehr, convicted of robbery, assault and battery, rape, in the Court of Oyer and Terminer of Luzerne County, on May 29, 1925, be commuted on Bill No. 399 June Sessions, 1925, from a minimum of 7½ years to a minimum of 1 day, expiring on May 30, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice

that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Carrol Becker, C-5660, No. 1517, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Carrol Becker, convicted of breaking and entering, assault with intent to rob in the Court of Oyer and Terminer and Quarter Sessions of Lehigh County on October 4, 1929 be commuted from June 20, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of breaking and entering, assault with intent to rob and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Lehigh County on October 4, 1929 to pay a fine of $100.00 and to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years. The applicant was released on parole at the expiration of his minimum term and his history on parole remains satisfactory until August 15, 1935 at which time he was arrested in the city of Allentown, Pennsylvania, as a fugitive from the State of New York, on the charge of Grand Larceny 2nd. On November 14, 1935 petitioner entered a plea of guilty and was sentenced to the Niagara County Jail, Lockport, New York, for the term of five months. Upon his release from the New York jail he was returned to the Eastern State Penitentiary as a parole violator. Since the petitioner's return to the penitentiary he has served approximately 4 years and 6 months as a penalty for his parole violation.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has maintained a satisfactory conduct record. The trial judge, the Honorable Richard W. Iobst, in communication to the Board of Pardons states: ". . . if the Board feels satisfied to grant the Pardon I have no objection." The district attorney entered no objection to the petition. The Supervisor of Paroles has advised the Board he has no objection to the release, because of his long incarceration.

Mr. William McQuay, R. F. D. No. 3, Bloomsburg, Pennsylvania, has offered employment to the petitioner, if he is released, and he has also agreed to act as his sponsor and look after his welfare. The Board of Pardons is of the opinion that the applicant has been sufficiently punished and there is every reason to believe that if he is released he will become a useful and law-abiding citizen, and therefore, recommends that the sentence be commuted from a maximum term of 10 years to a minimum of 9 years, 6 months, expiring on June 20, 1940. The applicant will remain under the supervision of the Board of Pardons until December 20, 1940.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harold Schreckengost, B-2756, No. 1540, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Harold Schreckengost, convicted of burglary and larceny in the Court of Oyer and Terminer of Armstrong County on July 27, 1931, be commuted from 6 years to 5 years, 9 months, expiring on June 27, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of burglary and larceny in the Oyer and Terminer Court of Armstrong County on June 27, 1931 and was sentenced to pay a fine of $100.00 and to a term of imprisonment in the Western State Penitentiary for from 3 to 6 years. Sentence to be served concurrently with the unexpired parole period that was imposed on November 27, 1926. The applicant was paroled from the Western State Penitentiary on June 27, 1934 and he has maintained a satisfactory record until October 1936, at which time, he was arrested by the Federal Authorities and sentenced to the Federal Penitentiary at Leavenworth, Kansas, for violation of the Narcotic Act. On September 23, 1937 he was returned to the Western State Penitentiary as a parole violator and has been continuously incarcerated since that time. The Board of Trustees of the Western State Penitentiary in communication to the Board of Pardons states that they would probably not recommend because of his previous criminal record.

The trial judge, the Honorable Harry S. Rimer, advises the Board he has no recommendation to make. The Supervisor of Paroles has informed the Board of Pardons that he feels the applicant has been sufficiently punished, and therefore, offers no objection to the granting of this petition.

The Board of Pardons is of the opinion that the petitioner, if he is released, will become a useful and law-abiding citizen, and therefore, recommends that a new minimum term of 5 years, 9 months, expiring on June 27, 1940. He will remain on parole under the supervision of the Board of Pardons until September 27, 1940.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of James B. Stockman, D-4641, No. 1875, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of James B. Stockman, convicted of setting fire to public buildings in the Court of Oyer and Terminer of Montgomery County on October 1, 1934 to begin January 15, 1940, be commuted from 3 years to 6 months expiring July 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of setting fire to public buildings and was sentenced by the Oyer and Terminer Court of Montgomery County on October 1, 1934 to a term of imprisonment in the Eastern State Penitentiary for from 3 to 6 years. This sentence to begin at the expiration of sentence imposed on October 7, 1931 by the Court of Delaware County for a term of 5 to 10 years for the crime of burglary which sentence the applicant was placed on parole January 15, 1940.

The Board of Trustees of the Eastern State Penitentiary states that prior to August 1934 and subsequent to that date, this man's conduct record is satisfactory. During the past 5½ years, his conduct and actions indicate he has profited by his past experiences, and he now exhibits a stable personality. The trial judge, the Honorable George C. Corson, in communication to the Board of Pardons states he does not object to the application. The district attorney has also advised the Board that he had no objection to the granting of clemency. Colonel F. Dickinson Shaw, 34 South 17th Street, Philadelphia, Pennsylvania, has advised the Board that he will give the petitioner a home at the Home of Industry, 73rd Street and Paschall Avenue, Philadelphia, Pennsylvania, and that he will also look after his welfare in the event he is released on parole.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and there is every reason to believe that he will become a useful and law-abiding citizen if released, and the Board, therefore, recommends that the minimum sentence be commuted to a term of 6 months, expiring on July 15, 1940. The applicant will remain under the supervision of the Board of Pardons until January 15, 1946.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Bennie J. Levinsky, B-1122, No. 2407, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Bennie J. Levinsky, convicted of taking an automobile without consent of owner in the Court of Quarter Sessions of Armstrong County on November 19, 1928 be commuted from 2 years to 1 day expiring on July 10, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of taking a motor vehicle without consent of owner and was sentenced in the Quarter Sessions Court of Armstrong County on November 19, 1928 to a term of imprisonment in the Western State Penitentiary for from 1 to 2 years. Applicant was released on parole December 19, 1929. On April 9, 1930 the applicant was sentenced in the Quarter Sessions Court of Montgomery County to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years for the crime of robbery, being armed with an offensive weapon, larceny. The applicant is at present confined in the Eastern State Penitentiary. Levinsky minimum sentence has already expired and the Board of Trustees of the Eastern State Penitentiary have recommended his release on parole to become effective July 9, 1940.

In communication with the trial judge, the Honorable J. Frank Graff, he has advised that he has no objection in granting clemency in this case and that he would rely on the judgment of the Board of Pardons. The Supervisor of Paroles has expressed no objection to the granting of clemency in this case. The trial district attorney entered no objection to the granting of this petition.

The Board of Pardons is of the opinion that Levinsky has been sufficiently punished by serving all of his present sentence, and that there is every reason to believe that he will live a useful and law abiding life, if released on parole, and therefore, recommends that the sentence be commuted to a new minimum sentence of 1 day, expiring on July 10, 1940. The applicant will remain on parole under the supervision of the Board of Pardons until June 9, 1941 on this Bill of Indictment and until April 9, 1950 on sentence imposed in Montgomery County.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Marshall Pepperis, C-6179, No. 2546, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on Marshall Pepperis convicted of entering to steal, larceny, in the Oyer and Terminer Court of Philadelphia County on May 16, 1930, be commuted on Bill No. 642 May 1930 sessions from a minimum of 5 years to a minimum of 1 day, expiring on May 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent mini-

mum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Durkay, C-6687, No. 2655, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Joseph Durkay, convicted of breaking and entering, robbery, in the Court of Oyer and Terminer and Quarter Sessions of Columbia County on December 22, 1930, be commuted from 20 years to 5 years, 6 months expiring on June 8, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of breaking and entering, robbery in the Oyer and Terminer and Quarter Sessions Court of Columbia County on December 22, 1930 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years. On December 14, 1935 the minimum sentence was commuted by the Governor upon the recommendation of the Board of Pardons to a minimum term of 5 years. He was placed on parole December 21, 1935. The records of the Board of Pardons indicate that Durkay has maintained a satisfactory record while on parole until October 28, 1939 at which time he was arrested in the city of Detroit, Michigan, charged with possession of an unregistered gun. On November 11, 1939, petitioner entered a plea of guilty before the Honorable Judge Cotter in the Recorder's Court and was placed on probation for a period of eight months. Because of this conviction he was returned to the Eastern State Penitentiary as a parole violator on December 9, 1939.

The trial judge, the Honorable Charles Evans, has advised the Board of Pardons that the petitioner should be released on parole. The district attorney has expressed no objection. The supervisor of Paroles has advised the Board of Pardons that a definite parole plan could be obtained and that he offered no objection to his release on parole.

The Reverend John M. Puskar of St. Joseph's Catholic Church, Nanticoke, Pennsylvania, has offered to act as his sponsor in this case and to obtain employment for Durkay in the event he was released.

The Board of Pardons is of the opinion that he has been sufficiently punished and that if he is released he will become a useful and law-abiding citizen, and therefore, recommends that his sentence be commuted from a maximum term of 20 years to a minimum term of 5 years, 6 months, expiring on June 8, 1940, The applicant will remain on parole under the supervision of the Board of Pardons until December 8, 1954.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Tate, B-3542, No. 3387, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the life sentence of George Tate, convicted of murder in the first degree, in the Court of Oyer and Terminer and Quarter Sessions of Fayette County on December 20, 1932, be commuted from life imprisonment to 7 years, 6 months, expiring on June 30, 1940, and a maximum of life imprisonment.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of murder in the first degree and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Fayette County on December 30, 1932 to life imprisonment in the Western State Penitentiary.

The Board of Trustees of the Western State Penitentiary states: ". . . We would probably recommend him for parole (1) first conviction (2) excellent institutional record." The trial judge, the Honorable S. John Morrow, in communication to the Board of Pardons under date of March 22, 1940 stated: ". . . in my opinion each of these defendants was given every consideration in the disposition of his case that could be given under the facts. I do not know of any good reason justifying clemency at this time." This letter was written in connection with

the applicant and one Harry William Dugan. In communication addressed to the trial district attorney, Wade K. Newell, Esquire, he did not reply to our letter of inquiry.

The Board of Pardons feels because of the unusual circumstances surrounding the crime that the applicant has been sufficiently punished and if clemency is granted he will become a useful and law-abiding citizen, and therefore, recommends commutation of his sentence to a minimum term of 7 years, 6 months, expiring on June 30, 1940, and the applicant will remain on parole under the supervision of the Board of Pardons the balance of his natural life.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Carto, D-1546, No. 3664, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph Carto, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on August 25, 1936 be commuted from 5½ years to 3 years, 10 months, expiring on June 25, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon and was sentenced by the Oyer and Terminer and Quarter Sessions Courts of Philadelphia County on August 25, 1936 to a term of imprisonment in the Eastern State Penitentiary for from 5½ to 20 years.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has maintained a good conduct record. The trial judge, the Honorable Raymond MacNeille, has advised the Board that he is satisfied with any action taken by the Board of Pardons. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the applicant had helped the police in solving the crime, and if the Board felt that the applicant had served a sufficient period of time, that the district attorney's office would have no objection to the granting of his prayer. Mr. A. T. Holcombe, 1018 North Bodine Street, Philadelphia, Pennsylvania, has offered to employ the applicant and act as his sponsor and look after his welfare during his period of parole.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and if he is released he will become a useful and law-abiding citizen, and the Board, therefore, recommends that the minimum sentence be commuted to a term of 3 years, 10 months, expiring on June 25, 1940. The applicant will remain under the supervision of the Board of Pardons until August 25, 1956.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of James Bernard Schoeppner, B-3935, No. 3750, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of James Bernard Schoeppner, convicted of larceny of an automobile in the Court of Quarter Sessions of Alegheny County on December 15, 1933 be commuted from 5 years on Bill No. 99 to 1 year, 6 months, expiring on June 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of larceny of an automobile and was convicted in the Quarter Sessions Court of Allegheny County on December 15, 1933 and was sentenced to imprisonment in the Western State Penitentiary for from 10 to 20 years.

An investigation of the facts of the crime reveal that the applicant with one William Bebout were arrested on October 31, 1933 being charged with larceny of an automobile and were indicted by the Grand Jury on Bills Nos. 180-181-182-183-184-185-189-190-191-192-193-194-195-196-197-198-199-200. The applicant was convicted on all bills of indictment except Bill No. 185, to which bill he was found not guilty. Sentence was imposed on Bills Nos. 98 and 99 and suspended on all other bills.

The Board of Trustees of the Western State Penitentiary in communication to the Board of Pardons state that they would probably conditionally recommend him for parole subject to an adequate parole plan. He has maintained an excellent institutional record and in addition he has served 6 years and 5 months of his sentence. The trial judge, the Honorable O. Clare Kent, in communication to the Board of Pardons has advised that the petition contains some merit and that he will rely on the judgment of the Board. Mr. Louis Martig, manager of a freight trucking concern, with an office at 900 Venial Street, Pittsburgh, Pennsylvania, advised the Board that he would act as sponsor for the applicant in the event he was released. Mr. John Gierl, 1001 Spring Garden Avenue, Pittsburgh, Pennsylvania, has offered to furnish employment to the applicant.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished, and therefore, recommends that the sentence be commuted to the minimum term of 6 years and 6 months, expiring on June 15, 1940. The applicant will remain on parole under the supervision of the Board of Pardons until December 15, 1948.

Respectfully submitted,

S. S. LEWIS.
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harold R. Stingley, C-9325, No. 4105, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Harold R. Stingley, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer of Cumberland County on December 5, 1933 be commuted from 10 years to 6 years, 6 months, expiring on June 5, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer Court of Cumberland County on December 5, 1933 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has maintained a good conduct record and that his attitude has been constructive. The trial judge, the Honorable Fred S. Reese states: " . . .sentence justified—satisfied with the decision of the Board." The district attorney entered no objection.

Mr. William Rabinowitz who conducts a wholesale meat business at 10 North Delaware Avenue, Philadelphia, Pennsylvania, has offered employment to the applicant, if released, and in addition to act as his sponsor and look after his welfare while on parole.

The Board of Pardons is of the opinion that the petitioner has been sufficiently punished and there is every reason to believe that he will become a useful and law-abiding citizen, if he is released on parole, and the Board, therefore, recommends that his sentence be commuted to a minimum term of 6 years, 6 months, expiring on June 5, 1940. The applicant will remain on parole under the supervision of the Board of Pardons until December 5, 1953.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Benjamin Hudson, D-362, No. 4134, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Benjamin Hudson, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on February 15, 1935, be commuted from a minimum term of 7½ years on Bill No. 347 to a minimum term of 5 years, 4 months, expiring on June 15, 1940, and a maximum of 15 years, on Bill No. 348 from a minimum of 2½ years to a minimum of 1 day, expiring on June 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on February 15, 1935 to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Eastern State Penitentiary reports that the applicant has maintained a good conduct record and has maintained a satisfactory attitude. The applicant was only a little past 16 years of age when committed to the institution. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated to the Board that the district attorney's office opposed the granting of clemency, because of the fact that guns were used and that an automobile had been stolen to commit the crimes, of which there were five. The trial judge, the Honorable Howard Davis, in a communication to the Board of Pardons states in part: ". . . Defendant was sentenced by me February 13, 1935, for a term of 10 to 20 years. I see nothing whatever to recommend clemency in his case." However, in communication to Herbert L. Maris, Esquire, under date of April 22, 1940 Judge Davis states in part: ". . . If the defendant has been in prison for five years, it would seem to me that he perhaps has received a very salutary lesson." Mr. Christopher Barske, Lansdowne, Pennsylvania, has offered to employ the petitioner if he is released. Mr. John Hudson, petitioner's brother, has offered to act as sponsor and to take care of his general welfare in the event he is released.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished, and because of his youth at the time of his sentence, and the fact that he has served over 5 years for his offense, it has been a salutary lesson to him, and he will become a useful and law-abiding citizen if released on parole. The Board, therefore, recommends that his sentence be commuted to a minimum term of 5 years, 4 months, 1 day, expiring on June 16, 1940, and he will remain on parole under the supervision of the Board of Pardons until February 15, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph H. Hartland, B-6220, No. 4445, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph H. Hartland, convicted of embezzlement by public officer in the Court of Quarter Sessions of Lawrence County on July 12, 1934, effective be commuted from 2½ years from June 2, 1938 to 2 years expiring on June 2, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead nolle contendere to the crime of embezzlement by public officer and was sentenced in the Quarter Sessions Court of Lawrence County on July 12, 1938 to pay a fine of $12,000 and to imprisonment in the Western State Penitentiary for from 2½ to 5 years. Sentence to be computed from June 2, 1938.

The Board of Trustees of the Western State Penitentiary

reports that the applicant has maintained an excellent institutional record and that they would probably recommend him. The trial judge, the Honorable W. Walter Braham, states: ". . . From a personal standpoint I would like very much to see Mr. Hartland paroled. He is a longtime friend of mine and was a client during the period of time when I was at the bar. In my official capacity it appears to me that a breach of trust such as this must be dealt with sternly. At thsi point I bow however to the superior knowledge of the Board. You have a knowledge of similar offenses and how they have been dealt with. It may be that under similar circumstances other offenders have been paroled in a similar or less time. If so, nothing would please me more than to have clemency extended to him. My private opinion is that the law will not have any further difficulty with Mr. Hartland, yet I feel the problem is one particularly for the Board. You have not only the duty but a superior opportunity of seeing that the administration of justice is equalized in cases such as this." The district attorney, John G. Lamoree, Esquire, appeared before the Board and stated that he did not object to the granting of clemency in this matter, and further, that their office was entirely satisfied to leave the ultimate disposition of the case up to the composite judgment of the Pardon Board. Numerous letters have been filed by citizens of Lawrence County attesting to the good character and reputation of the petitioner in this case. In addition substantial restitution has been made by the applicant of the sums embezzled. The applicant, if released, will be employed by his father in the City of Miami, Florida, as a bricklayer and will be sponsored by Mr. Benjamin B. Hartland, who will look after the interest of the applicant in the event of his release.

The Board of Pardons is of the opinion that the petitioner has been sufficiently punished and he will become a useful and law-abiding citizen, and therefore, recommends that the sentence be commuted to a minimum term of 2 years, expiring on June 2, 1940, and the applicant will remain under the supervision of the Board of Pardons until June 2, 1943.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Richard Darlington, No. 4610, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Richard Darlington, convicted of driving an automobile while under the influence of intoxicating liquor, in the Court of Quarter Sessions of Montgomery County, on March 17, 1939 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of driving an automobile while under the influence of intoxicating liquor and was sentenced by the Quarter Sessions Court of Montgomery County on March 17, 1939 to pay a fine of $100 and costs of prosecution. The sentence of the Court was complied with.

The trial judge, the Honorable Harold M. Knight, in communication to the Board of Pardons stated that he had no objection to the granting of the petition. The assistant district attorney, Arthur W. Dean, Esquire, in communication to the Board of Pardons stated: ". . .We can see no valid reason why the case against Richard Darlington differs from that of any defendant arrested on a charge of driving while under the influence of intoxicating liquor, nor can we see why his offense should be expiated. There seems to be no valid reason in the petition why he should be completely pardoned and, as is stated in the petition, he will soon be able to obtain his driver's license and therefore any penalty inflicted will have been completed." The petitioner in this case operates the Foedisch Coal Company, 1169 Broad Street Station Building, Philadelphia, Pennsylvania, and the operating of an automobile is a necessity for the successful operation of his business. A term of one year has elapsed between the time of his conviction and application for a pardon, for which reason, the granting of a pardon would not conflict with the rules of the Department of Revenue in suspending the licenses of those persons convicted for the crime of driving an automobile while under the influence of intoxicating liquor.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and feels that the granting of a full pardon will in part remove the stigma of the crime from the applicant and will be of material assistance to him, and the Board, therefore, recommends that a full pardon be granted to the applicant.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Frank Rock, C-6225, No. 4628A, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on Frank Rock, convicted of robbery with an offensive weapon, larceny of an automobile, in the Oyer and Terminer Court of Philadelphia County, on June 12, 1930, be commuted on Bill No. 1094 May 1930 Sessions from a minimum of 5 years to a minimum of 1 day, expiring on June 13, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favor-

ably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Isador B. Griver, No. 4813, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Isador B. Griver, convicted of omitting to make entries in books of account, false pretense, conspiracy, in the Court of Quarter Sessions of Philadelphia County, on November 6, 1925 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead nolle contendere to the crime of omitting to make entries in books of account, false pretense, conspiracy, and was sentenced in the Quarter Sessions Court of Philadelphia County on November 6, 1925 to 6 years in the Philadelphia County Prison, from which he was released on parole December 6, 1929.

The petitioner is now employed by the City of Los Angeles, California, he having passed a civil service examination during the year of 1937 for a position as a general clerk. Because of a recent ruling of the Civil Service Commission of Los Angeles County the applicant is in danger of losing his position if he does not receive a pardon for his offense committed in the Commonwealth of Pennsylvania. For the past 10 years and 6 months the applicant has lived a useful and law-abiding life and has completely rehabilitated himself.

The trial judge, the Honorable Harry S. McDevitt, in communication to the Board of Pardons states in part: ". . . However, since it is his family that suffers and not himself, you may say to the Board of Pardons so far as I am concerned, I have no objection to a full pardon." This letter was addressed to William M. Gerber, Esquire, the attorney who presented the petitioner's case to the Board of Pardons. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the applicant had never been arrested before and had never been arrested since that time, and the district attorney's office would have no objection to the granting of the pardon.

The Board of Pardons after a careful review of all the facts in the case are of the opinion that the petitioner has been sufficiently punished and that a full and complete pardon would in part remove the stigma of the crime and would permit him to retain his employment in the City of Los Angeles, and the Board, therefore, recommends that a full and complete pardon be granted.

Respectfully submitted,

S. S. LEWIS.
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John M. Hardcastle, No. 4836, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that John M. Hardcastle, convicted of embezzlement, conversion, conspiracy, false pretense, in the Court of Quarter Sessions of Delaware County, on February 3, 1933, effective as of February 14, 1934, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of embezzlement by corporate officer, conversion, conspiracy, false pretenses, false statement and was sentenced in the Quarter Sessions Court of Delaware County on February 3, 1935 to pay a fine of $1000, costs of prosecution and to undergo imprisonment in the Delaware County Prison for from 1 to 3 years and to make restitution in the sum of $10,000. Sentence to be effective as of February 14, 1934. The applicant was released on parole January 31, 1935.

The petitioner's purpose in asking for a full and complete pardon is that he may better himself in his employment, which will enable him to obtain a bond, and will permit him to engage in the Real Estate Business, because of this conviction remaining on his record he is unable to obtain a bond.

The trial judge, the Honorable Samuel L. Reed, is deceased. The president judge of Delaware County did not reply to the Boards letter of inquiry in this matter. The assistant district attorney, Guy DeFuria, Esquire, appeared before the Board of Pardons and stated that the district attorney's office joined in the application for a pardon in this case. That although a large amount of money was stolen the petitioner got none of the profit, but simply carried out the orders of the bank president, which caused him to become involved in the case, and

further, the trial district attorney, William Toal, Esquire, feels that a full and complete pardon should be granted.

The Board of Pardons is of the opinion that the petitioner has been sufficiently punished for his participation in the crime, and that a full and complete pardon will in part remove the stigma of the crime and permit him to obtain a bond which will allow him to pursue a course of business which will be more profitable to him and materially aid in the support of his dependent wife and child.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Morris Sandler, No. 4869, May Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommended that Morris Sandlar, convicted of setting up an illegal lottery in the Court of Quarter Session of Philadelphia County, on August 27, 1935 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of setting up an illegal lottery and was sentenced in the Quarter Sessions Court of Philadelphia County on August 27, 1935 to 60 days in the Philadelphia County Prison, which sentence was reconsidered and suspended within one hour after conviction.

The trial judge, the Honorable Howard A. Davis, in communication to the Board of Pardons states that he had no recommendation to make in this case. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board for the district attorney's office and stated that their office had no objection to the granting of clemency in this case.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished by the conviction obtained against him and that a full and complete pardon will in part remove the stigma of the crime from the applicant, and will permit him to obtain employment which he has not been able to do, because of this conviction, and the Board, therefore, recommends that a full and complete pardon be granted.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Albert Hart, D-864, No. 138A, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Albert Hart, convicted of enticing minor for immoral purposes, assault and battery with intent to rape in the Oyer and Terminer Court of Lancaster County, on September 20, 1935, be commuted on Bill No. 9, December Sessions, 1935 from a minimum of 2½ years to a minimum of 1 day, expiring on September 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Benjamin LeHorn, C-6356, No. 139 A., June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Benjamin LeHorn, convicted of burglary, in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County, on August 25, 1930, be commuted on Bill No. 964 July Sessions from a minimum of 5 years to a minimum of 1 day, expiring on August 26, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Vito Tomaccio, D-881, No. 140 A., June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Vito Tomaccio, convicted of assault and battery, aggravated assault and battery with intent to ravish, attempted rape, attempted sodomy, in the Oyer and Terminer Court of Philadelphia County, on September 30, 1935, be commuted on Bill No. 1219 September Session from a minimum of 2½ years to a minimum of 1 day, expiring on October 1, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Gus Nazzaro, No. 256, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Guz Nazzaro, convicted of attempted robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County, on June 2, 1930 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of attempted robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on June 2, 1930 and was sentenced to undergo imprisonment in the Eastern State Penitentiary for from 5 to 20 years. The petitioner was transferred to Berks County Prison from which he made his escape on September 22, 1934 and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Berks County to a term of imprisonment of 4 months for the crime of escape. This sentence to run concurrently with sentence imposed in Philadelphia County on June 2, 1930. The petitioner filed an application to the Board of Pardons which was heard at the June 1935 meeting and clemency being granted and he was thereupon released on parole.

The trial judge, the Honorable Harry S. McDevitt, in a communication under date of May 29, 1940, states: ". . . If you see fit to grant him a pardon, I have no objection to it." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the district attorney's office had no interest in this petition, because of the fact that the minimum term of the Philadelphia County had been satisfied. The district attorney of Berks County in a communication to the Board stated that his office had no objection to the granting of the commutation. The Supervisor of Paroles advised the Board he had no objection to the granting of clemency if the Board feels that it is warranted.

After petitioner's release from the Eastern State Penitentiary he was given permission to live in the city of Cleveland, Ohio, whereupon he was placed under the jurisdiction of the Ohio State Authorities. A report submitted from the Ohio State Authorities under date of June 6, 1940 states in part: ". . . In view of the results of my investigation I feel that this subject's request for a complete pardon has definite merits and recommend that same be given favorable consideration."

The Board is of the opinion that petitioner in this case has completely rehabilitated himself and he is now a law-abiding citizen and an asset to the community in which he lives, and that the granting of a pardon will in part remove the stigma of the crimes from the applicant and his family and will be of material assistance to him, and the Board, therefore, recommends that a full and complete pardon be granted to the applicant.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA.
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Frank Dombek, A-11287, A-8167, No. 286, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Frank Dombek, convicted of murder in the first degree in the Court of Oyer and Terminer and Quater Sessions of Allegheny County, on March 8, 1920 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of murder in the first degree in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on March 8, 1920 and was sentenced to death. On March 29, 1921 sentence was commuted to life imprisonment in the Western State Penitentiary. The petitioner submitted an application to the Board of Pardons for clemency which was heard at the July 1933 meeting of the Board. Clemency was granted and he was released on parole August 3, 1933 to reside in the city of Chicago, Illinois.

The president judge, the Honorable A. B. Reid, in a communication to the Board of Pardons advised them that he had no comment to make. The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board and stated that the attitude of the district attorney's office was that the matter was one to be decided by the Board, and that his office had no comment to make for or against the granting of this petition. The Supervisor of Paroles advised the Board that because of the record made by the applicant on parole, he had no objection to him being granted further clemency at this time. After the release of applicant from the Western State Penitentiary he was employed by the Kline Tool Company, 3200 Belmont Avenue, Chicago where he has been continuously employed for the past 7 years. An investigation made by an agent of the Illinois State Authorities reports in part: ". . . It is my recommendation that this subject has learned his lesson and will once again become a useful citizen to society. The reason subject is anxious to receive his pardon is because he is an alien, and is afraid he is going to lose his job, when the firm find out he has not taken out his citizenship papers, because the firm is checking on all of the employees, whether they are aliens or American citizens. In view of the foregoing facts, I recommend he be given consideration in his application for final pardon, because he has made a splendid record while on parole."

The petitioner is married and he is the father of one child. He resides with his wife in Chicago. Since his release he has made every effort to abide by the regulations laid down by the Board governing convicts on parole. He has completely rehabilitated himself and is now a law-abiding citizen. The Board feels that the granting of a full pardon will in part remove the stigma of the crime from the applicant and his family and will be of material assistance to him, and the Board, therefore, recommends that a full pardon be granted to the applicant.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles W. Schoenleber, No. 1009, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Charles W. Schoenleber, convicted of conspiracy to extort money, bribery and to accept bribes in the Court of Quarter Sessions of Philadelphia County, on November 3, 1928 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crimes of bribery, extortion, conspiracy to extort and accept bribes in the Quarter Sessions Court of Philadelphia County on November 3, 1928 and was sentenced to pay a fine of $10,000 and to undergo imprisonment in the Philadelphia County Prison for a period of 4 years. The applicant served his full sentence after deduction had been made for good behavior while confined in accord with the Act of 1901.

The trial judge, the Honorable James Gay Gordon did not reply to an inquiry addressed to him by the Board as to his attitude in this case. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the district attorney's office had no objection to the granting of this petition, as the applicant had been out of prison over 9 years, and that there was no record of any arrests since before or after his release.

An investigation made by an agent of the Department of Justice shows that the applicant was a police officer in the 18th police district in the City of Philadelphia, and that he became involved in certain activities in connection with the violation of the liquor laws. He now seeks relief for his conviction in order that he may obtain a license from the Department of Public Safety, which will permit him to act as a private watchman in order to earn a living.

The Board is of the opinion that the applicant has completely rehabilitated himself and that he is now a respectable citizen and a asset to the community in which he resides, and therefore, recommends that a full and complete pardon be granted, which will in part remove the stigma of the crime from the applicant and will be of material assistance to his advancement.

The recommendation for the granting of a full and complete pardon in this case is made upon condition that the applicant will never at any time apply for re-instatement to the police department of the City of Philadelphia or for an original appointment to any police department in any other community.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Michael David Norton, C-4105, No. 1655, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of Michael David Norton, convicted of robbery, receiving stolen goods, entering a building in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on July 8, 1921; and of murder in the second degree in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on May 23, 1924; and of breaking and escaping penitentiary in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on April 21, 1925 be commuted on Bill No. 187 February Sessions, 1924 from a minimum of 10 years to a minimum of 6 months, expiring on July 16, 1940; and on Bill No. 189 February Sessions, 1924 from a minimum of 10 years to a minimum of 1 day, expiring on July 17, 1940; and on Bill No. 512 April Sessions, 1925 from a minimum of 5 years to a minimum of 1 day, expiring on July 18, 1940. Applicant served full time on Bill No. 120 June Sessions, 1921 and was granted a parole on Bill No. 801 June Sessions, 1921 on January 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crimes of robbery, receiving stolen goods, entering a building, larceny in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on July 8, 1921 and was sentenced to a term of imprisonment in the Western State Penitentiary for from 16 to 19 years. On May 23, 1924 applicant pleaded guilty to the crime of murder in the second degree in the Oyer and Terminer and Quarter Sessions Court of Allegheny County and was sentenced to imprisonment in the Western State Pententiary for from 20 to 40 years. This sentence to begin at the expiration of maximum sentence imposed July 8, 1921. On April 21, 1925 applicant was sentenced in the Court of Allegheny County to the Western State Penitentiary to a term of imprisonment for from 5 to 10 years for breaking and escaping penitentiary. This sentence to begin at the expiration of maximum sentence imposed May 23, 1924, making a total sentence of from 64 to 69 years. Applicant was transferred to the Eastern State Penitentiary on September 15, 1927.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that applicant has a very good institutional record and has maintained a very cooperative attitude. On a number of occasions he has rendered valuable service to the officials of the institution. He is employed in the Cigar Factory where he has worked for approximately 11 years. The trial judge, the Honorable A. B. Reid in a communication under date of June 5, 1940 states: ". . . I can only reiterate what I stated in my letter to your board under date of September 29, 1938, i.e., that your board has before it a complete history of this case, together with reports of your investigators and the institutional record of the applicant." The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board of Pardons and advised the Board that he was not prepared to present the attitude of the district attorney's office at this time. On request, he was granted permission to wait and consult the District Attorney. On June 24, 1940 a communication was received by the Board from the District Attorney's Office which in part states: ". . . It is my understanding that the applicant will not be released forthwith, and that if any clemency is granted, he will be returned to the authorities in Chicago, where he will be required to serve at least five more years. If that is the basis on which any clemency is to be entertained, that matter I feel is for the Board to consider alone." There is on file at the Eastern State Penitentiary a detainer charging the petitioner with being an escaped prisoner from the Illinois State Penitentiary Farm. There is also a letter on file at the penitentiary to the effect that petitioner will be returned to the Illinois State Penitentiary if released from the Eastern State Penitentiary to serve a term of 5 years, 8 months and 14 days which is the unexpired portion of his sentence at the time of his escape from that institution. The communication further stated that he would have 11 years, 5 months and 14 days

to serve if his good time allowance should be revoked because of his escape. This letter is under date of February 26, 1940.

The petitioner has been confined for about 19 years. The Board of Pardons is of the opinion that no further good can be accomplished by retaining the applicant in custody. Further that when released from the penitentiary he will be taken into custody by the Illinois State Penitentiary to serve the balance of his term of imprisonment.

The Board of Pardons, therefore, recommends that his sentences be commuted and he be returned to the Illinois State Penitentiary to serve the sentence imposed November 20, 1917. Applicant will be under the supervision of the Board of Pardons until July 17, 1960.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Isaac Goldstein, B-2422, No. 2066, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Isaac Goldstein, convicted of entering a building with intent to commit a felony, larceny, receiving stolen goods in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on January 14, 1931 be commuted from a maximum term of 10 years on Bill No. 144 to a minimum term of 9 years, 6 months, expiring on July 14, 1940; and on Bill No. 138 from a minimum term of 5 years to a minimum term of 1 day, expiring on July 15, 1940 and a maximum of 10 years.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crimes of entering a building with intent to commit a felony, larceny, receiving stolen goods and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on January 14, 1931 to a term of imprisonment in the Western State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . In view of criminal history and return from Rockview for misconduct should at least complete minimum term imposed by court." The trial judge, the Honorable George V. Moore, in a communication to the Board of Pardons under date of May 31, 1940, states: ". . . While I yet believe the sentences which I imposed were proper, and even advisable, under all of the circumstances, this man's restoration to decent living, is the object most to be sought by all concerned. The further fact that the applicant is now aged 59 years, supports the likelihood that he would be a law-abiding citizen if released in the early future. The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board and stated that the district attorney's office felt that because of the previous record and commitments to other penal institutions that the petition warrant opposition.

The petitioner in this case has been confined in the Western State Penitentiary for a period of 9 years and 5 months. The Board, is therefore, of the opinion that he has been sufficiently punished for the crimes committed. A parole plan has been offered which will provide employment immediately upon his release. An investigation made by the New York State Authorities reports the employment offer to be satisfactory.

The Board of Pardons is of the opinion that the petitioner will become a useful and law-abiding citizen if released, and therefore, recommends that the sentence be commuted. Applicant will be under the supervision of the Board of Pardons until July 15, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Ross A. Barclay, B-3635, No. 2484, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Ross A. Barclay, convicted of arson, conspiracy in the Oyer and Terminer and Quarter Sessions Court of Blair County on March 20, 1933 be commuted from a minimum term of 8 years on Bill No. 17, March, 1933, to a minimum of 7 years, 4 months, expiring on July 20, 1940; on Bill No. 44 from a minimum of 1 year to a minimum of 1 day, expiring on July 21, 1940; and on Bill No. 46 from a minimum of 1 year to a minimum of 1 day, expiring on July 22, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crimes of arson and conspiracy in the Oyer and Terminer and Quarter Sessions Court of Blair County on March 20, 1933 and was sentenced to a term of imprisonment in the Western State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . If this inmate were eligible to apply for parole, we would probably recommend him for parole (1) first conviction (2) excellent institutional record (3) cooperative and trustworthy inmate and employed in responsible position in Deputy Warden's Office (4) has now served 7 years, 3 months." The trial judge, the Honorable Marion D. Patterson did not reply to our letter of inquiry. The district attorney, Richard H. Gilbert, Esquire, appeared before the Board and stated that the district attorney's office could not recommend the granting of clemency, his personal opinion was that the petitioner should be paroled.

The petitioner in this case has been confined in the Western State Penitentiary for a period of 7 years, 4 months, and the Board is now of the opinion that he has been sufficiently punished. A parole plan has been offered which will provide immediate employment for the petitioner, if released. A satisfactory sponser has also been obtained.

The Board of Pardons is further of the opinion that the applicant will become a useful and law-abiding citizen if released, and therefore, recommends that clem-

ency be granted. Applicant will be under the supervision of the Board of Pardons until March 20, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harry Stengel, C-6270, No. 2556, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Harry Stengel, convicted of burglary, attempted entering with intent to steal, in the Oyer and Terminer Court of Philadelphia County on June 23, 1930, be commuted on Bill No. 1255 June Sessions from a minimum of 5 years to a minimum of 1 day, expiring on June 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Stanley Grant, B-1619, No. 2894, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Stanley Grant, convicted of robbery, in the Oyer and Terminer Court of Allegheny County, on September 26, 1929, be commuted on Bill No. 15 September Sessions from a minimum of 2 years to a minimum of 1 day, expiring on September 25, 1940; and on Bill No. 27 September Sessions from a minimum of 3 years to a minimum of 1 day, expiring on September 26, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into con-

sideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Alexander Harry Berkcute, C-5782, No. 2995, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Alexander Harry Berkcute, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on December 9, 1929 be commuted from 10 years to 7 months expiring on July 9, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on December 9, 1929 and was sentenced on Bills of Indictment Nos. 147 and 148 December Term, 1929, to the Eastern State Penitentiary for from 10 to 20 years on each bill to be served consecutively. Applicant was released on parole on Bill No. 147.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that improvement has been noted in this man's conduct and attitude during the past three years and he has a fair personality and makes a fair appearance. He associates with a number of different inmates in the institution and he required close supervision. The trial judge, the Honorable Howard A. Davis, in a communication addressed to the Board of Pardons under date of October 28, 1938 stated that he would leave the matter entirely up to the Board. In a communication to the Board dated May 29, 1940, Judge Davis stated that he had no reason to change my views expressed by him in October, 1938. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board of Pardons and stated that the petitioner has served a substantial term in jail and that the district attorney's office felt this case was one to be considered by the Board of Trustees of the Eastern State Penitentiary and the Board of Pardons, and further, that the district attorney's office had no objection to the granting of this petition if the sentencing court felt that consideration was due.

The applicant has been confined in the Eastern State Penitentiary 10 years, 7 months and the Board of Pardons is of the opinion that he has been sufficiently impressed by his incarceration. A parole plan has been obtained in this case which will include definite employment. A satisfactory sponsor has been obtained and Mr. Joseph Levey, 1944 Spencer Street, Philadelphia, Pennsylvania, will act as his sponsor. An investigation by the Department of Justice reports the sponsor to be satisfactory.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and there is every reason to believe that he will become a useful and law-abiding citizen if he is released on parole, and therefore, recommends that his sentence be commuted. Applicant will be under the supervision of the Board of Pardons until December 9, 1959.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Herbert Preston, B-4437, No. 3153, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Herbert Preston, convicted of voluntary manslaughter in the Court of Oyer and Terminer and Quarter Sessions of Allegheny County on January 25, 1935, be commuted from 6 years to 5 years, 8 months expiring on September 25, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crime of voluntary manslaughter in the Court of Oyer and Terminer and Quarter Sessions of Allegheny County on January 25, 1935 and was sentenced to imprisonment in the Western State Penitentiary for from 6 to 12 years.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . If this inmate were eligible to apply for parole, we would probably recommend him for parole (1) first conviction (2) excellent institutional record (3) very cooperative and trustworthy inmate." The trial judge, the Honorable M. Ward Fleming, in a communication to the Board of Pardons states: ". . . As far as I know these applications are true as stated and the writer has no desire to offer objections provided the prison authorities believe the morale of their institutions will not be disturbed." The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board and stated that the district attorney's office was opposed to the granting of clemency in this case.

A parole plan has been offered which will ensure immediate employment if released and a suitable sponsor has been assured. An investigation made by an agent of the Department of Justice reports the parole plan satisfactory. The petitioner has been confined in the Western State Penitentiary for a period of 5 years, 6 months. An investigation shows that he was arrested for the present crime on September 25, 1935 and that credit for the period between the date of his arrest and the date of sentence was not allowed by the trial court. The Board is of the opinion that the petitioner should be allowed credit for the period spent in the county jail awaiting trial, and they are also of the opinion that if the petitioner is released he will become a useful and law-abiding citizen, and therefore, recommends that the peti-

tioner in this case be granted a commutation. Applicant will be under the supervision of the Board of Pardons until January 25, 1947.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Julian Andrews, C-7927, No. 3173, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of John Julian Andrews, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on April 14, 1932, be commuted from a minimum term of 10 years on Bill No. 488 to a minimum term of 8 years, 3 months, expiring on July 14, 1940 and a maximum of 20 years; on Bill No. 489 from a minimum of 10 years to a minimum of 1 day, expiring on July 15, 1940; on Bill No. 490 from a minimum of 10 years to a minimum of 1 day, expiring on July 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on April 14, 1932 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years on each of Bills Nos. 488, 489 and 490 April Term, 1932 to be served consecutively.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that this man's conduct record is satisfactory and definite improvement has been noted in his attitude. He was only 18 years when received in the institution and he was definitely an unstable youth. He is clean and neat about his person and cell and appears to get along well with the other inmates. He has a retiring personality and makes a fair appearance. During his confinement he has attempted to improve himself by attending school.

The trial judge, the Honorable Howard A. Davis under date of October 17, 1939 in a letter addressed to the Board of Pardons expressed his objection to the granting of clemency and in a later communication under date of May 29, 1940, Judge Davis stated he had no reason to change his views expressed in the letter of October 17, 1939. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the opinion of the district attorney's office in this case was that the sentence was severe and the matter of the granting of clemency would not be objected to by the district attorney's office if the sentencing court made no objection.

The applicant has been confined in the Eastern State Penitentiary for a period of 8 years, 3 months. If released, he will be employed by Russell Hopkins Glass Company, S. W. corner 17th and Callowhill Streets, Philadelphia, Pennsylvania, at a salary of $20 per week. Mr. Russell Hopkins, who is President of the company, will act as petitioner's sponsor.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and there is every reason to believe that he will become a useful and law-abiding citizen if he is released on parole, and therefore, recommends that his sentence be commuted to a minimum term of 8 years, 3 months, expiring on July 16, 1940. Applicant will be under the supervision of the Board of Pardons until July 14, 1960.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of William Engle, C-5385, No. 3237, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of William Engle, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on May 17, 1929 be commuted from a minimum term of 10 years on Bill No. 1552 June Term, 1930 to a minimum of 1 year, 2 months, expiring on July 17, 1940 and a maximum of 18 years, 10 months; and on Bill No. 1553 from a minimum of 5 years to a minimum of 1 day, expiring on July 18, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on May 17, 1929 and was sentenced to imprisonment in the Eastern State Penitentiary for from 25 to 50 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated that this man's conduct record is satisfactory and he has maintained a co-operative attitude. He makes a fair appearance and has a fair personality. He has consistently demonstrated habits of industry and at the present time is employed in the roofing gang and is considered to be an industrious worker. The trial judge, the Honorable Harry S. McDevitt, in a communication to the Board of Pardons under date of June 1, 1940 states: ". . . This man has served approximately eleven years of a twenty-five to fifty year sentence. His prior record was not very lengthy, but the character of his crimes stamps him as a menace to society. He attempted to justify his criminal career by hiding behind poverty. His institution record and his attitude are good and he has few associates among the prisoners. His work as a member of the roofing gang is satisfactory, but outside of the fact he has served eleven years, there is nothing outstanding to commend him." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board of Pardons and stated that the petitioner has been in jail for 11 years and that he had been substantially punished. That the district attorney's office offered no objection because the district attorney felt that the petitioner has been sufficiently punished.

A parole plan has been obtained in this case which will include employment immediately upon his release. Mr. Joseph Snyder, 1715 Spring Garden Street, Philadel-

phia, Pennsylvania has offered to furnish employment and to sponsor the petitioner. An investigation made by an agent of the Department of Justice reports Mr. Snyder's offer bonafide.

The petitioner in this case has been confined 11 years, 2 months in the Eastern State Penitentiary, and the Board of Pardons feels he has been sufficiently punished and that he will become a useful and law-abiding citizen if released on parole. The Board, therefore, recommends that his sentence be commuted. He will be under the supervision of the Board of Pardons until May 17, 1959.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles Chase, C-7823, No. 3308, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend the sentences of Charles Chase, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on March 7, 1932 be commuted from a minimum term of 10 years on Bill No. 1620 to a minimum of 8 years, 4 months, expiring on July 7, 1940; on Bill No. 1621 from a minimum of 5 years to a minimum of 1 day, expiring on July 8, 1940; and on Bill No. 1622 from a minimum of 5 years to a minimum of 1 day, expiring on July 9, 1940 and a maximum of 20 years.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on March 7, 1932 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 20 to 60 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states this man's conduct record is satisfactory and he has maintained a good attitude. He has worked in the shoe shop for the past 4 years. He has attempted to improve himself by completing a course in automobile mechanics and has received his diploma from the International Correspondence School. Applicant's previous record consists of one arrest for larceny of automobile for which he was fined.

The trial judge, the Honorable Harry S. McDevitt in a communication to the Board of Pardons has stated: ". . . He is well behaved as a prisoner, but has made little effort to prepare himself for release. He completed a correspondence course in automobile mechanics, but he is by no means a specialist. He was employed in the Shoe Shop, but now has no special duty." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the district attorney's office opposed the granting of clemency in this case. The petitioner participated in 15 robberies in which deadly weapons were used.

The parole plan in this case includes definite employment by Mr. Edward C. Benkert, 8311 High School Road, Elkins Park, Pennsylvania. Applicant will be employed as a general helper in the Fairmount Foundries at $10 per week. Mr. Benkert has also agreed to act as applicant's sponsor.

The petitioner has been confined in the penitentiary for a period of 8 years, 3 months. The Board is of the opinion that he has been sufficiently punished for his offenses. The Board, therefore, recommends the granting of this petition. The applicant will be under the supervision of the Board of Pardons until July 9, 1960.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Maxwell Weaver, C-7836, No. 3636, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph Maxwell Weaver, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on March 8, 1932 be commuted from 5 years to 3 years, 4 months expiring on July 9, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on March 8, 1932 and was sentenced on Bills of Indictment Nos. 1656 and 1657 February Term, 1932 to a term of imprisonment in the Eastern State Penitentiary for from 5 to 15 years on each bill. Sentence to be served consecutively.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that this man's conduct record is satisfactory and he has maintained a good attitude. He has a fair personality and makes a fair appearance. He has been employed as a night fireman in the engine room for over 3 years and is considered to be a good worker. He has made a little attempt to improve himself by completing 4 lessons in Junior Accounting. Applicant's previous record consists of two juvenile charges, one for suspicious character, for which he was discharged and one for incorrigibility, for which he was sent to Philadelphia Protectory.

The trial judge, the Honorable Harry S. McDevitt, in a communication to the Board of Pardons under date of June 1, 1940 states in part: ". . . His prison record and attitude are satisfactory. He has been employed in the power plant for about three years, and his associates are of a mixed character. He is not, however, identified with any particular so-called gang in the institution. Other than the fact that he has served a little over eight years, there is nothing to particularly commend him. His prior record was not particularly vicious, but whether he can maintain a proper attitude when not under restraint, only time will tell." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the district attorney's office felt that the petitioner should receive the same consideration as one Harry Lower who received favorable consideration at the December 1939 meeting of the Board of Pardons.

A parole plan has been obtained which will include

definite employment if favorable consideration is given this petitioner. Mr. Philip H. Read, 1712 West Diamond Street, Philadelphia, Pennsylvania has offered to employ petitioner as a general helper at a salary of $15 per week. Mr. Read has also agreed to act as his sponsor. An investigation of the Department of Justice reports the parole plan to be bonafide.

The petitioner in this case has been confined 8 years, 4 months and the Board of Pardons is now of the opinion that he has been sufficiently punished for his offensives. The Board is also of the opinion that the petitioner will become a law-abiding citizen, and therefore, recommends the granting of this petition. The applicant will remain under the supervision of the Board of Pardons until March 8, 1952.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Adrani, B-3469, No. 4130, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Adrani, convicted of arson in the Court of Oyer and Terminer and Quarter Sessions of Allegheny County on November 25, 1932 started serving sentence December 1, 1932 be commuted from 10 years to 7 years, 5 months expiring on July 25, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crime of arson and was sentenced in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on November 25, 1932 to a term of imprisonment in the Western State Penitentiary for from 10 to 20 years. Started serving sentence December 1, 1932.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . if this inmate were eligible to apply for parole, we would probably not recommend him for parole because of two serious misconduct reports involving personal violence, and previous criminal record." The trial judge, the Honorable A. B. Reid, in a communication to the Board of Pardons under date of January 31, 1940 states that he had no recommendation to offer. The assistant district attorney, Ralph T. Bell, Esquire, advised the Board of Pardons that the district attorney's office made no objection to the granting of clemency and that the office felt it would be satisfied with any action taken by the Board of Pardons.

A parole plan has been offered which will insure definite employment for the petitioner, is he is released. The petitioner has been confined in the Western State Penitentiary for a period of 7 years, 5 months, and the Board of Pardons is now of the opinion that he has been sufficiently punished for his offense. The Board is further of the opinion that the petitioner will become a useful and law-abiding citizen if released, and therefore, recommends that his petition be granted. Applicant will be under the supervision of the Board of Pardons until November 25, 1952.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Wayne Daugherty, B-3027, No. 4161, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Wayne Daugherty, convicted of larceny of an automobile in the Quarter Sessions Court of Crawford County on December 28, 1931; and of breaking and escaping penitentiary, entering, larceny and larceny of an automobile in the Quarter Sessions Court of Centre County on November 14, 1933 be commuted on Bill No. 19 February Session, 1932 from a maximum of 10 years, 2 months, 19 days to a minimum of 8 years, 7 months, expiring on July 28, 1940; on Bill No. 150 September Sessions, 1933 from a minimum of 5 years to a minimum of 1 day, expiring on July 29, 1940; on Bill No. 168 from a minimum of 2 years to a minimum of 1 day, expiring on July 30, 1940; on Bill No. 169 from a minimum of 2 years to a minimum of 1 day, expiring on July 31, 1940; on Bill No. 170 from a minimum of 2 years to a minimum of 1 day, expiring on August 1, 1940; and on Bill No. 167 from a minimum of 5 years to a minimum of 1 day, expiring on August 2, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of larceny of an automobile in the Quarter Sessions Court of Crawford County on December 28, 1931 and was sentenced to a term of imprisonment in the Western State Penitentiary for from 5 to 10 years. On November 14, 1933 applicant was sentenced in the Quarter Sessions Court of Centre County to a term of imprisonment in the Western State Penitentiary for from 16 to 32 years for the crimes of breaking and escaping penitentiary, entering, larceny and larceny of an automobile. This sentence to begin at the expiration of sentence imposed from Crawford County.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . In view of his escape from Rockview, this applicant should at least complete the minimum sentence imposed for breaking and escaping penitentiary, which will not expire until March 17, 1942. The trial judge, the Honorable O. Clare Kent, in a communication under date of May 25, 1940 states: ". . . It is my recollection that this defendant plead guilty to larceny of one or more automobiles on or about December 28, 1931. At the time of entering sentence in this case, I considered that same was merciful and sufficient. I see no real merit in this application for commutation, but will advise, as I always do, that whatever conclusion you may come to after investigation of the matter will meet with my approval." The trial district attorney, Herbert A. Mook, Esquire, in communication under date of June 4, 1940 states: ". . . I am further advised that Mr. Daugherty had a poor reputation for being a peaceable and law-abiding citizen and that he never at any time was considered a useful citizen to society. We, therefore, must go on record as opposing a commutation of the sentence of this defendant." The trial judge, the Honorable M. Ward Fleming,

in communication under date of May 21, 1940 states: ". . . As far as I know these applications are true as stated and the writer has no desire to offer objections provided the prison authorities believe the morale of their institutions will not be disturbed.

The petitioner in this case has been confined for a period of 8 years, 7 months, and the Board of Pardons is of the opinion that he has been sufficiently punished for the crimes committed. A parole plan which will assure definite employment to the petitioner if he is released, has been offered. A satisfactory sponsor has been obtained in the person of Mr. H. P. Scott and has offered his services to assist the petitioner. An investigation made by an agent of the Department of Justice reports the plan to be satisfactory.

The Board, therefore, is of the opinion that there is every reason to believe that the petitioner will become a useful and law-abiding citizen if released, and recommends that his sentences be commuted. Applicant will be under the supervision of the Board of Pardons until August 2, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Chase, C-9704, No. 4237, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of George Chase, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on May 22, 1934 be commuted from 10 years to 6 years, 2 months expiring on July 22, 1934.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on May 22, 1934 and was sentenced to imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that applicant's conduct record is satisfactory and he is clean and neat about his person and cell. He associates with the better type of inmate and has maintained a good attitude. He has a good personality, and makes a good appearance. He is employed in the shoe shop and has worked there for almost 6 years. He is considered a good worker and has learned to operate a number of machines in the shops.

The trial judge, the Honorable Raymond MacNeille, in a communication to the Board of Pardons under date of May 22, 1940 states: ". . . In my opinion he should not be released unless there is a reasonable certainty that he will not be a menace to society. You will hear the evidence on that subject and I shall be satisfied with your judgment." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and expressed the objection of the district attorney's office. Mr. Tracey stated that the petitioner participated in 15 robberies, in which deadly weapons were used.

A parole plan has been obtained in this case, which will include definite employment with Mr. William Bergner, 4616 Howell Street, Philadelphia, Pennsylvania at a salary of $15 per week. Mr. Bergner will also act as petitioner's sponsor. The investigation made by the Department of Justice reports the sponsor to be satisfactory.

The petitioner in this case has been confined in the Eastern State Penitentiary for 6 years, 2 months, and the Board feels he has been sufficiently impressed by his incarceration, and if released, he will become a useful and law-abiding citizen, and the Board, therefore, recommends that a commutation be granted. Applicant will be under the supervision of the Board of Pardons until May 22, 1954.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George M. Ryan, No. 4259, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that George M. Ryan, convicted of embezzlement by agent and officer of corporation, fraudulent conversion and concurring in making false entries in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County, on December 28, 1931 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead guilty to the crimes of embezzlement by agent and officer of corporation, fraudulent conversion and concurring in making false entries in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on December 28, 1931 to a term of imprisonment in the Philadelphia County Prison for from 10 to 20 years. Petitioner was released on parole by the Trial Court on March 30, 1936 having served 4 years, 5 months of his sentence.

The trial judge, the Honorable Horace Stern made no reply to an inquiry forwarded to him by the Board of Pardons. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the attitude of the district attorney's office was that the applicant has served a substantial portion of his sentence, for which reason they had no objection to the granting of the petition. An investigation made by an agent of the Board of Pardons reveals that the applicant is unemployed and that he has been unable to obtain employment because of his inability to obtain a bond. The applicant is 41 years of age, a graduate of Wharton School, University of Pennsylvania, and had been engaged in brokerage and construction business, entering the banking business in 1925 and had been engaged in that business for the past 15 years. The conviction from which he now seeks relief was his only violation of the law. Since his release on parole he has been earning his living in any way possible in order to support his wife and child. The Board feels that the petitioner has been sufficiently punished, and that he has completely rehabilitated himself, and that he is now

law-abiding citizen, who is an asset to the community in which he resides.

The Board is also of the opinion that the granting of a full pardon will in part remove the stigma of the crime from the applicant and his family and will be of material assistance to him, and the Board, therefore, recommends that a full and complete pardon be granted to the applicant.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harry Bush, B-2532, No. 4442, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Harry Bush, convicted of larceny of automobile, entering, larceny, assault and battery with intent to rob in the Quarter Sessions Court of Bedford County on March 16, 1931 be commuted from a minimum term of 2 years on Bill No. 9 April 1931 to a minimum of 8 months, expiring on July 17, 1940; on Bill No. 10 from a minimum of 5 years to a minimum of 1 day, expiring on July 18, 1940; on Bill No. 11 from a minimum of 2 years to a minimum of 1 day, expiring on July 19, 1940; and on Bill No. 12 from a minimum of 2 years to a minimum of 1 day, expiring on July 20, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crimes of larceny of an automobile, entering and larceny, assault and battery with intent to rob in the Quarter Sessions Court of Bedford County on March 16, 1931 and was sentenced to a term of imprisonment in the Western State Penitentiary for from 15 to 30 years.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . If this inmate were eligible to apply for parole, we would probably recommend him for parole (1) has now served 9 years, 3 months (2) excellent institutional record." The trial judge, the Honorable Harry C. James, in a communication under date of June 17, 1940, states in part: ". . . I believe that this applicant has been sufficiently punished and executive clemency should be extended to him." The trial district attorney did not reply to the inquiry sent him by the Board of Pardons relative to the case.

The petitioner has been confined in the Western State Penitentiary for 9 years, 4 months, and the Board of Pardons is now of the opinion that he has been sufficiently punished. A parole plan has been offered which will provide immediate employment to the petitioner if released and a suitable sponsor has been obtained.

The Board of Pardons is further of the opinion that this applicant will become a useful and law-obidizg citizen if released, and therefore, recommends that the sentence of imprisonment be commuted. The applicant will remain under the supervision of the Board of Pardons until July 17, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Frank J. Pfingston, D-3339, No. 4600, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Frank J. Pfingston, convicted of assault, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on August 29, 1938, to begin August 19, 1938 be commuted from 2½ years to 1 year, 11 months expiring on July 19, 1940.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crimes of assault, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on August 29, 1938 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 2½ to 5 years. Sentence to be computed from August 19, 1938.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that this man has a good conduct record and has maintained a good attitude. Although he consistently claims innocence in the current case. He has a good personality and makes a good appearance. He has attempted to improve himself by taking a course in blueprinting reading and his progress is satisfactory. He spends his leisure at woodworking and is quite efficient in cabinet and inlay work. He was formerly employed in the Psychology department and at the present time is employed as a clerk in the identification department. He is considered to be a steady and conscientious worker. The trial judge, the Honorable Gerald F. Flood, in a communication to the Board under date of March 26, 1940, states: ". . . The entire question during this trial was one of identification and upon this there was a very real dispute upon which the jury might well have found either way. However, the jury found aganst the defendant and in view of the verdict, I believed at that time that my sentence was a proper one. As to the merits of the application, I prefer to leave that entirely to the determination of the Board of Pardons." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated the Commonwealth felt that this petitioner was properly convicted and agreed with the Court that the sentence was justified.

The petitioner has been confined in the Eastern State Penitentiary for a period of 1 year, 11 months, and the Board is of the opinion that he has been sufficiently punished for his participation in this crime. Petitioner has no prior criminal history. The parole plan has been offered which will provide immediate employment to the petitioner if he is released. A sponsor in the person of Mr. Carl J. Smith, 3416 Haverford Avenue, Philadelphia, Pennsylvania, has been obtained to look after petitioner. The investigation made by an agent of the Department of Justice reports it to be satisfactory.

The Board of Pardons, therefore, recommends the granting of this petition. Applicant will be under the supervision of the Board of Pardons until August 19, 1943.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Jacob Troup, C-6734, No. 4662, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommended that the life sentence of Jacob Troup, convicted of murder in the first degree in the Court of Oyer and Terminer and Quarter Sessions of York County on April 21, 1930 be commuted from life imprisonment to 10 years, 3 months expiring on July 21, 1940, and a maximum of life imprisonment.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of murder in the first degree and was sentenced by the Oyer and Terminer and Quarter Sessions Court of York County on April 21, 1930 to life imprisonment in the Eastern State Penitentiary.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that this man's conduct record has been good. He is quiet and of the timid type and has a nervous disposition. He makes a good appearance and has a fair personality. He has attempted to improve himself by attending school for 2 weeks on two different occasions and has been unable to make any progress although he is barely literate. He was formerly employed in the shoe shop for approximately 7 years and has learned part of the shoe trade. He is considered to be a good worker.

The trial judge, the Honorable Ray P. Sherwood, in a communication to the Board of Pardons under date of May 25, 1940 states in part: ". . . The defendant, in my opinion, had a fair trial by a jury, the facts were for them and they found them against the prisoner. On an appeal to the Supreme Court, it held that all of the elements of murder in the first degree were present in the case, and for that reason sustained the conviction." The district attorney of York County in a communication to the Board of Pardons under date of May 22, 1940 states in part: ". . . I will say that this man has now about done what he could have received if he had been convicted of second degree murder. The jury was not satisfied that he was entitled to such a break and neither am I."

An investigation made by an agent of the Department of Justice reveals that the so-called arresting officers in this case were armed with an apurious warrant and that their purpose of going to the Troup place on the night of the murder was to take Troup into the city of York and to turn him loose to make the best of his way home.

The Board of Pardons is of the opinion that the petitioner in this case has been sufficiently punished for this offense. A parole plan has been obtained which will include definite employment if clemency is granted. Mr. Boyd Toomey, R. F. D. No. 1, York Haven, Pennsylvania, has offered to sponsor the petitioner. An investigation made by the Department of Justice reports it to be bona-fide. The Board of Pardons is further of the opinion that the applicant, if released, will become a useful and law-abiding citizen, and therefore, recommends that commutation of his sentence be granted. The applicant will be under the supervision of the Board of Pardons the remainder of his natural life.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Rando, D-4225, No. 4671, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Rando, convicted of felonious assault and battery with intent to kill in the Court of Oyer and Terminer and Quarter Sessions of Chester County on September 5, 1939 to be computed from June 12, 1939, be commuted from 1½ years to 1 year, 1 month expiring on July 12, 1940, for deportation to Italy.

Our reasons for making this recommendation are as follows:

The applicant pleaded nolle contendere to the crime of felonious assault and battery with intent to kill in the Oyer and Terminer and Quarter Sessions Court of Chester County on January 17, 1936 and sentence suspended with the understanding that defendant be deported. Deportation was not affected and a bench warrant was issued for the petitioner's arrest. On May 19, 1939 he was apprehended and committed to the Chester County Jail. Petitioner was re-sentenced on September 5, 1939 to the Eastern State Penitentiary to a term of imprisonment for from 1½ to 3 years. Sentence to be computed from June 12, 1939.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated that this man does not associate with any of the inmates and has a quiet disposition. He has maintained a good attitude and has attempted to improve himself by attending school for a period of 5½ months studying academic work and made good progress. He is idle at the present time and has not had an opportunity to work because of the lack of employment at Graterford. The trial judge, the Honorable Ernest Harvey, in a communication under date of May 21, 1940, states: ". . . I have no comment to make on the merits of the application." The assistant district attorney, Philip Reilly, Esquire, appeared before the Board and stated that the district attorney's office had no objection to the granting of this petition. A detainer has been lodged with the authorities of the Eastern State Penitentiary by the United States Immigration Service for the deportation of this petitioner.

The petitioner in this case has been confined in the Eastern State Penitentiary for a period of 1 year, 1 month, and the Board is of the opinion that he has been sufficiently punished for his crime. A parole plan has been obtained which will provide immediate employment to the petitioner if released and if he is not deported to

Italy. A satisfactory sponsor has been obtained. An investigation of the parole plan by an agent of the Department of Justice reports it to be satisfactory.

The Board of Pardons is of the opinion that there is every reason to believe that petitioner will become a useful and law-abiding citizen if released, and therefore, recommends the sentence be commuted. Applicant will be under the supervision of the Board of Pardons until June 12, 1942.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Frank Trocolli, No. 4878 A, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Frank Trocolli, convicted of unlawful possession and sale of drugs in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County, on November 3, 1922 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant plead not guilty to the crime of unlawful possession and sale of drugs in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on November 3, 1922 and was sentenced to a term of imprisonment in the Philadelphia County Prison for 7 years. The petitioner was released on parole by the trial court after serving a period of 5 years.

The trial judge, the Honorable Harry S. McDevitt, in a communication under date of May 29, 1940, states: ". . . I have no objection to a pardon, if you see fit to grant it." The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and advised the Board that a co-defendant Al Wagner was the actual culprit and the applicant was but an agent and the crime happened 18 years ago and that the district attorney's office did not object to the granting of the petition. An investigation made by an agent of the Department of Justice shows the applicant has been continuously employed in the city of Philadelphia for the past 12 years and he has completely rehabilitated himself and is now an asset to the community in which he resides. The petitioner is married and is the father of two children.

The Board of Pardons is of the opinion that the applicant has been sufficiently punished and feels that the granting of a full pardon will in part remove the stigma of the crime from the applicant and his family and will be of material assistance to him, and the Board, therefore, recommends that a full pardon be granted to the applicant.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Oscar Littlejohn, C-7013, No. 4889, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Oscar Littlejohn, convicted of entering with intent to steal in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on April 24, 1931; and of entering with intent to steal and larceny in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on February 16, 1937 be commuted on Bill No. 1285 April Sessions 1931 from a maximum term of 10 years to a minimum of 8 years, 5 months, expiring on July 16, 1940; and on Bill No. 488 February 1937 from a minimum term of 1 year to a minimum term of 1 day, expiring on July 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of entering with intent to steal in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on April 24, 1931 and was sentenced on Bill of Indictment No. 1285 April Sessions 1931 to undergo imprisonment in the Eastern State Penitentiary for from 5 to 10 years. Applicant was released on parole April 28, 1936. On February 16, 1937 the applicant pleaded guilty to the crimes of entering with intent to steal, larceny in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on Bill No. 488 February Sessions, 1937, and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 1 to 10 years. Sentence to begin at the expiration of his unexpired parole period, i.e., February 12, 1942.

The Board of Trustees of the Eastern Penitentiary in a report to the Board of Pardons stated that his institutional record is satisfactory and that he has maintained a good attitude. The trial judge, the Honorable Harry S. McDevitt has advised the Board that the applicant was a good worker and he has maintained a proper attitude while in prison. That the applicant has been confined for a period of 4 years and he could well be entitled to consideration at this time. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and expressed objection to the granting of clemency in this case stating that the applicant has a record of other arrests besides these in Philadelphia County. A parole plan has been obtained which provides definite employment to the petitioner if he is released on parole. In addition Mr. W. L. O'Hoy has offered his services as sponsor. An investigation made by an agent of the Department of Justice reports it to be satisfactory.

The applicant has been confined in the Eastern State Penitentiary for a period of 3 years, 5 months because of his conviction while on parole. The Board is of the opinion that he has been sufficiently punished for his crime, the seriousness of which is indicated by the sentence imposed by the trial judge. The Supervisor of Paroles has stated to the Board that he feels the applicant has been severely punished and has expressed no objection to his release under a satisfactory parole plan.

The Board further have reason to believe that if the applicant is released he will become a useful and law-abiding citizen, and therefore, recommends that the sentence be commuted. Applicant will be under the supervision of the Board of Pardons until July 17, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor

BOARD OF PARDONS

In re application of Archie Brooks, C-6698, No. 4891, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Archie Brooks, convicted of robbery, being armed with an offensive weapon, in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on January 5, 1931 be commuted from 10 years to 9 years, 6 months expiring on July 5, 1940, for hospitalization.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crime of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on January 5, 1931 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states that the applicant's institutional record is satisfactory. The medical staff of this institution as well as the consulting staff, after examining the inmate agree that the clinical picture presented by the man is one who is suffering from cancer of the stomach. X-rays verify the clinical findings. Therefore, it is our opinion that the man needs surgical and perhaps radium and deep X-ray theraphy which cannot be given to him in the institution. If this man should be released, arrangements can be made to hospitalize him in the Philadelphia General Hospital.

The trial judge, the Honorable Thomas D. Finletter, in a communication to the Board of Pardons under date of May 20, 1940 states that the facts seems to be correctly stated and that he knows nothing of his physical condition. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that there is nothing in the facts to commend him only the physical condition standpoint. The district attorney's office is opposed to the granting of clemency in this matter.

The petitioner in this case has been confined in the Eastern State Penitentiary for a period of 9 years, 6 months. The medical department has advised the Board of Pardons that the petitioner is suffering from cancer, and that the medical department of the penitentiary was not able to give him the type of treatment for this disease.

The Board of Pardons is of the opinion that the petitioner has been sufficiently punished, and therefore, recommends the granting of this petition, subject to hospitalization for treatment of this disease. The applicant will be under the supervision of the Board of Pardons until January 5, 1951.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph DeCaro, D-4318, No. 4916, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph DeCaro, convicted of burglary, larency in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on October 11, 1935 to begin October 11, 1935 to be commuted from 2½ years to 9 months expiring on July 11, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded not guilty to the crime of burglary and larceny in the Oyer and Terminer and Quarter Sessions Court of Montgomery County on October 11, 1935 to a term of imprisonment in the Eastern State Penitentiary for from 2½ to 5 years. This sentence to begin at the expiration of sentence imposed January 30, 1931 by the Court of Montgomery County for a period of 3 to 7 years for the crime of robbery, being armed with an offensive weapon, from which sentence the applicant was placed on parole January 30, 1934. The parole period expired October 11, 1939 and he was reentered to serve the present sentence.

Th Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated that this man's conduct record is satisfactory and his attitude has been fair. He was offered a job as a laborer but he refused that work. He has been idle during the majority of his time in the institution and two weeks ago he enrolled in school. This enrollment was probably motivated by his applying for commutation.

The trial judge, the Honorable Harold G. Knight, in a communication to the Board of Pardons under date of May 22, 1940 states in part: ". . . I remember this case, because it was very earnestly contested, and the defendant maintained his innocence throughout. I believe that the verdict of the jury was right, and that the man was guilty, but the Commonwealth's case was not particularly strong. I further believe, that the refusal of the defendant to take the stand, helped in his conviction. I have no objection to the Board extending clemency." The district attorney of Montgomery County in a communication under date of June 3, 1940 states in part: ". . . The fact that this defendant committed another burglary while on parole from his 1931 sentence would seem to indicate that he is not worthy of further leniency. We therefore feel that the sentence imposed by the court was proper." The Supervisor of Paroles has stated that he has no objection to the granting of clemency in this case provided that a satisfactory parole plan is obtained. A parole plan has been obtained which will provide a satisfactory sponsor, however, definite employment has not yet been obtained.

The petitioner has been confined in the Eastern State Penitentiary for a period of 5 years and the Board now feels he has been sufficiently punished. The Board, therefore, recommends the granting of this petition, subject to a conditioin that he obtains a satisfactory parole plan before being released from imprisonment. Applicant will be under the supervision of the Board of Pardons until October 11, 1944.

Respectfully submitted.

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Earnest Paul Snyder, D-3633, No. 4917, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Earnest Paul Snyder, convicted of breaking and entering, larceny in the Oyer and Terminer and Quarter Sessions Court of Union County on December 23, 1938 be commuted from a maximum of 2 years on Bill No. 20 January 1939 to a minimum of 1 year, 7 months, expiring on July 23, 1940; and on Bill No. 21 from a minimum of 5 years to a minimum of 1 day, expiring on July 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of breaking and entering, larceny in the Oyer and Terminer and Quarter Sessions Court of Union County on December 23, 1938 and was sentenced to imprisonment in the Eastern State Penitentiary for from 6 to 12 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated that during the entire time that this man has been in the institution, he has demonstrated a constructive attitude and definite habits of industry. He associates with a better type of inmate. Has attended school for 7 months studying agriculture and since employed has completed 7 courses in agriculture through the Pennsylvania State College Extension Service. He is employed as a blacksmith in the maintenance department and is considered to be a willing and industrious worker.

The trial judge, the Honorable Curtis C. Lesher, in a communication to the Board of Pardons under date of May 25, 1940 states: ". . . I feel that he has learned his lesson, and longer incarceration will likely embitter him, and that he should be given an opportunity, by being placed on probation. I know his family is in dire need, and reiterate my feeling in the matter that he should be relaesed." The district attorney of Union County in a communication to the Board of Pardons under date of May 29, 1940 states: ". . . Anything that the Board may due will be greatly appreciated."

The petitioner in this case has been confined in the Eastern State Penitentiary for a period of 1 year, 7 months. A parole plan has been offered which will include definite employment if the petitioner receives favorable consideration. An investigation of the parole plan made by an agent of the Department of Justice reports it to be satisfactory.

The Board of Pardons feels that the petitioner has been sufficiently punished and that there is every reason to believe that he will become a useful and law-abiding citizen if clemency is extended, and that the Board, therefore, recommends the granting of this petition. Applicant will be under the supervision of the Board of Pardons until July 24, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Wilson W. Bethard, No. 4925, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Wilson W. Bethard, convicted of operating automobile while under the influence of intoxicating liquor in the Court of Quarter Session of Philadelphia County, on June 6, 1934 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty to the crime of operating an automobile while under the influence of intoxicating liquor in the Quarter Sessions Court of Philadelphia County on June 6, 1934 and received a suspended sentence.

The trial judge, the Honorable Albert S. C. Millar is deceased. Under date of May 31, 1940 the Honorable Howard Davis, in a communication to the Board stated that he would not interpose any objection to any action that the Board sees fit to take. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board and stated that the district attorney's office did not object to the granting of this petition.

Petitioner is employed by Henry Disston and Son as a punch press operator, and receives $25.00 per week. He has been continuously employed since February 1933. Applicant resides with his wife in Philadelphia, Pennsylvania. The applicant has not been in any difficulty since the date of the conviction from which he now seeks relief. He has been a law-abiding citizen and is a credit to the community in which he resides.

The Board feels that the granting of a pardon in this case would in part remove the stigma of the crime from the applicant and will be of material assistance to him, and therefore, recommends that a full and complete pardon be granted to the applicant.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Myrtle P. Mutschler, 1330, No. 4937, June Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of

Myrtle P. Mutschler, convicted of misdemeanor, embezzlement, fraudulent conversion in the Court of Oyer and Terminer and of Allgheny County on March 24, 1939 be commuted from 2½ years to 1 year, 4 months expiring on July 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant pleaded guilty of the crimes of misdemeanor, embezzlement and fraudulent conversion and was sentenced by the Oyer and Terminer and Quarter Sessions Court of Allegheny County on March 24, 1939 to a term of imprisonment in the Pennsylvania State Industrial Home for Women for 2½ years.

The Superintendent of the Pennsylvania State Industrial Home for Women in a communication to the Board of Pardons under date of June 1, 1940 states in part: ". . . This girl is normal in every way, has a good intelligence and is in fine health. She has had an excellent record in this institution, is a willing, capable worker, cooperates at all times and has a perfect conduct record. I do not hesitate to recommend this girl to the Board for favorable consideration and I feel sure she will conform to any parole rules laid down for her conduct in the community when released." The trial judge, the Honorable W. Heber Dithrich made no answer to our communication addressed to him in reference to this petition. The assistant district attorney, Ralph T. Bell, Esquire, appeared before the Board of Pardons and stated that the district attorney's office felt that this case was a breech of trust and that the application was premature.

The applicant has been confined in the State Industrial Home for Women for a period of 1 year, 4 months and the Board of Pardons is of the opinion that she has been sufficiently punished for her crime. A parole plan has been obtained which will provide a home for the petitioner at 974 Lilac Street, Pittsburgh, Pennsylvania which is the residence of the petitioner's family. Mr. George W. Mutschler, applicant's husband, has remained faithful to his wife and has stated to our investigator that his purpose in life is to provide a home for his wife and make restitution to the best of his ability of the sums taken. $13,000.00 has already been returned in the form of part restitution of the amount embezzled.

The Board of Pardons is now of the opinion that the petitioner will never again violate the law, and that she will become a useful and law-abiding citizen if released. The Board, therefore, recommends that the sentence in this case be commuted. Applicant will be under the supervision of the Board of Pardons until September 24, 1941.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of William H. Arndt, C-7394, No. 141 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on William H. Arndt, convicted of larceny, receiving stolen goods, uniform firearms act, robbery, carrying concealed deadly weapons, aggravated assault and battery in the Oyer and Terminer Court of Lehigh County, on October 2, 1931, be commuted on Bill No. 106, September Session 1931 from a minimum of 1 year to a minimum of 1 day, expiring on October 3, 1940 on Bill No. 107 September Session 1931 from a minimum of 1 year to minimum of 1 day, expiring on October 4, 1940, on Bill No. 108 September Session 1931 from a minimum of 1 year to minimum of 1 day, expiring on October 5, 1940 and on Bill No. 109 September Session 1931 from a minimum of 1 year to a minimum of 1 day, expiring on October 6, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA.
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Richard Pike, C-7407, No. 142 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Richard Pike, convicted of larceny, receiving stolen goods, uniform firearms act, robbery, carrying concealed deadly weapons, aggravated assault and battery in the Oyer and Terminer Court of Lehigh County, on October 2, 1931, be commuted on Bill No. 106 September Session 1931 from a minimum of 1 year to a minimum of 1 day, expiring on October 3, 1940, on Bill No. 107 from a minimum of 1 year to a minimum of 1 day, expiring on October 4, 1940, on Bill No. 108 from a minimum of 1 year to a minimum of 1 day, expiring on October 5, 1940 and on Bill No. 109 from a minimum of 1 year to a minimum of 1 day, expiring on October 6, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex. rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Wayne, B-2324, No. 143 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on George Wayne, convicted of entering a building in the Quarter Sessions Court of Allegheny County on November 21, 1930, be commuted on Bill No. 670 November Sessions, 1930 from a minimum of 5 years to a minimum of 1 day, expiring on November 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.

WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Norman Weidert, B-3418, No. 144 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Norman Weidert, convicted of Forgery, passing forged instrument, obtaining money under false pretenses, receiving stolen goods, burglary, larceny in the Quarter Sessions Court of Warren County, on October 22, 1932, be commuted on Bill No. 9 December Sessions, 1932 from a minimum of 3 years to a minimum of 1 year, 1 month, expiring on November 2, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex. rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.

S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles McLean, B-4641, No. 145 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Charles McLean convicted of forgery in the Quarter Sessions Court of Allegheny County, on January 23, 1930, and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on August 19, 1935, be commuted on Bill No. 398 January Sessions, 1930 from a minimum of 2 years to a minimum of 1 day, expiring on November 22, 1940 and on Bill No. 95 November Sessions, 1932 from a minimum of 2 years to a minimum of 1 day, expiring on November 23, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (And also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that

it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Tony Jurista, B-3929, No. 146 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Tony Jurista convicted of breaking and entering with intent to commit a felony, larceny in the Quarter Sessions Court of Butler County on February 28, 1931; and breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on December 19, 1933, be commuted on Bill No. 65 March Sessions, 1931, from a minimum of 1 year to a minimum of 1 day, expiring on October 11, 1940; and on Bill No. 54 February Sessions, 1931 from a minimum of 3 years to a minimum of 1 day, expiring on October 12, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA.
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Glenn Dailey, B-2160, No. 147 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on George Glenn Dailey convicted of entering, larceny, receiving stolen goods in the Quarter Sessions Court of Cambria County, on March 31, 1939; and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on August 16, 1930, be commuted on Bill No. 106 September Sessions, 1930 from a minimum of 3 years to a minimum of 6 months, expiring on November 3, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Alson in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered

for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Leo Stiles, B-4864, No. 148 A, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Leo Stiles convicted of forgery, in the Quarter Sessions Court of Potter County, on March 11, 1935; and of breaking and escaping penitentiary, larceny of automobile, in the Quarter Sessions Court of Centre County, on December 7, 1935, be commuted on Bill No. 26 February Sessions, 1936 from a minimum of 1 year to a minimum of 7 months, 29 days, expiring on November 20, 1940; and on Bill No. 31 February Sessions, 1936 (Bill No. 32 February Sessions, 1936 concurrent) from a minimum of 2 years to a minimum of 1 day, expiring on November 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Samuel Hinton, C-2394, No. 312, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Samuel Hinton, convicted of robbery, being armed with an offensive weapon, assault and battery with intent to kill and entering with intent to commit a felony in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on March 25, 1924 be commuted from 20 years to 11 years 1 month and 9 days expiring on November 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on March 25, 1924 of the crimes of robbery, being armed with an offensive weapon, assault and battery with intent to kill, entering with intent to commit a felony and was sentenced to a term of imprisonment in the Eastern Penitentiary for from 10 to 20 years by the Honorable Alonzo T. Searle. The petitioner was paroled from the Eastern State Penitentiary on March 25, 1934. The records of the Board show that his conduct on parole was satisfactory until July 14, 1938 when he was sentenced by the United States District Court, Philadelphia, to a term of 6 months to the Mercer County Workhouse, Trenton, New Jersey for violation of Internal Revenue Act. Upon the expira-

tion of the sentence imposed the petitioner was returned to the Eastern State Penitentiary as a parole violator where he has been confined approximately 21 months.

The Board of Trustees of the Eastern State Penitentiary have advised the Board of Pardons that the institutional record of the petitioner is satisfactory. James W. Tracy, Jr., Esquire, assistant district attorney, appeared before the Board of Pardons and stated that his office was opposed to the granting of clemency only because of the fact that the petitioner was on parole when the violation of the Revenue Act occurred. The trial judge, the Honorable Alonzo T. Searle made no reply to a communication addressed to him by the Board of Pardons. The Supervisor of Paroles has stated to the Board of Pardons that in his opinion that petitioner has been severely punished for his parole violation which was minor in its nature, and that he would have no objection to the granting of clemency to the petitioner if he can obtain a parole plan which will provide him with immediate employment and adequate sponsorship.

The Board of Pardons after considering all the facts in this matter are of the opinion that the petitioner has been sufficiently punished. A satisfactory parole plan has been obtained which assures definite employment and reliable sponsorship.

The Board, therefore, feels that if the petitioner is released on parole will become a law-abiding citizen and will rehabilitate himself, and therefore, recommends that the maximum term of imprisonment be commuted to a minimum term of 11 years, 1 month, 9 days, expiring on November 17, 1940, and that the applicant will be on parole until February 17, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES.
Governor.

BOARD OF PARDONS

In re application of John Nesterick, C-7553, No. 971, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of John Nesterick, convicted of breaking and entering with intent to commit a felony, larceny in the Court of Oyer and Terminer and Quarter Sessions of Northumberland County on June 10, 1929 to be computed from May 29, 1929 be commuted from 10 years to 7 years, 1 month, expiring on October 29, 1940.

Our reasons for making this recommendation are as follows:

The petitioner for commutation of sentence was convicted in a Court of Oyer and Terminer and Quarter Sessions in and for the County of Northumberland on May 29, 1929 for the crime of breaking and entering with intent to commit a felony, larceny and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years from which he was paroled at the expiration of his minimum term, i.e. May 29, 1934. During the period of his parole the petitioner made a satisfactory record until July 29, 1937 on which date he was convicted in the Courts of Columbia County for the crime of involuntary manslaughter and was sentenced by the Honorable Judge Evans to a term of 15 months in the Columbia County Prison from which he was released on October 3, 1938 and was thereupon returned to the Eastern State Penitentiary as a parole violator where he has been confined for a period of 2 years, 1 month because of his violation of parole.

The Board of Trustees of the Eastern State Penitentiary have stated in a communication to the Board of Pardons that the applicant has maintained a satisfactory institutional record, further that he has selected his prison associates wisely and has continued to maintain a cooperative attitude. The trial district attorney made no reply to a communication addressed him by the Board of Pardons relative to the application submitted by the petitioner. The trial judge, the Honorable Albert Lloyd is no longer on the bench, the president judge, Charles K. Morganroth has advised the Board that he has no objection to the granting of the petition. The Supervisor of Paroles advised the Board that the applicant had violated parole on 2 occasions and that in his opinion there was not much merit to the application. A parole plan has been obtained which provides adequate sponsorship and definite employment to the petitioner if released.

The Board of Pardons after due consideration of all facts presented is of the opinion that the applicant has been sufficiently punished and that he will, if released, completely rehabilitate himself and thereby become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the sentence be commuted to a minimum term of 7 years, 1 month, expiring October 29, 1940 and that the petitioner remain on parole until September 29, 1943.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of DeWitt Kimbrew, B-2494, No. 1749, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommends that the sentence of imprisonment imposed on DeWitt Kimbrew, convicted of breaking and entering with intent to commit a felony, larceny in the Quarter Sessions Court of Crawford County, on February 25, 1931, be commuted on Bill No. 35 February Sessions, 1931 from a minimum of 3½ years to a minimum of 2 years, 9 months, expiring on November 23, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second

and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Salvatore Lobiondo, D-5002, No. 1778, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Salvatore Lobiondo, convicted of riotous destruction of buildings in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on October 1, 1934 to be computed from June 19, 1940 be commuted from 1 year to 4 months expiring on October 19, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on December 19, 1930 of the crime robbery and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 7½ to 15 years. On October 1, 1934 the petitioner was sentenced in the Oyer and Terminer and Quarter Sessions Court of Montgomery County to a term of 1 to 2 years in the Eastern State Penitentiary for the crime of riotous destruction of buildings. Under date of June 19, 1940 the petitioner was paroled from the sentence imposed in Philadelphia County and was reentered on the records of the penitentiary for the service of the sentence imposed in the Court of Montgomery County.

An examination of the record shows that the petitioner had never been in any trouble prior to the offense which sent him to the penitentiary in 1930. The Board of Trustees in a report submitted to the Board of Pardons has stated "definite improvement has been noted in this man's conduct record. He is employed as a laborer and is considered a good worker. He has also shown an interest in self-improvement by completing a correspondence course furnished by the International Correspondence School." James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that in as much as the minimum term of the Philadelphia County sentence was served that the district attorney's office would have no objection. The trial judge, the Honorable George C. Corson had entered no objection to the granting of this petition. An adequate parole plan has been obtained which insures satisfactory sponsorship and bona fide employment.

The Board of Pardons after a consideration of all facts is of the opinion that the petitioner has been sufficiently punished and that he will if released on parole rehabilitate himself and become a self-respecting law-abiding citizen. The Board, therefore, recommends that the minimum sentence be commuted from a minimum term of 1 year to a minimum term of 4 months, expiring on October 19, 1940, and applicant to remain under the supervision of the Board of Pardons until December 19, 1945.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Anthony John Lis, C-8771, No. 2958, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Anthony John Lis, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Lackawanna County, on March 4, 1933 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Oyer and Terminer and Quarter Sessions Court of Lackawanna County on March 4, 1933 for the crime of robbery and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 20 to 40 years. An application was presented to the Board of Pardons for a commutation of his sentence which was granted May 20, 1936 and petitioner was released on parole July 13, 1936.

An examination of his record reveals that he was never convicted of any serious crimes before this conviction. The applicant has been on parole for a period of 4 years. He has a vocation as a counterman and is employed in a cafeteria where intoxicating liquor is sold. Because of the ruling of the Alcoholic Beverage Control Commission of the State of New York which does not permit any parolee to work in any place in any capacity where alcoholic beverages are sold, and the petitioner will be dismissed from his employment, which is the only vocation he has.

The trial judge, the Honorable Will Leach in a reply to an inquiry addressed to him from the Board of Pardons stated that he knew nothing of the facts. The trial district attorney did not reply to a communication addressed to him by the Board of Pardons. The Supervisor of Paroles advised the Board that unless the trial judge and district attorney recommend a complete pardon, that the application was premature and merited little consideration at this time.

The Board of Pardons after a review of the facts is of the opinion that the applicant has made an honest attempt to rehabilitate himself and is now a self-respecting and law-abiding citizen, and further, if clemency were to be denied the petitioner it would take from him the only employment by which he can make an honest living, for which reasons the Board of Pardons recommends that a full and complete pardon be granted to the petitioner.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Tomachesky, B-2540, No. 3068, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on George Tomachesky convicted of robbery in the Oyer and Terminer Court of Allegheny County, on October 24, 1930; and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on March 21, 1931, be commuted on Bill No. 46 May Sessions, 1931 from a minimum of 5 years to a minimum of 1 day, expiring on November 8, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Anthony Narcise, D-4706, No. 3363, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Anthony Narcise, convicted of riotous destruction of buildings in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on October 1, 1934 to be computed from March 2, 1940 be commuted from 1 year to 8 months expiring on November 2, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Court of Philadelphia County on March 2, 1933 to the crime of robbery, being armed with an offensive weapon and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years. On October 1, 1934 the applicant pleaded guilty in the Courts of Montgomery County to the crime of riotous destruction of buildings and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 1 to 2 years. This sentence to begin upon the expiration of sentence imposed in Philadelphia County. On March 2, 1940 the petitioner was paroled on the Philadelphia County sentence and was thereupon entered on the records of the Eastern State Penitentiary to serve the term imposed in the Courts of Montgomery County.

The Board of Trustees of the Eastern State Penitentiary has stated that the applicant's behaviour has been satisfactory since 1934. He formerly worked in the knit shop and at the present time is employed on the farm outside the walls. There is nothing outstanding in the way of self-improvement in this case. However, the length of time which he served beyond his original minimum sentence should be considered.

The district attorney of Montgomery County failed to

reply to a communication addressed to him by the Board of Pardons relative to this petition. The trial judge, the Honorable George C. Corson, has entered no objection to the granting of this petition.

The petitioner was denied parole on the sentence imposed in Philadelphia County for a period of 2 years beyond the expiration date of his minimum term and he has served 7 months of a 1 year minimum term imposed in Montgomery County. An adequate parole plan has been obtained which assures satisfactory sponsorship and bona fide employment.

The Board of Pardons after considering all the facts in this case is of the opinion that the petitioner has been sufficiently punished, and that he will, if released, become a self-respecting, law-abiding citizen, and therefore, recommends that the minimum sentence be commuted to a period of 8 months, expiring on November 2, 1940, and that applicant will remain on parole until March 2, 1953.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harry W. Gordon, B-5002, No. 3609, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Harry W. Gordon, convicted of voluntary manslaughter in the Court of Oyer and Terminer of Allegheny County on May 15, 1936 be commuted from 5 years to 4 years, 5 months, expiring on October 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Oyer and Terminer Courts of Allegheny County of the crime of voluntary manslaughter and was on May 15, 1936 sentenced to the term of not less than 5 nor more than 10 years in the Western State Penitentiary.

The applicant in this case was arrested in the city of Pittsburgh on September 24, 1935 and was confined in the Allegheny County Jail until May 15, 1936, on which date sentenced was imposed by the Honorable Harry H. Rowand.

An examination of the petition shows that he was in no difficulties prior to the offense which resulted in his present incarceration. Petition for clemency was filed in order that he may obtain credit for the time served in the county jail awaiting trial.

Ralph T. Bell, assistant district attorney of Allegheny County appeared before the Board and stated that the district attorney's office was willing to leave the matter of clemency in the hands of the Board of Pardons. The trial judge in a communication to the Board stated that he had no objection to the granting of a petition.

The Board of Pardons after considering all the facts is of the opinion that the applicant has been sufficiently punished and that he will, if released, become a self-respecting, law-abiding citizen. The petitioner will have immediate employment if released and will be under satisfactory sponsorship. The Board of Pardons, therefore, recommends that the minimum term be commuted to a minimum term of 4 years, 5 months, expiring on October 15, 1940, and that applicant will be on parole until May 15, 1946.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Nelson Hoyt, B-2316, No. 3676, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of John Nelson Hoyt, convicted of robbery, being armed with an offensive weapon, attempted robbery in the Quarter Sessions Court of Washington County on November 12, 1930, be commuted from a minimum term of 4 years on Bill No. 7 November Sessions, 1930 to a minimum term of 2 years, expiring on November 12, 1940; on Bill No. 13 from a minimum of 4 years to a minimum of 1 day, expiring on November 13, 1940; on Bill No. 2 from a minimum term of 3 years to a minimum of 1 day, expiring on November 14, 1940; on Bill No. 8 from a minimum term of 4 years to a minimum term of 1 day, expiring on November 15, 1940; on Bill No. 1 from a minimum term of 4 years to a minimum term of 1 day, expiring on November 16, 1940; on Bill No. 12 from a minimum term of 4 years to a minimum term of 1 day, expiring on November 17, 1940; on Bill No. 9 from a minimum term of 4 years to a minimum term of 1 day, expiring on November 18, 1940; on Bill No. 3 from a minimum term of 4 years to a minimum of 1 day, expiring on November 19, 1940; on Bill No. 4 from a minimum term of 4 years to a minimum of 1 day, expiring on November 20, 1940; on Bill No. 14 from a minimum term of 4 years to a minimum of 1 day, expiring on November 21, 1940; on Bill No. 5 from a minimum term of 4 years to a minimum of 1 day, expiring on November 22, 1940; on Bill No. 11 from a minimum term of 4 years to a minimum of 1 day, expiring on November 23, 1940; and on Bill No. 10 from a minimum term of 4 years to a minimum of 1 day, expiring on November 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Washington County on fourteen bills of indictment being charged with robbery, being armed with an offensive weapon and attempted robbery and was sentenced by the Honorable Howard W. Hughes to a term of imprisonment in the Western State Penitentiary for from 55 to 110 years.

An examination of the record shows that he was arrested on one occasion in the city of Pittsburgh and was discharged by a local magistrate.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states if this inmate was eligible for parole we would probably recommend (1) first conviction (2) excellent institutional record. The trial district attorney, Warren S. Burchinal in a communication to the Board of Pardons states in part: ". . . I would not offer any objection as to the official in charge of the case at that time, to the Board

acting favorable upon such a recommendation." The trial judge, the Honorable Howard W. Hughes has advised the Board of Pardons that he has no objection to any action the Board may see fit to take regarding the petition. A parole plan has been obtained which will provide adequate sponsorship and bona fide employment.

The Board of Pardons after considering all the facts is of the opinion that the applicant has been sufficiently punished and that he will if released rehabilitate himself and become a self-respecting, law-abiding citizen, and therefore, recommends that the minimum sentence be commuted. The applicant will be under the supervision of the Board of Pardons until November 24, 1948.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Louis Francis Nati, D-1015, No. 3777, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Louis Francis Nati, convicted of breaking and entering, larceny, arson in the Quarter Sessions Court of Sullivan County on November 19, 1935, be commuted from a minimum term of 3 years on Bill No. 21 to a minimum term of 1 year, 11 months, expiring on October 19, 1940; on Bill No. 22 from a minimum term of 3 years to a minimum term of 1 day, expiring on October 20, 1940; on Bill No. 27 from a minimum term of 4 years to a minimum term of 1 day, expiring on October 21, 1940; on Bill No. 32 from a minimum term of 1 year to a minimum term of 1 day, expiring on October 22, 1940; and on Bill No. 31 from 1 year to 1 day, expiring on October 23, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Quarter Sessions Court of Sullivan County on November 19, 1935 for the crime of breaking and entering, larceny, arson and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 15 to 46 years.

The Board of Trustees of the Eastern State Penitentiary has advised the Board of Pardons that the petitioner has maintained a satisfactory institutional record and that if he would continue the same type of behavior outside the walls he would have a good possibility of remaining out of trouble. The trial district attorney in a communication to the Board of Pardons has advised the Board that in his opinion the petitioner should receive favorable consideration. The president judge in a communication to the Board stated: ". . . there is no objection on my part to the pardon applied for in this case. I neither recommend it nor oppose it because I think that the Board should grant it upon its merits as it appears before them at this time."

A parole plan has been obtained which insures satisfactory sponsorship, bona fide employment if released.

The Board of Pardons after considering all facts in this case is of the opinion that the petitioner has been sufficiently impressed by his incarceration and therefore recommends that his minimum sentence be commuted. The applicant will be under the supervision of the Board of Pardons until November 21, 1948.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Steve Waters, B-2477, No. 3923, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Steve Waters convicted of robbery, larceny of an automobile in the Oyer and Terminer Court of Allegheny County, on June 10, 1930; and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on February 19, 1931, be commuted on Bill No. 29 November Sessions, 1930 from a minimum of 4 years to a minimum of 11 months, 29 days, expiring on November 27, 1940; and on Bill No. 98 November Sessions, 1930 from a minimum of 1 year to a minimum of 1 day, expiring on November 28, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison

officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Peter Portone, C-7746, No. 3927, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Peter Portone, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on February 9, 1932 be commuted from 10 years to 8 years, 9 months expiring on November 9, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Philadelphia County on February 9, 1932 of the crime of robbery and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

An examination of the criminal record shows that he has been arrested on 6 occasions none of which is of a serious nature and on 3 of which he was discharged by a magistrate.

The Board of Trustees of the Eastern State Penitentiary reports to the Board of Pardons that he has a satisfactory institutional record and that the applicant has demonstrated definite habits of stability while in this institution. He has been employed in the Weave Shop for over 8½ years and is considered to be a good worker. James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that the petitioner was serving a probationary period of 2 years imposed by Judge Kun and that he was later placed on probation by Judge Copeland, and further, there is nothing in his record to commend him and for that reason the district attorney's office was opposed to the granting of clemency. The trial judge, the Honorable Joseph L. Kun in a communication to the Board of Pardons stated the applicant has served a substantial part of his minimum sentence and a commutation of sentence would be helpful.

The Board of Pardons after considering all the facts is of the opinion that the petitioner has been sufficiently punished. A parole plan has been obtained which will provide reliable sponsorship and adequate employment.

The Board, is further, of the opinion that the petitioner if released will rehabilitate himself and become a self-respecting law-abiding citizen, and therefore, recommends that the minimum sentence be commuted to a minimum term of 8 years, 9 months, expiring on November 9, 1940 and to remain on parole until February 9, 1952.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Joseph Galiczynski, C-9066, No. 3934, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Joseph Galiczynski, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on July 11, 1933 be commuted from 5 years to 2 years, 4 months expiring on November 11, 1940. (Has been granted parole on Bill No. 729).

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded nolle contendere in the Court of Philadelphia County on July 11, 1933 and was sentenced by the Honorable Harry S. McDevitt to a term of imprisonment in the Eastern State Penitentiary for from 10 to 30 years for the crime of robbery.

An examination of the records of the case of the petitioner shows that he has been arrested on several occasions on charges none of which were serious in nature.

The Board of Trustees of the Eastern State Penitentiary advises that the petitioner's conduct record has been very good and he has maintained a constructive attitude. He has been employed in the tailor shop for over 6 years, and is now a competent tailor. The trial judge, the Honorable Harry S. McDevitt in a communication to the Board of Pardons states: ". . . the applicant has an entirely different outlook on life now from when he entered the penitentiary." James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board and stated that the district attorney's office had no objection to the granting of the petition if the Board of Pardons feels that the petitioner would be law-abiding.

The Board of Pardons after considering all the facts is of the opinion that the petitioner has been sufficiently punished and that he will if released on parole become a self-respecting law-abiding citizen, and therefore, recommends that the minimum sentence on Bill No. 730 July Sessions, 1933 be commuted from a minimum term of 5 years to a minimum term of 2 years, 4 months, expiring on November 11, 1940 and to remain on parole until July 11, 1953.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Andrews, C-1558, No. 4207, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph Andrews, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on September 7, 1932 be commuted from 10 years to 8 years, 2 months expiring on November 7, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Oyer and Terminer and Quarter Sessions Courts of Philadelphia County on September 7, 1932 to the crime of robbery, being armed with an offensive weapon and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years by the Honorable Harry S. McDevitt.

An examination of the criminal history of the petitioner shows that he has been arrested on several occasions while a juvenile and that he was arrested on four occasions after reaching the age of 16 years of charges none of which was of a serious nature.

The Board of Trustees of the Eastern State Penitentiary have reported to the Board of Pardons that the applicant was transferred to the Philadelphia County Prison during the month of November, 1933 and that the officers of the Philadelphia County Prison advise that the applicant has maintained an excellent institutional record and that he has been trained as a dental mechanic. The assistant district attorney, James W. Tracey, Jr., Esquire, appeared before the Board of Pardons and stated that the brother of the applicant is a police officer known to the district attorney's office and he is one who would turn applicant over to the authorities if he in any way violated the law, and further, that the petitioner has served 8 years of the sentence imposed, and that the district attorney has no objection to the granting of the petition. The trial judge, the Honorable Harry S. McDevitt has advised the Board of Pardons that he wouldn't hesitate to give him another chance. A parole plan has been obtained which assures satisfactory sponsorship and bona fide employment.

The Board of Pardons after considering all the facts is of the opinion that the petitioner has been sufficiently punished, and therefore, recommends that the minimum sentence be commuted to a minimum term of 8 years, 2 months, expiring on November 7, 1940 and the applicant remain on parole until September 7, 1952.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Fred Williams, B-3071 No. 4295, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Fred Williams convicted of breaking and entering with intent to commit a felony, larceny, receiving stolen goods in the Quarter Sessions Court of Erie County, on February 18, 1928; and of breaking and escaping penitentiary, in the Quarter Sessions Court of Centre County, on January 23, 1932, be commuted on Bill No. 89 September Sessions, 1931 from a minimum of 4 years to a minimum of 1 day, expiring on November 14, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (Also in the opinion of the Superior Court in the case of Anthony Narcise, Appellant, v. The Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Isaac Laws, C-8420, No. 4360, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Isaac Laws, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on November 17, 1932 be commuted from 10 years to 8 years expiring on November 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on November 17, 1932 for the crime of robbery and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years.

An examination of the criminal record of the petitioner shows that he has been arrested on 6 occasions of charges, none of which were of a serious nature, and which resulted in 5 arrests being discharged and a commitment to the County Prison for one.

The Board of Trustees of the Eastern State Penitentiary report to the Board of Pardons that the applicant has an excellent conduct record and that he has consistently demonstrated a cooperative attitude. Because of his continued demonstration of habits of industry we would rate his institutional record as being above the average. James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that although there is nothing in his record to commend the prisoner, nevertheless, the petitioner has served 8 years, and the district attorney's office will be satisfied with the action that the Board of Pardons takes if they feel that the applicant should be released. The trial judge, the Honorable James Gay Gordon, Jr., made no reply to an inquiry addressed to him by the Board of Pardons relative to this case.

The Board of Pardons after reviewing all the facts is of the opinion that the petitioner has been sufficiently punished, and therefore, recommends that the minimum term of imprisonment be commuted to a minimum term of 8 years, expiring on November 17, 1940 and that the petitioner remain on parole until November 17, 1952.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Howard McCollumn, B-4956, D-486, No. 4511, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Howard McCollumn, convicted of murder of the second degree in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on April 3, 1935 be commuted from 6 years to 5 years, 6 months and 7 days, expiring on October 10, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty to the crime of murder in the second degree in the Courts of Philadelphia County on April 3, 1935 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 6 to 20 years by Honorable Albert S. C. Millar.

An examination of the criminal record of the petitioner shows that he has been arrested on 4 occasions, being charged with impersonating an officer and disorderly conduct, and further, he served a term of 11 days in the Philadelphia House of Correction prior to the offense which he now is incarcerated. The petitioner was arrested in the city of Philadelphia on October 10, 1934 and was confined to the Philadelphia County Prison until April 3, 1935.

The Board of Trustees of the Eastern State Penitentiary reports to the Board of Pardons that the petitioner has a satisfactory institutional record and a parole plan has been obtained which includes reliable sponsorship and bona fide employment. The assistant district attorney, James W. Tracey, Jr., Esquire appeared before the Board of Pardons and stated that the district attorney's office had no objection to the granting of clemency in this case because of the length of time he was required to wait for his trial.

The Board of Pardons after considering the facts is of the opinion that the petitioner should be given the benefits of the Act of April, 1937 which provides for the allowance of commitment of time to all prisoners held in county prisons awaiting trial, and therefore, recommends that the minimum sentence in this case be commuted to a minimum term of 5 years, 6 months and 7 days, expiring on October 10, 1940 and to remain on parole until April 3, 1955.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Morris Rosenberg, D-816, No. 4542, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Morris Rosenberg, convicted of arson in the Court of Oyer and Treminer and Quarter Sessions of Philadelphia County on August 26, 1935 be commuted from 10 years to 5 years, 2 months, expiring on October 26, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty to the crime of arson and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years on August 26, 1935.

An examination of his record shows that he was convicted on June 16, 1933 for the crime of arson and was sentenced to a term of imprisonment in the Philadelphia County Prison for from 6 to 12 years. The sentence being later reconsidered and made to read 1 to 5 years.

The Board of Trustees report a satisfactory institutional record. The trial judge, the Honorable Harry S. Mc-

Devitt advised the Board of Pardons that he had no objection to the granting of clemency in order that the prisoner could be returned to the Philadelphia County Prison to serve his unexpired parole period. James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that if it had not been for the cooperation and assistance given by the prisoner many cases in Philadelphia and in other counties could not have been solved. A representative of the Fire Underwriter's Association appeared before the Board of Pardons and stated that information and assistance furnished by the prisoner was a great benefit to the Commonwealth and to the Underwriter's in solving many cases of arson.

The Board of Pardons after considering the facts is of the opinion that the prisoner has been sufficiently punished by his incarceration in the penitentiary, and therefore, recommends that the minimum sentence be commuted to a minimum term of 5 years, 2 months, expiring on October 26, 1940 and to remain on parole until August 26, 1955 in order that the prisoner may be returned to the Philadelphia County Prison to satisfy a sentence already imposed.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Britton Bulick, B-5922, No. 4606, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Joseph Britton Bulick, convicted of forgery, breaking and entering, larceny in the Court of Quarter Sessions of Mifflin County on January 10, 1938 to be computed from December 28, 1937 be commuted from 4 years to 2 years, 10 months, expiring on October 28, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was sentenced in the Court of Quarter Sessions of Mifflin County on January 10, 1938 to a term of imprisonment in the Western State Penitentiary for from 4 to 8 years for the crime of forgery, breaking and entering, larceny. Sentence to be computed from December 28, 1937. The Board of Trustees of the Western State Penitentiary in a report submitted to the Board of Pardons have stated that applicant's conduct record has been excellent and that he has been a very cooperative inmate and holds a trustworthy position in the penitentiary.

The trial district attorney made no reply to an inquiry forwarded by the Board of Pardons as to the attitude of the district attorney's office for this petitioner. The trial judge, the Honorable William W. Uttley has advised the Board of Pardons that any action taken by the Board is satisfactory to him. An examination of the record shows that the applicant was tried by Military Authority on a charge of desertion and was sentenced to a term of 1 year, 6 months to the United States Military Barracks.

A satisfactory parole plan has been obtained which assures satisfactory sponsorship and adequate employment if the petitioner is released.

The Board of Pardons after considering all facts in this case are of the opinion that the petitioner has been sufficiently punished and that he will, if released on parole, rehabilitate himself and will become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the sentence in this case be commuted from a minimum term of four years to a minimum term of 2 years, 10 months, expiring on October 28, 1940, and that the applicant will be under the supervision of the Board of Pardons until December 28, 1945.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Bert Kabo, No. 4866, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Bert Kabo, convicted of larceny, receiving stolen goods, false pretense, larceny by bailee in the Court of Quarter Sessions of Allegheny County, on June 24, 1929 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was sentenced in the Quarter Sessions Court of Allegheny County on June 24, 1929 for the crime of larceny, receiving stolen goods and was sentenced to a probationary period of 1 year, 6 months and pay the costs of prosecution. On June 18, 1925 he was sentenced in the Court of Allegheny County to a term of 4 months in the County Prison for the crime of false pretense. On October 20, 1925 he was sentenced in the Allegheny County Court to a term of 1 day in the Allegheny County workhouse for the crime of larceny by bailee.

The petitioner is married and since February 1926 has been steadily employed by the Yellow Cab Company in the City of Pittsburgh. He is the father of two children, age 13 and 7 years. Applicant prior to and subsequent to the period during which the crimes were committed he has lived a model and law-abiding life and has made an honest effort of self improvement.

Ralph T. Bell, Esquire, Assistant District Attorney of Allegheny County in a letter to the Board of Pardons stated that the district attorney's office had no objection to the granting of a pardon. The trial judge, the Honorable Ambrose B. Reid stated that he had no objection.

The Board of Pardons is of the opinion that the petitioner has fully rehabilitated himself and that he is now a self-respecting and law-abiding citizen, and therefore, recommends that a full and complete pardon be granted to him which will in part remove the stigma of the crime from the name of the applicant and that of his children.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.

CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Yelkovich, No. 4941, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that John Yelkovich, convicted of robbery, assault with intent to rob in the Court of Oyer and Terminer of Dauphin County, on December 11, 1936, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Oyer and Terminer Court of Dauphin County and was on December 11, 1936 sentenced to a term of imprisonment in the Dauphin County Prison for from 2 to 4 months for the crime of robbery, assault with intent to rob. His sentence was immediately suspended and he was placed on probation for a period of two years.

The petitioner desires a full and complete pardon in order that he may procure permanent employment and that he may be in a position to obtain a bond, and further, that he will then be eligible to take a civil service examination.

The record in this case shows that he has never been involved in any offenses prior to the one from which he seeks relief nor has he been involved in any difficulties since.

The district attorney's office advised the Board of Pardons that they had no recommendation to make and would be entirely satisfied with any action the Board took in this matter. The trial judge, the Honorable John E. Fox advised that the facts were substantially correct.

The Board of Pardons after a review of the facts is of the opinion that the petitioner is not criminally minded and that he has during the past 4 years completely rehabilitated himself. He is at present employed by the Central Iron and Steel Company, Harrisburg, Pennsylvania.

The Board of Pardons is of the opinion that the applicant is now a self-respecting and law-abiding citizen, and that the granting of a full and complete pardon will be of material assistance to him in procuring employment and will permit him to provide more adequately for himself and family, and therefore, recommends that a full and complete pardon be granted.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Francis Cervino, No. 4947, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Francis Cervino, convincted of burglary in the Court of Quarter Sessions of Philadelphia County, on March 8, 1934, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was sentenced in the Quarter Sessions Court of Philadelphia County on the 8th day of March, 1934 to a term of 30 days in the House of Correction for the crime of burglary.

An examination of his record shows that he had never been arrested before nor has he been in any difficulty since his discharge from the House of Correction. The applicant has been employed by the Lee I. Robinson Hosiery Mills, 23rd and Allegheny Avenue, Philadelphia for the past three years. He is married and is the father of two children.

James W. Tracey, Jr., Esquire assistant district attorney, advised the Board of Pardons that the district attorney's office had no objection to the granting of clemency. The trial judge, the Honorable George Gowen Parry has stated that he had no objection to the granting of clemency.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner has been fully rehabilitated and that he is now a self-respecting and law-abiding citizen, and therefore, recommends that a full and complete pardon be granted to the petitioner which will in part remove the stigma of the crime from his name and be of material assistance to him.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Jacob Aronovitz, No. 4948, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Jacob Aronovitz, convicted of receiving stolen goods in the Court of Quarter Sessions of Philadelphia County, on January 18, 1935 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Quarter Sessions Court of Philadelphia for the crime of receiving stolen goods and was sentenced on the 5th day of December, 1934 to three months in the Moyamensing Prison. On January 4, 1935 sentence was reconsidered and revoked and held open for further investigation. On January 18, 1935 sentence was suspended and petitioner placed on probation for three years.

The petitioner was never involved in any difficulties with the law before the arrest which resulted in the conviction which now stands nor has he been in any difficulties since that date.

The Board after a review of the facts is of the opinion that the petitioner is not criminally minded and that he will never again become involved in difficulties which

will require criminal prosecution. The Board is further of the opinion that the petitioner has completely rehabilitated himself and that he is now a self-respecting and law-abiding citizen. The petitioner has been steadily employed. He is single and resides at the home of his parents.

The Board, therefore, recommends that a full and complete pardon be granted which will in part remove the stigma of the crime from his name and be of material assistance to him in obtaining employment which will compensate him more fully than the employment which he now has.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Adolph M. Albrecht, No. 4950, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Adolph M. Albrecht, convicted of Adolph M. Brecht in the Court of Quarter Sessions of Philadelphia County, on April 14, 1932 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Quarter Sessions Court of Philadelphia County on Bills of Indictment Nos. 506 and 507 April Term, 1932 for the crimes of larceny of an automobile, driving an automobile without consent of owner and receiving stolen goods and was placed on probation for a period of 3 years on April 14, 1932.

An examination of his record reveals that he was never arrested prior to the arrest which resulted in the conviction which now stands nor has he been involved in difficulties since that date. The petitioner was 17 years of age at the time of the commission of this offense. He has been steadily employed with the John J. Felin Company, Philadelphia, Pennsylvania for the past eight years.

James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that the district attorney's office had no objection to the granting of the petition. The trial judge, the Honorable Edwin O. Lewis directed the Chief Probation Officer of Philadelphia County to advise the Board that he had no objection to a pardon being granted.

The Board of Pardons is of the opinion that the petitioner is not criminally minded and that he will never again become involved in any difficulties with the law. The Board, is further of the opinion that the applicant has completely rehabilitated himself and that he is now a self-respecting and law-abiding citizen, and therefore, recommends that a full and complete pardon be granted to him.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of S. Jesus Gonzalez, No. 4951, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that S. Jesus Gonzalez, convicted of larceny in the Court of Quarter Sessions of Philadelphia County, on April 30, 1926, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Quarter Sessions Court of Philadelphia County on April 30, 1926 and was sentenced to a term of imprisonment in the Philadelphia County Prison for from 5 to 10 years for the crime of larceny from which he was paroled on April 31, 1931.

The petitioner was born in Spain. He is married and resides with his wife at No. 329 West 112th Street, New York City, and he has been steadily employed since his release from the County Prison. Prior to the commission of the crime from which he seeks relief he has applied for naturalization and was granted his first naturalization papers. Because of the conviction he is unable under a ruling of the United States Immigration Bureau, and, because of the federal law to obtain his final citizenship papers. An examination of his record shows that he had never been in any difficulty before the commission of the offense for which he was incarcerated nor has he been in any difficulty since that time.

James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that his office had no other record and that they had no objection to the granting of his petition, as the offense had taken place in 1926. The trial judge, the Honorable Arird made no reply to an inquiry addressed to him by the Board of Pardons.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner has completely rehabilitated himself, and he is now a self-respecting and law-abiding citizen, and therefore, recommends that the granting of this petition be granted, which will in part remove the stigma of the crime from his name and be of material assistance to him.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Zef Banda, No. 4952, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Zef Banda, convicted of sodomy and buggery in the Municipal Court of Philadelphia County, on November 17, 1922, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded not guilty in the Municipal Court of Philadelphia County on the 17th day of November, 1922 and was sentenced to a term of imprisonment in the Philadelphia County Prison for a term of 2½ years for the crime of sodomy and buggery.

An examination of his record shows that he was never arrested before the arrest which resulted in his imprisonment nor has he been arrested subsequently. The applicant was born in Albania. After his discharge from the County Prison he applied for his citizenship papers, which were denied him because of the conviction standing against him.

James W. Tracey, Jr., Esquire, assistant district attorney appeared before the Board of Pardons and stated that the district attorney's office had no objection to the granting of clemency. The trial judge, the Honorable Raymond MacNeille recommended to the Board of Pardons that a pardon should be granted to the peittioner.

The petitioner has been constantly employed since his discharge from the Philadelphia County Prison and has made an honest and sincere effort to become a self-respecting and law-abiding citizen.

The Board after considering all the facts of the case is of the opinion that a full and complete pardon should be granted to the petitioner. The Board, therefore, recommends that a full and complete pardon be granted to the applicant.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Theodore Zbiegniewicz, No. 4978, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of Theodore Zbiegniewicz, convicted of receiving stolen goods in the Quarter Sessions Court of Allegheny County on March 30, 1939 be commuted from a minimum term of 1½ years on Bill No. 317 December Sessions, 1938 to a minimum term of 3 months, expiring on October 30, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Quarter Sessions Court of Allegheny County on March 30, 1939 to be computed from January 30, 1939 of the crime of receiving stolen goods and was sentenced to a term of imprisonment in the Allegheny County Workhouse for from 1½ to 3 years on each of Bills Nos. 316 and 137 December Sessions, 1938. Sentence to run consecutively.

An examination of the petition submitted by the applicant shows that he was not involved in any difficulty with the law prior to the date of the commission of the offense which resulted in his present imprisonment. Ralph T. Bell, assistant district attorney, appeared before the Board and stated that the district attorney's office felt that the sentence as imposed was not severe and that his office was opposed to the granting of the petition. The trial judge, the Honorable Charles Culver in a communication to the Board of Pardons stated that the sentence was not severe and that the petitioner should be required to serve it. Several communications had been addressed to the Board of Pardons by reputable persons in the city of Lansing, Michigan and Detroit, Michigan, attesting to the good character of the petitioner. The Superintendent of the Allegheny County Workhouse had advised the Board of Pardons that the petitioner has maintained an excellent record and has been of much assistance to the authorities of that institution.

The Board of Pardons after considering all facts in the case are of the opinion that the petitioner has been sufficiently punished, and therefore, recommends that the minimum sentence be commuted on Bill No. 317 December Sessions, 1938 from a term of 1½ years to a minimum term of 3 months, expiring on October 30, 1940 and that the applicant remain on parole until January 30, 1945.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Green, Jr., No. 4979, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that George Green, Jr., convicted of operating a motor vehicle without consent of owner in the Court of Quarter Sessions of Montgomery County, on March 31, 1939 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Quarter Sessions Court of Montgomery County on March 31, 1939 for the crime of operating a motor vehicle without consent of owner and was sentenced to pay one-half of damages on the car to which injuries were inflicted and to be placed on probation for a period of one year.

An examination of his record shows that he was arrested on one occasion for the crime of disorderly conduct. The case was discharged by a magistrate. The applicant is employed by the United States Maritime Service Training Station, Hoffman's Island, New York and he is desirous of joining the United States Navy, but, because of this conviction which stands against his record, he is not eligible for enlistment.

The trial judge, the Honorable William F. Dannehower did not reply to the Board of Pardons letter of communi-

cation addressed to him nor did the trial district attorney make any reply to the Board.

The Board of Pardons after a review of the facts is of the opinion that the petitioner is not criminally minded and that he has made an honest effort to rehabilitate himself. The Board, therefore, recommends that a full and complete pardon be granted to the applicant, which will in part remove the stigma of the crime from his name and be of material assistance to him in enlisting in the armed forces of the United States.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Gustave Serotta, No. 4990, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Gustave Serotta, convicted of larceny in the Court of Oyer and Terminer of Lackawanna County, on September 23, 1912 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Oyer and Terminer Court of Lackawanna County on September 23, 1912 for the crime of larceny and was sentenced to an indeterminate term in the Pennsylvania Industrial School. An examination of his record shows that for the past 26 years he has not been in any difficulties with the law.

The trial district attorney did not reply to a communication addressed to him by the Board of Pardons. The trial judge, the Honorable Will Leach stated that he knew of no facts in this case. An investigation conducted by the New York State Parole Authorities reports that the subject has been engaged in business and has been employed for the past 25 years. The petitioner is desirous of entering business which will require the possession and sale of intoxicating liquor and because of the ruling of the Alcoholic Beverage Control Commission of New York it is impossible for him to operate or be employed in any place of business where liquor or beer is sold. Because of the conviction which stands against his record, it is impossible for him to enter this business.

The Board of Pardons is of the opinion that the petitioner has completely rehabilitated himself, and that he is deserving of consideration, and therefore, recommends that a full and complete pardon be granted to the petitioner.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Dominic F. Mollica, No. 5003, September Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Dominic F. Mollica, convicted of entering a building in the Court of Quarter Sessions of Allegheny County, on February 19, 1936 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Quarter Sessions Court of Allegheny County on February 19, 1926 and was sentenced to a term of imprisonment in the Allegheny County Prison for from 2 to 4 months for the crime of entering a building.

The petitioner was never involved in any transgressions of the law prior to the arrest which resulted in the sentence from which he now seeks relief nor has be been in any difficulty since that time. He has been steadily employed since the date of his release from the prison in the capacity of Deputy United States Marshal in the State of New Mexico and has rendered valuable service to the State of New Mexico and the United States, which is attested to in letters presented to the Board of Pardons written by Mr. J. Edgar Hoover, Federal Bureau of Investigation, Mr. Felipe Sanchez Y. Baca, United States Marshall of the District of New Mexico, and Mr. A. M. Fernandez, Assistant Attorney General of the State of New Mexico. The applicant is now a candidate for a political office and desires a pardon in order that he may qualify for the office if elected.

Ralph T. Bell, Esquire, assistant district attorney of Allegheny County appeared before the Board and stated that his office did not object to the granting of a pardon. The trial judge, the Honorable Ambrose B. Reid has advised the Board of Pardons that he had no objection to the granting of a pardon.

The Board of Pardons is of the opinion that the petitioner has fully rehabilitated himself and that he is now a self-respecting and law-abiding citizen, and therefore, recommends that a full and complete pardon be granted which will in part remove the stigma of the crime from his name and be of material assistance to him.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Francis E. C. Quinn, D-3479, No. 792, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum

sentence of Francis E. C. Quinn, convicted of assault, being armed with an offensive weapon with intent to rob, in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on October 8, 1935 to be computed from October 8, 1938, be commuted from 4 years to 2 years, 1 month expiring on November 8, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on October 8, 1935 of the crime of assault, being armed with an offensive weapon with intent to rob and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 4 to 20 years. Sentence to be computed from October 8, 1938.

An examination of the record shows that he was committed to the Eastern State Penitentiary on January 7, 1931 by the Courts of Philadelphia County for a period of 3 to 6 years for the crime of robbery, being armed with an offensive weapon, from which he was released on parole January 14, 1934. The sentence which petitioner is now serving resulted in the petitioner being retaken as a parole violator, and he was returned to the Eastern State Penitentiary on October 8, 1935 to serve the unexpired sentence imposed January 14, 1931 and thereupon to be recommitted to serve the term of 4 to 20 years.

The Board of Trustees of the Eastern State Penitentiary have reported to the Board of Pardons that he has utilized every opportunity toward self-improvement. He is employed as a surveyor in the Maintenance Department and is considered one of the best workers that has ever been employed in that capacity. His assignments are both inside and outside the wall. If he had not been able to perform successfully the technical work assigned him, it would have been necessary to have a civilian employe. In order to improve himself he has studied mathematics in his spare time and at present is working in trigonometry. Judging from this man's changed attitude and the mature method in which he has attacked his problems since his return, it is felt that he will have a good apportunity of successful adjustment, if he is released. The trial judge, the Honorable James Gay Gordon, Jr., made no reply to a communication addressed to him by the Board of Pardons in this matter. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has served a period of time equal to the two minimum terms as imposed by the Court and that the district attorney's office had no objection to the granting of this petition. The Supervisor of Paroles advised the Board of Pardons that if the petition met with the approval of the convicting authorities he would have no objection to the re-release of this petitioner. A parole plan has been obtained which assures adequate sponsorship and bona fide employment.

The Board of Pardons after a review of all of the facts in this case are of the opinion that the petitioner has been sufficiently punished and will, if released, become a self-respecting, law abiding citizen, and therefore, recommends that the minimum sentence be commuted to 2 years, 1 month, expiring on November 8, 1940 and that the applicant will remain on parole under the supervision of the Board of Pardons until October 8, 1958.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.

S. M. R. O'HARA,
Secretary of the Commonwealth.

CLAUDE T. RENO,
Attorney General.

WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Mike Churley, No. 970, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Mike Churley, convicted of statutory rape in the Court of Oyer and Terminer of Allegheny County, on March 31, 1931 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon was convicted in the Oyer and Terminer Court of Allegheny County on March 31, 1931 of the crime of statutory rape and was sentenced to a term of imprisonment in the Western State Penitentiary for from 4 to 15 years. The applicant submitted a petition to the Board of Pardons for commutation of sentence which was heard at the October 1932 session. After due deliberation a recommendation was made to the Governor that the sentence be commuted and Churley was thereupon released on parole.

An examination of his record reveals no prior criminal history. The petitioner has during his entire parole period complied with every regulation of the Board. He has been steadily employed and bears a good reputation in the community where he now resides. The Supervisor of Paroles has informed the Board of Pardons that he has no objection to the granting of this petition.

The trial judge, the Honorable James H. Gray, has advised the Board of Pardons that he will rely on the Board's judgment. Ralph T. Bell, Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has not violated the law in any way since his release, and that the offense for which he now seeks a pardon was the only offense upon the applicant's record, and therefore, the district attorney's office desired to leave the matter up to the Board's good judgment.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner is now a self-respecting, law-abiding citizen and an asset in the community in which he lives, and further, that he has made a complete rehabilitation, the Board, therefore recommends a full and complete pardon be granted.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.

S. M. R. O'HARA,
Secretary of the Commonwealth.

CLAUDE T. RENO,
Attorney General.

WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles Durst, B-1617, No. 1065, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of Charles Durst, convicted of robbery in the Court of Oyer and Terminer of Allegheny County on September 26, 1929 be commuted from 16 years to 11 years, 2 months expiring on November 26, 1940.

Our reasons for making this recommendation are as follows:

The applicant for a commutation of sentence was con-

victed in the Courts of Allegheny County on Bills of Indictment Nos. 142, 144, 145 and 146 September Sessions, 1929 of the charge of robbery and was sentenced to a term of imprisonment in the Western State Penitentiary for from 2 to 4 years on each bill. Sentences to run consecutively.

An examination of the record shows that during the month of January, 1929 he was arrested in Pittsburgh charged with the crime of larceny of an automobile for which he was confined for a period of 35 days in the County Prison. The applicant presented a petition to the Board of Pardons which was heard in October, 1933 and favorable recommendation was made and the applicant was released on parole December 22, 1933. The Supervisor of Paroles has informed the Board that the petitioner during his entire parole period has faithfully complied with the rules and restrictions of the Board of Pardons, and he has been continuously employed with the Kengan Provision Company in the city of Pittsburgh. He is married, has two children and resides with his family at 1906 Gibert Street, North Side, Pittsburgh, Pennsylvania.

The trial judge, the Honorable Harry H. Rowand, in a communication to the Board of Pardons has stated that he is in favor of the granting of the petition. Ralph T. Bell, Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has had no other law violation. That he has served his minimum term and that the district attorney's office would be satisfied with any action taken by the Board of Pardons.

The Board of Pardons after a review of all the facts is of the opinion that a continuation of the applicant on parole would serve no good purpose. The petitioner has demonstrated he has completely rehabilitated himself. The Board, therefore, recommends that the maximum sentence as imposed by the Court be commuted to a new maximum term of 11 years and 2 months, expiring on November 26, 1940.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Henry Franklin Coffey, B-691, No. 1558, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Henry Franklin Coffey, convicted of larceny, entering a building and robbery in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on March 16, 1928, be commuted from a minimum term on Bill No. 328 from a minimum of 1 year to a minimum of 8 months, expiring on November 16, 1940; on Bill No. 327 from a minimum of 1 year to a minimum of 1 day, expiring on November 17, 1940; on Bill No. 55 from a minimum of 2 years to a minimum of 1 day, expiring on November 18, 1940; on Bill No. 56 from a minimum of 2 years to a minimum of 1 day, expiring on November 19, 1940 and on Bill No. 57 from a minimum of 2 years to a minimum of 1 day, expiring November 20, 1940.

Our reasons for making this recommendation are as follows:

The applicant for a commutation of sentence was convicted in the Oyer and Terminer and Quarter Sessions Court of Allegheny County on March 16, 1928 on Bills of Indictment Nos. 1075, 1073, 354, 326, 327, 328, 329 February Term, 1928, Bills Nos. 55, 56, 57, 58 February Term, 1928 and was sentenced to a term of imprisonment in the Western State Penitentiary for from 14 to 28 years for the crimes of larceny, robbery, entering a building.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons stated: " . . . If this inmate were eligible to apply for parole, we would probably recommend him for parole (1) has served 12 years, 7 months (2) excellent institutional record since transfer to Rockview." The trial judge, the Honorable Ambrose B. Reid, made no reply to a communication addressed to him by the Board of Pardons. Ralph T. Bell, Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has committed 13 crimes, none of which amounted to the loss of any large amount of money and could probably be classed as petty larceny, and further, the petitioner has been in jail for 12 years, 7 months, and that the district attorney's office felt that the petitioner could now be released. A parole plan has been obtained which provides adequate sponsorship. Employment is to be obtained prior to the release of the applicant from the Western State Penitentiary.

The Board of Pardons is of the opinion that applicant has been sufficiently punished and that he will, if released, become a self-respecting, law-abiding citizen, and therefore, recommends that the sentence be commuted in the following manner: On Bill No. 328, from a minimum term of 1 year to a minimum term of 8 months, expiring on November 16, 1940; on Bill No. 327 from a minimum term of 1 year to a minimum term of 1 day, expiring on November 17, 1940; on Bill No. 55 from a minimum term of 2 years to a minimum term of 1 day, expiring on November 18, 1940; on Bill No. 56 from a minimum term of 2 years to a minimum term of 1 day, expiring on November 19, 1940 and on Bill No. 57 from a minimum term of 2 years to a minimum term of 1 day, expiring on November 20, 1940 and the applicant will remain under the supervision of the Board of Pardons until November 20, 1944.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Albert Miller, B-91, No. 1845, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Albert Miller convicted of assault and battery with intent to commit murder, robbery in the Oyer and Terminer Court of Clearfield County, on April 18, 1927, be commuted on Bill No. 98 May Sessions, 1927 from a minimum of 10 years to a minimum of 6 years, 7 months, expiring on November 18, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme

Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommend tions for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Tomkiewicz, B-6179, C-8934, No. 3550, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Tomkiewicz, convicted of murder in the second degree in the Court of Oyer and Terminer and Quarter Sessions of Luzerne County on May 9, 1933 be commuted from 8 years to 7 years, 7 months and 4 days expiring on December 13, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Luzerne County on May 9, 1933 to the charge of murder generally. The Court fixed the degree as murder in the second degree and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 8 to 20 years.

An examination of the record shows that he was committed to the Luzerne County Industrial School to an indeterminate term for incorrigibililty on June 29, 1929. He was arrested in Jersey City, New Jersey, on September 26, 1932 for carrying concealed weapons and sentence suspended.

The Board of Trustees of the Eastern State Penitentiary has advised the Board of Pardons that the petitioner was transferred to the Rockview Farm Prison on June 24, 1938. The authorities of that institution report that his performance there has been satisfactory. He is employed as a truck driver in the farm gang and his associates are of the better class. The trial judge, the Honorable Benjamin R. Jones, in a communication to the applicant stated: " . . . You are entitled to consideration for the time you spent in prison since your arrest on December 13, 1932, until the date of your sentence, May 9, 1933. If the authorities will request an order to that effect I shall be glad to forward it."

Mitchell Jenkins, Esquire, assistant district attorney, appeared before the Board and stated that in view of the facts that the minimum sentence was almost up the district attorney's office would leave the matter to the Board of Pardons without any recommendation.

The Board, after reviewing all of the facts is of the opinion that the petitioner should be credited with the period that the petitioner was confined in the county jail awaiting trial, and further, that the petitioner will if released become a self-respecting, law-abiding citizen. A parole plan has been obtained which assures adequate sponsorship and bona fide employment.

The Board, therefore, recommends that the minimum sentence be commuted to a minimum term of 7 years, 7 months and 4 days, expiring on December 13, 1940, and that applicant remain on parole under the supervision of the Board of Pardons until May 9, 1953.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Samuel I. Perlman, D-1458, No. 3961, October Sesion, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Samuel I. Perlman, convicted of fraudulently making a written instrument in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on July 9, 1936 be commuted from 5 years to 4 years, 6 months and 18 days, expiring on January 27, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Court of Philadelphia County on July 9, 1936 for the crime of fraudulently making a written instrument and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years.

An examination of the record shows on several occasions the petitioner was charged with larceny, receiving stolen goods, fraudulent conversion, false pretense, embezzlement, perjury and on each arrest the case was disposed of by the applicant making restitution and by verdicts of not guilty, with the exception of one arrest of the charge of perjury, where he was sentenced to a term of imprisonment in the Philadelphia County Prison for from 18 months to 3 years.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . While his conduct record has been satisfactory, there is nothing in his performance record that would lead us to believe he will change his former habits or methods of securing his livelihood." The trial judge, the Honorable Robert E. Lamberton, made no reply to a communication addressed to him by the Board in this mater. James W Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the district attorney's office had no objection to the granting of the commutation in order that the petitioner could be credited for the time spent in the county prison awaiting trial for the sentence imposed by the Court. The record in this case shows that the petitioner was placed under arrest on January 27, 1936 and was committed to the county prison in default of bail, where he remained until July 9, 1936 the time of imposition of the sentence. Because of the Act of Assembly approved April, 1937 the Board is of the opinion that the petitioner should be credited with the time spent in prison as applying against the minimum sentence, and therefore, recommends that the minimum sentence be commuted to a minimum term of 4 years, 6 months, 18 days, expiring on January 27, 1941, and that the applicant will remain under the supervision of the Board of Pardons until July 9, 1946.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Melvin Rudy, B-6157, D-2723, No. 3992, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Melvin Rudy, convicted of breaking and entering with intent to steal in the Court of Oyer and Terminer and Quarter Sessions of Tioga County on December 21, 1937 to begin July 8, 1937 be commuted from 4 years to 3 years, 4 months, expiring on November 8, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Tioga County on December 21, 1937 of the crime of breaking and entering with intent to steal and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 4 to 10 years. Sentence to be computed from July 8, 1937.

An examination of the record in this case shows that the petitioner was arrested on six occasions, charged with suspicion and sentence was suspended in each case.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states this petitioner was transferred to Rockview on June 17, 1938. The authorities of that institution report that he has a good prison performance. He is employed in the garage and is considered to be an excellent worker. He has attended school studying a course in electric arc welding. They stated that if this man was being considered to parole, they would probably recommend. The trial judge, the Honorable Thomas A. Crichton, in a communication to the Board stated he had no objection to the granting of this petition. The district attorney, Charles M. Elliott, Esquire, in a communication to the Board stated: ". . . Again I write that I do not believe, under all of the circumstances, that this man is entitled to commutation at this time." A parole plan has been obtained which assures adequate sponsorship and bona fide employment.

The Board after a review of all of the facts in this matter is of the opinion that the petitioner has been sufficiently punished, and if released, he will become a self-respecting, law-abiding citizen, for which reason the Board recommends that the minimum sentence be commuted to a minimum term of 3 years, 4 months, expiring on November 8, 1940 and that the applicant remain on parole under the supervision of the Board of Pardons until July 8, 1947

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Emil Grayshock, B-2520, No. 4002, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Emil Grayshock, convicted of robbery in the Court of Oyer and Terminer of Allegheny County on March 6, 1931 be commuted from 10 years to 9 years, 9 mos. and 18 days expiring on December 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant for a commutation of sentence pleaded guilty in the Courts of Allegheny County on Bills of Indictment Nos. 75 and 77 December Term, 1930 charging him with the crime of robbery and was sentenced to a term of imprisonment in the Western State Penitentiary on Bill No. 75 for from 10 to 20 years and on Bill No. 77 for from 5 to 40 years. Sentences to be served concurrently.

The Board of Trustees of the Western State Penitentiary in a report submitted to the Board of Pardons stated: " . . . If this inmate were eligible to, apply for parole, we would probably recommend him for parole (1) first conviction (2) excellent institutional record (3) has served 9 years, 6 months (4) sentence of accomplice has been commuted." The trial judge, the Honorable George V. Moore, made no reply to a communication addressed to him by the Board of Pardons. Ralph T. Bell, Esquire, assistant district attorney, appeared before the Board and stated that the district attorney's office had no objection to applying credit for the period of time the prisoner spent in the Allegheny County Prison in default of bail to the minimum sentence as imposed. The petitioner was

placed under arrest on December 24, 1930 and was confined in the Allegheny County Prison until March 6, 1931 on which date sentence was imposed. A period of 2 months and 12 days. A parole plan has been obtained which assures adequate sponsorship and bona fide employment to the petitioner.

The Board after a review of all the facts is of the opinion that the petitioner should be credited with the time spent in the county jail in default of bail as applying to his minimum sentence, and therefore, recommends that the minimum sentence be commuted to a term of 9 years, 9 months and 18 days, expiring on December 24, 1940 and that the applicant remain on parole under the supervision of the Board of Pardons until March 6, 1971.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harry Alvan Myers, B-4178, No. 4032, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Harry Alvan Myers, convicted of robbery, receiving stolen goods in the Court of Oyer and Terminer of Allegheny County on June 15, 1934 be commuted from 10 years to 6 years, 5 months expiring on November 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Allegheny County to the charge of robbery, receiving stolen goods and was sentenced to a term of imprisonment in the Western State Penitentiary for from 10 to 20 years on the 15th day of June, 1934.

An examination of the record shows on May 13, 1929 he was committed to the Pennsylvania Industrial School, Huntingdon, for the crime of larceny.

The Board of Trustees of the Western State Penitentiary has advised the Board of Pardons if this inmate were eligible to apply for parole, we would probably conditionally recommend him for parole subject to adequate parole plan (1) excellent institutional record since transfer to Rockview (2) has now served 6 years, 4 months. The trial judge, the Honorable W. Heber Dithrich, made no reply to a communication addressed to him by the Board in this matter. Ralph T. Bell, Esquire, assistant district attorney, appeared before the Board and stated that the district attorney's office had no objection to the granting of the petition. A parole plan has been obtained which assures adequate sponsorship and bona fide employment.

The Board, after reviewing all of the facts is of the opinion that he will, if released, live a self-respecting, law-abiding life, and therefore, recommends that the minimum sentence be commuted. The applicant will remain on parole under the Supervision of the Board of Pardons until June 15, 1954.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Wipf, B-5435, No. 4181, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Wipf, convicted of murder in the second degree in the Court of Oyer and Terminer of Beaver County on March 20, 1937 be commuted from 5 years to 3 years, 8 months expiring on November 20, 1940.

Our reasons for making this recommendation are as follows:

The applicant for a commutation of sentence was convicted in the Courts of Beaver County on March 20, 1937 of the crime of murder in the second degree and was sentenced to a term of imprisonment in the Western State Penitentiary for from 5 to 20 years.

An examination of the record shows that he was never in trouble before the commission of the offense which resulted in his present imprisonment. The applicant was placed under arrest on March 22, 1936 and was confined to the Beaver County Jail from that date until March 20, 1937 when he was sentenced to the Western State Penitentiary.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons state: " . . . if this inmate were eligible to apply for parole, we would probably recommend him for parole (1) first conviction (2) excellent institutional record (3) very cooperative and trustworthy inmate." The trial judge, the Honorable Frank E. Reader, has advised the Board that he does not desire to oppose the granting of this petition. The district attorney made no reply to an inquiry addressed to him by the Board as to his attitude in this matter. A parole plan has been obtained which insures adequate sponsorship and bona fide employment to the petitioner if he is released on parole.

The Board, after a review of all the facts are of the opinion that the petitioner has been sufficiently punished, and taking into consideration the period of 1 year during which he was confined in the Beaver County Prison, he has been confined continuously for a period of 4 years, 8 months, which is almost the entire minimum sentence imposed by the Court.

The Board, therefore, recommends that the minimum sentence be commuted from a minimum term of 5 years to a minimum term of 3 years, 8 months, expiring November 20, 1940, and that the applicant remain on parole under the supervision of the Board of Pardons until March 20, 1957.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.

WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES.
Governor.

BOARD OF PARDONS

In re application of Frank William Searcy, C-9381, No. 4225, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Frank William Searcy, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on December 15, 1933, be commuted from a minimum term on Bill No. 345 from 10 years to a minimum term of 6 years, 11 months, expiring on November 15, 1940; and on Bill No. 346 from a minimum term of 5 years to a minimum term of 1 day, expiring on November 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant for communtation of sentence was convicted in the Courts of Philadelphia County on Bills of Indictment Nos. 345 and 346 December Session, 1933 of the crime of robbery, being armed with an offensive weapon and was sentenced to a term of imprisonment on Bill No. 345 for from 10 to 20 years and on Bill No. 346 for from 5 to 10 years in the Eastern State Penitentiary. Sentences to be served consecutively.

An examination of the record shows that the petitioner was never involved in any difficulties of the law before the offense which resulted in his present imprisonment.

The trial judge, the Honorable Harry S. McDevitt, in a communication to the Board of Pardons has stated that the petitioner deserves consideration: " . . . That while he has not yet served half of his minimum, I am inclined to think that prison has now done him as much good as it will ever do him, and if we believe in rehabilitation, this is one case that deserves consideration." James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner was engaged in a number of holdups where guns were used, however, because of his penitentiary record and the accomplishments of the petitioner while confined the district attorney's office was entirely willing to leave the matter up to the Board of Pardons. The Board of Trustees of the Eastern State Penitentiary has advised the Board of Pardons that the petitioner has a very good prison record and has maintained an excellent attitude. He has real ability in cartooning and art work and has made an exceptional attempt to improve himself along these lines. His actions, attitude and efforts to improve himself, and the facts that he has no prior criminal record justify our belief that he will, if released, refrain from further criminal activities. A parole plan has been obtained which ensures reliable sponsorship and bona fide employment.

The Board after a review of all the facts in this case are of the opinion that the petitioner has been sufficiently punished, and will, if released, become a self-respecting, law-abiding citizen, and the Board, therefore, recommends that the minimum sentence on Bill No. 345 be commuted from a minimum term of 10 years to a minimum of 6 years, 11 months, expiring on November 15, 1940, and on Bill No. 346 from a minimum term of 5 years to a minimum term of 1 day, expiring on November 16, 1940 and that the applicant will remain on parole under the supervision of the Board of Pardons until November 16, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles Damato Eletto, D-1971, No. 4570, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Charles Damato Eletto, convicted of murder-manslaughter in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on Febrcary 18, 1937 be commuted from 6 years to 3 years, 9 months expiring on November 18, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on February 18, 1937 of the crime of murder-manslaughter and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 6 to 12 years.

An examination of the petitioner's record reveals that he has never been in any difficulties with the law other than the offense which he now seeks release. The petitioner was committed to the county prison on July 26, 1936 where he was detained for a period of 6 months and 12 days while awaiting trial.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: " . . . The petitioner has attended school for a period of 16 months and made good progress in learning to read and write English. He is employed in the Weave Shop and is considered to be a good worker. This man is now 63 years of age and it is doubtful if he will again become delinquent." The trial judge, the Honorable James Gay Gordon, Jr., made no reply to a communication addressed to him by the Board. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has been confined for a period over 4 years and the facts in his petition are correct. The petitioner went to the hospital to see his child and met his wife. He pleaded with her to return home and she struck the applicant in the face. The petitioner then drew a gun and shot his wife. Mr. Tracey stated that the district attorney's office would be satisfied with any action taken by the Board of Pardons. A parole plan has been obtained which assures adequate sponsorship and bona fide employment.

The Board of Pardons after a review of all the facts are of the opinion that the applicant, if released, will become a self-respecting, law-abiding citizen, and therefore, recommends that the minimum term be commuted to 3 years, 9 months, expiring on November 18, 1940 and that the applicant will remain on parole under the supervision of the Board of Pardons until February 18, 1949.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.

CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Melvin Walter Armpriester, D-4649, No. 4578, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Melvin Walter Armpriester, convicted of breaking and escaping penitentiary in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on September 23, 1937 to begin January 15, 1940 be commuted from 2 years to 10 months expiring November 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence entered a plea of guilty in the Courts of Montgomery County for the crime of breaking and escaping penitentiary and was sentenced on September 23, 1937 to a term of imprisonment in the Eastern State Penitentiary for from 2 to 4 years. Sentence to be computed from January 15, 1940.

An examination of the petitioner's record shows that he has been arrested on six occasions and has been convicted on each occasion. The offense for which he is now incarcerated was committed while the petitioner was confined in the New Eastern State Penitentiary under sentence imposed by the Court of York County to a term of imprisonment of from 3 to 6 years for the crime of felonious entry, larceny, receiving stolen goods.

The Board of Trustees of the Eastern State Penitentiary has advised the Board of Pardons that petitioner is suffering from tuberculosis. Dr. R. J. Grayson, Chief Resident Physician, has made a report to the Board as to the physical condition of the applicant: " . . . The above captioned inmate is afflicted with lung tuberculosis, both sides being affected. The disease is more pronounced on the right side where a cavity is present. The tuberculosis of the left lung is limited to the upper portion. His general physical and mental condition is progressively worse. At the present time he is very despondent and irritable. In addition to the tuberculosis, the inmate, also, has an indirect inguinal rupture which at the present time is inoperatable because of the lung disease. It is the opinion of the medical staff that his life span is very much abbreviated." Arrangement has been made with the Department of Health to place him in a State Tuberculosis Sanitorium for treatment in the event he is released on parole. The trial judge, the Honorable Harold G. Knight, in a communication to the Board has advised that he did not oppose the application. The trial district attorney, Frederick B. Smillie, Esquire, stated that the sentence was proper and would rely on the action of the Board.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner is in a precarious physical condition and little good can result in his further confinement in the State Penitentiary.

The Board, therefore, recommend that the minimum sentence be commuted to a term of 10 months, expiring on November 15, 1940, and that the applicant will remain on parole under the supervision of the Board of Pardons until January 15, 1944. The applicant upon his release is to be admitted to a proper institution for medical treatment.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Jacob Mordell, No. 5008, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Jacob Mordell, convicted of receiving stolen goods in the Court of Quarter Sessions of Philadelphia County, on March 4, 1938 to be computed from February 21, 1938.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded not guilty in the Quarter Sessions Court of Philadelphia to the charge of receiving stolen goods and was sentenced by the Honorable Otto R. Heiligman on March 4, 1938 to a term of imprisonment in the Philadelphia County Prison for from 3 months to 3 years. Sentence to be computed from March 4, 1938.

An examination of the record shows that he was never arrested before the conviction which he now seeks release. The trial judge, the Honorable Otto R. Heiligman, in a communication to the Board stated that he left the matter up to the discretion of the Board. James W. Tracey, Jr., Esquire assistant district attorney, appeared before the Board and stated that the petitioner was charged with receiving stolen goods because of a stolen watch which he purchased, and further, that he was engaged in the pawnbrokers' business and a customer came into his place of business and wanted to sell the watch. The customer looked very young and petitioner called the Pawnbrokers' Bureau, City Hall, Philadelphia, and made inquiries as to whether the watch had been stolen and was advised that no record of the watch as having been stolen was in their department. The petitioner thereupon made the purchase of the watch, which later developed that it had been stolen and he was placed under arrest. Mr. Tracey, further stated that in view of all the facts in the case the district attorney's office had no objection to the granting of a pardon.

The Board of Pardons after reviewing all the facts in the matter are of the opinion that the petitioner has been sufficiently punished for his part in the transaction, and therefore, recommends the granting of the petition.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Erkert, No. 5011, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that George Erkert, convicted of larceny, receiving stolen goods, operating automobile without consent of owner, in the Court of Quarter Sessions of Philadelphia County, on April 1931, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty in the Quarter Sessions Court of Philadelphia County on Bills of Indictment Nos. 670, 671, 672, 673 and not guilty on Bills of Indictment on Nos. 674 and 675 of the crime of larceny, receiving stolen goods and operating an automobile without consent of owner and was on April 24, 1931 placed on probation for a period of 10 years.

An examination of the petitioner's record shows that he was never in difficulties with the law before the arrest which resulted in the sentence from which he now seeks release.

The trial judge, the Honorable Harry S. McDevitt, in a communication to the Board stated: ". . . I placed this man on ten years probation in 1931, and so far as the police records show he has not been in trouble since that time. I have no objection to a pardon." James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner was only seventeen years of age when the offense occurred. That he had never been arrested before or since, and that the district attorney's office had no objection to the granting of the petition.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner has been sufficiently punished and he has demonstrated that he has become a self-respecting, law abiding citizen and is now fully rehabilitated, the Board, therefore, recommends that the petition be granted.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Nicholas Radick, B-5317, No. 5020, October Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Nicholas Radick, convicted of robbery, being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on June 24, 1931 be commuted from 10 years to 9 years, 5 months, expiring on November 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant for a commutation of sentence pleaded guilty in the Court of Philadelphia County on June 24, 1931 and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years for the crime of robbery, being armed with an offensive weapon. On December 1, 1936 petitioner was transferred to the Western State Penitentiary to serve the remaining portion of the sentence imposed.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons has advised them if this inmate were eligible to apply for parole, we would probably recommend him for parole (1) first conviction (2) excellent institutional record (3) cooperative and trustworthy inmate (4) has now served 9 years, 3 months. The trial judge, the Honorable Raymond MacNeille, has advised the Board that he had not objection to the granting of clemency if the petitioner has reformed. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has served 9 years of a 10 years' minimum sentence for which reason the district attorney's office would offer no objection to the granting of the petition. A parole plan has been obtained for the petitioner which ensures adequate sponsorship and bona fide employment, if he is released on parole.

The Board after a review of all the facts are of the opinion that the petitioner has been sufficiently punished, and will if released, become a self-respecting, law-abiding citizen, and therefore, recommends that the minimum sentence be commuted to a minimum term of 9 years, 5 months, expiring on November 24, 1940 and that the applicant will remain on parole under the supervision of the Board of Pardons until June 24, 1951.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles P. Willey, B-2730, No. 141A, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on Charles P. Willey convicted of larceny, receiving stolen goods in the Quarter Sessions Court of Allegheny County, on June 10, 1931, be commuted on Bill No. 79 June Sessions, 1931 from a minimum of 2½ years to a minimum of 1 day, expiring on December 9, 1940 and on Bill No. 80 from a minimum of 2 years to a minimum of 1 day, expiring on December 10, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Martin Delash, B-1768, No. 142A, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Martin Delash convicted of robbery, attempt to feloniously break and enter, jail breaking, felonious breaking and entering, larceny in the Oyer and Terminer and Quarter Sessions Court of Washington County on December 23, 1929, be commuted on Bill No. 119 February Session, 1930 from a minimum of 6 months to a minimum of 1 day, expiring on December 20, 1940; on Bill No. 120 from a minimum of 6 months to a minimum of 1 day, expiring on December 21, 1940; on Bill No. 122 from a minimum of 2 years to a minimum of 1 day, expiring on December 22, 1940 and on Bill No. 123 from a minimum of 2 years to a minimum of 1 day, expiring on December 23, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Louis Stulic, B-4161, No. 143A, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of imprisonment imposed on Louis Stulic convicted of sodomy, buggery, solicitation to commit sodomy, in the Quarter Sessions Court of Fayette County, on June 7, 1934, be commuted on Bill No. 130-4/7 June Sessions, 1934 from a minimum of 1 year to a minimum of 6 months, 29 days, expiring on January 6, 1941 and on Bill No. 130-6/7 from a minimum of 1 year to a minimum of 1 day, expiring on January 7, 1941.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sen-

tences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Howard Estler Rineer, C-7531, No. 1799, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Howard Estler Rineer, convicted of felonious entry and larceny in the Oyer and Terminer and Quarter Sessions Court of Lancaster County on November 17, 1931 be commuted from a minimum term on Bill No. 24 from 4½ years to a minimum term of 1 day, expiring on November 18, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Lancaster County on November 17, 1931 to Bills of Indictments Nos. 22, 23 and 24 November Term, 1931—charge—felonious entry and larceny and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 4½ to 9 years on each of the Bills. Sentences to run consecutively.

An examination of the criminal record of the petitioner shows that on November 22, 1922 he was committed by the Courts of Lancaster County to the State Industrial School to an indeterminate term of 10 years for the crime of felonious entry and larceny. The record also shows that he was arrested in the City of Lancaster on September 15, 1927 for the crime of forgery and fraudulent conversion and was sentenced to the Lancaster County Prison for a term of 6 months. The record further shows that in 1929 in the City of Harrisburg he was arrested for liquor violation and received a suspended sentence.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . Subject's institutional performance has been satisfactory. He has shown an interest in improving himself by completing 6 courses in agriculture from Pennsylvania State College and has received his diploma. He is employed in the maintenance department as a welder and his work is satisfactory." The trial judge is now deceased. The president judge, the Honorable Oliver S. Schaeffer, has advised the Board of Pardons that he will rely on any action taken by the Board of Pardons. The present district attorney, Karl L. Shirk, Esquire, appeared before the Board of Pardons and stated that the petitioner had a bad record and was convicted on three prior occasions, however, he has now an opportunity of a lifetime, because of the interest shown him by Mr. Snavely, who is well known to the district attorney, and further, if the petitioner should be rehabilitated, Mr. Snavely is the man to do it.

The Board of Pardons after considering all of the facts is of the opinion that the petitioner has been sufficiently punished. He has also been confined in excess of 9 years. A parole plan has been obtained which will provide excellent sponsorship and adequate employment. The Board of Pardons is further of the opinion that because of the type of sponsoring which he has obtained, that the petitioner will become a self-respecting law-abiding citizen, and therefore, recommends that the minimum sentence be commuted in the following manner: On Bill No. 24 from a minimum term of 4½ years to a minimum term of 1 day, expiring on November 18, 1940 and that he remain on parole until May 18, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Louis Swiderski, B-1668, No. 1969, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Louis Swiderski, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer Court of Allegheny County on October 13, 1929 be commuted from a minimum term of 5 years on Bill No. 51 to a minimum term of 1 year and 29 days, expiring on November 30, 1940; and on Bill No. 52 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 1, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Allegheny County to Bills of Indictment Nos. 50, 51 and 52 October Sessions, 1929—charged—robbery, being armed with an offensive weapon on October 13, 1929 and was thereupon sentenced to a term of imprisonment in the Western State Penitentiary for from 5 to 10 years on each Bill. Sentences to run consecutively.

An examination of the petitioner's criminal history shows that he was arrested on five occasions—charge—suspicious person and larceny before the arrest which resulted in his present incarceration.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons states: ". . . If this inmate were eligible to apply for parole, we would probably conditionally recommend him subject to a favorable parole plan." Ralph T. Bell, assistant district attorney, appeared before the Board of Pardons and stated that the question in this case was whether the improvement noticed in the applicant during his confinement is permanent or not. Further, that their office felt that if the Board is of the opinion that the petitioner was entitled to consideration that the action was a matter for the Board alone. The trial judge, the Honorable Harry H. Rowan, made no reply to a communication addressed to him by the Board of Pardons.

The petitioner has been confined in the Western State Penitentiary for a period of 11 years and the Board of Pardons is of the opinion that he has been sufficiently punished. A parole plan has been obtained which provides adequate sponsorship and bona fide employment.

The Board of Pardons is further of the opinion that the petitioner will, if released, become a self-respecting law-abiding citizen, and therefore, recommends that the sentences be commuted in the following manner: on Bill No. 51 from a minimum term of 5 years to a minimum term of 1 year and 29 days, expiring on November 30, 1940; and on Bill No. 52 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 1, 1940 and to remain on parole under the Board of Pardons until December 1, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES.
Governor.

BOARD OF PARDONS

In re application of Frank Taylor, B-2196, No. 2520, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Frank Taylor convicted of entering a building in the Quarter Sessions Court of Allegheny County, on September 16, 1930, be commuted on Bill No. 116 September Sessions 1930 from a minimum of one year to a minimum of 2 months, 26 days, expiring on December 12, 1940; on Bill No. 117 from a minimum of 1 year to a minimum of 1 day, expiring on December 13, 1940; on Bill No. 118 from a minimum of 1 year to a minimum of 1 day, expiring on December 14, 1940; on Bill No. 119 from a minimum of 1 year to a minimum of 1 day, expiring on December 15, 1940 and on Bill No. 120 from a minimum of 1 year to a minimum of 1 day, expiring on December 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Alois Schligler, B-2868, No. 2742, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Alois Schligler, convicted of murder in the second degree in the Court of Oyer and Terminer of Erie

County on September 24, 1931 be commuted from 10 years to 9 years and 3 months expiring on December 24, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Erie County on September 24, 1931 to Bill of Indictment No. 110 February Session, 1931—charge—murder in the second degree, and was thereupon sentenced to imprisonment in the Western State Penitentiary for from 10 to 20 years.

The Board of Trustees of the Western State Penitentiary have reported to the Board of Pardons: ". . . If this inmate were eligible to apply for parole, we would probably recommend him (1) first conviction (2) excellent institutional record (3) very cooperative inmate (4) has served 9 years, 2 months, in addition to 8 months in the county jail awaiting trial." The present district attorney, Burton R. Laub, Esquire, appeared before the Board of Pardons and stated that the petitioner has been rehabilitated if any prisoner ever has. That the petitioner was fortunate in getting a second degree verdict, however, he has made considerable gains while in prison. The prison authorities have done wonders with him, and further, he should be allowed credit for the period of time he spent in the Erie County Prison while awaiting trial. The record shows that the petitioner was placed under arrest on January 23, 1931 and that he was confined continuously in the Erie County Prison until the date of his sentence; i. e., September 24, 1931, a period of 8 months and 1 day.

The Board of Pardons after having reviewed all of the facts is of the opinion that he has been sufficiently punished, and will, if released, become a self-respecting law-abiding citizen. The Board is of the opinion that the petitioner should be credited for a period of 8 months and 1 day as applying against the sentence as imposed by the Court having in mind the Act of Assembly approved April 1937, which provides for credit for time spent in county prison by defendants, for default of bail. The Board, therefore, recommends that the minimum sentence in this case be commuted to a minimum term of 9 years and 3 months, expiring on December 24, 1940 and to remain on parole under the supervision of the Board of Pardons until September 24, 1951.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Lester Beck, C-7697, No. 3183, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Lester Beck, convicted of felonious entry and larceny in the Oyer and Terminer and Quarter Sessions Court of Lancaster County on January 23, 1932 be commuted from a minimum term of 4½ years on Bill No. 9 to a minimum term of 1 day, expiring on November 22, 1940; and on Bill No. 10 from a minimum term of 4½ years to a minimum term of 1 day, expiring on November 23, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the courts of Lancaster County on January 23, 1932 to Bills of Indictment Nos. 7, 8, 9, and 10 January Term, 1932—charge—felonious entry and larceny, and was thereupn sentenced to a term of imprisonment in the Eastern State Penitentiary for from 4½ to 9½ years on each Bill. Sentences to run consecutively and to be computed from November 21, 1931.

An examination of the record of the petitioner shows that he was placed under arrest at Ephrata, Pennsylvania during the year of 1927 for the crime of larceny. The case was settled before a Justice of the Peace. During the same year he was sentenced for the crime of felonious entry and larceny to a term of imprisonment of 2 years in the Lancaster County Prison. The record further shows on two occasions during 1930 he was arrested in Lancaster County. On one arrest he was discharged and on the other he was sentenced to imprisonment in the Lancaster County Prison for a period of 3 months for the crime of larceny.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states: ". . . Subject has maintained a good record of institutional performance. He has attempted to improve himself by studying a course in auto mechanics and made good progress. Has been employed as a mechanic in the knit shop for over 4 years and he frequently works during the time that he could be free." The trial judge is now deceased. The president judge, the Honorable Oliver S. Schaeffer, has advised the Board of Pardons he would be satisfied with any action taken by the Board of Pardons. The present district attorney, Karl L. Shirk, Esquire, has advised the Board of Pardons he would be satisfied with any action taken by them.

The Board of Pardons after reviewing all of the facts are of the opinion that applicant is worthy of consideration. He has served approximately 9 years, and they feel he has been sufficiently punished. It is noted that the sentence was imposed on January 23, 1932 and the Court directed the sentence be computed from November 21, 1931.

A parole plan has been obtained which provides adequate sponsorship and bona fide employment. The Board is further of the opinion that the petitioner will, if released, become a self-respecting law-abiding citizen, and therefore, recommends that his minimum sentence be commuted in the following manner: on Bill No. 9 from a minimum term of 4½ years to a minimum term of 1 day, expiring on November 22, 1940; and on Bill No. 10 from a minimum term of 4½ years to a minimum term of 1 day, expiring on November 23, 1940 and to remain on parole until May 23, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of James Paul Barnhart, B-3365, No. 3337, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommended that the minimum sentence of James Paul Barnhart, convicted of murder in the second degree in the court of Oyer and Terminer of Green County on September 17, 1932 be commuted from

9 years to 8 years, 6 months and 28 days, expiring on April 15, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Greene County on September 17, 1932 to Bill of Indictment No. 3 June Term, 1932—charge—murder in the second degree, and was thereupon sentenced to a term of imprisonment in the Western State Penitentiary for from 9 to 18 years.

An examination of his record shows that he was arrested on two occasions for non-support, for which he was committed to the Greene County Prison for a period of 30 days.

The Board of Trustees of the Western State Penitentiary in a communication to the Board of Pardons has stated: ". . . If this inmate were eligible to apply for parole, we would probably recommend him for parole (1) first major imprisonment (2) excellent institutional record (3) very cooperative and trustworthy inmate." The president judge, the Honorable Challen W. Waychoff, in a communication to the Board of Pardons has stated that the applicant should be paroled at the end of his minimum term. The present district attorney, A. M. Nichols, Esquire, has advised the Board of Pardons as follows: ". . . I am convinced that a favorable action by the Board of Pardons would serve the ends of justice in this case. The record shows that the petitioner was committed to the Greene County Jail on April 15, 1932 in default of bail, and was confined continuously until September 17, 1932, on which date he was sentenced to confinement in the Western State Penitentiary, a period of time amounting to 5 months and 2 days.

The Board of Pardons after reviewing all of the facts and taking into consideration the Act of Assembly approved April, 1937, the Board is of the opinion that the applicant, if released on parole, will become a self-respecting law-abiding citizen, and further, 5 months and 2 days the time which is the period of time equal to the time he spent in Greene County Jail should be applied to his minimum sentence, and therefore, recommends that the minimum sentence of 9 years be commuted to a minimum term of 8 years, 6 months and 28 days, expiring on April 15, 1941 and to remain on parole until September 17, 1950.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Jules Davis, D-2199, No. 3690, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Jules Davis, convicted of forgery in the Court of Oyer and Terminer and Quarter Sessions of Columbia County on May 8, 1937 be commuted from 4 years to 3 years, 8 months, and 18 days, expiring on January 25, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Columbia County on May 8, 1937 to Bill of Indictment No. 3 May Sessions, 1937 for the crime of forgery, and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 4 to 8 years and pay a fine of $100.00.

An examination of the record shows that the petitioner was committed to the county prison on January 25, 1937 in default of bail where he remained until the date of his trial, May 8, 1937.

The trial district attorney in a communication to the Board of Pardons stated he had no objection to the granting of the petition. The Honorable Charles C. Evans, trial judge, made no reply to a communication addressed to him by the Board of Pardons.

The Board of Pardons after reviewing all of the facts is of the opinion that the petitioner should be credited with the time spent while confined in the county prison awaiting trial, as applying to the sentence imposed by the Court, and therefore, recommends that the minimum sentence be commuted from a term of 4 years to a minimum term of 3 years, 8 months and 18 days, expiring on January 25, 1941 and to remain on parole until May 8, 1945. The action of the Board is based on the Act of Assembly approved April 1937, which provides for the crediting of the time spent in county prisons for default of bail in applying against the sentence imposed by the Court.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Milford Rough, B-6183, No. 3745, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Milford Rough, convicted of felonious assault with intent to kill in the Court of Oyer and Terminer and Quarter Sessions of Columbia County on September 29, 1937 to be computed from September 11, 1937 be commuted from 3½ years to 3 years and 3 months, expiring on December 11, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Columbia County on September 29, 1937 to the Bill of Indictment No. 77 October Session, 1937—charge—felonious assault with intent to kill and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 3½ to 7 years and pay a fine of $500.00. Sentence to be computed from September 11, 1937.

An examination of the petitioner's record shows that on January 27, 1928 he was convicted in Columbia County for driving while intoxicated and was sentenced to the Columbia County Prison for a term of 3 months.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . Subject was transferred to Rockview on June 24, 1936. His prison record is satisfactory. He is employed by the Welfare Department and is considered to be a good worker and seems to have some proficiency as a butcher. While at the Eastern Penitentiary, he attempted to improve himself by attending school. Authorities of Rockview state that they would probably recommend him for parole."

The trial judge, the Honorable Charles C. Evans, is now deceased. The president judge, the Honorable C. E. Kreisher, in a communication to the Board of Pardons stated the petitioner has been sufficiently punished. Judge Kreisher is also the person who was the trial district attorney. Miss Eunice Iddings who is the former Mrs. Holinger, the victim in this case appeared before the Board and stated that she desired the release of the petitioner. A parole plan has been obtained which provides adequate sponsorship and bona fide employment to the petitioner, if and when he is released.

The Board after considering all of the facts is of the opinion that the petitioner has been sufficiently punished, and he will, if released, become a self-respecting law-abiding citizen, and therefore, recommends that the minimum sentence of 3½ years be commuted to a minimum term of 3 years and 3 months, expiring on December 11, 1940 and to remain on parole under the supervision of the Board of Pardons until September 11, 1944.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Martin Zajac, B-3389, No. 4028, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of imprisonment imposed on Martin Zajac convicted of felonious taking and stealing a motor vehicle in the Quarter Sessions Court of Beaver County, on October 18, 1930; and breaking and escaping penitentiary in the Quarter Sessions Court of Centre County, on September 26, 1932, be commuted on Bill No. 125 September Sessions, 1932, from a minimum term of 5 years to a minimum term of 1 day, expiring on January 3, 1941.

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence. (And, also in the opinion of the Superior Court in the case of Anthony Narciso, Appellant, v. the Board of Trustees of the Eastern State Penitentiary).

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph Guestis, D-3759, No. 4230, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Joseph Guestis, convicted of burglary, larceny, receiving stolen goods, breaking and entering in the Oyer and Terminer and Quarter Sessions Court of Delaware County on March 28, 1929 be commuted on Bill No. 255 March Term, 1929 from a minimum term of 5 years to a minimum term of 1 year and 10 months, expiring on December 21, 1940; on Bill No. 307 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 22, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Delaware County on March 28, 1929 to Bills of Indictment Nos. 255 and 307 March Term, 1929 charging him with burglary, larceny, receiving stolen goods, breaking and entering and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years on each bill. Sentences to run consecutively. At the time of the petitioner's trial in Delaware County he was serving a sentence imposed on February 21, 1929 in the Court of Philadelphia County to a term of imprisonment for from 10 to 20 years for the crime of burglary. He was paroled on the Philadelphia County sentence on February 21, 1939 and was immediately re-entered for the service of the sentence im-

posed by Delaware County, which sentence was to commence upon the expiration of the sentence that the petitioner was then serving from Philadelphia County.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states: "Subject's institutional performance has been of the ordinary type. He associates with the average type of inmates and has maintained a poor attitude. He is employed in the woodworking department and has saved a large portion of his money. His lengthy record of delinquency prohibits any prediction of future behaviour." There is on file at the Eastern State Penitentiary a warrant lodged by the Philadelphia County Prison charging him with violation of parole from his sentence imposed on October 20, 1925. The trial judge, the Honorable Albert MacDade. made no reply to a communication addressed to him by the Board of Pardons in this matter. Guy DeFuria, Esquire, assistant district attorney of Delaware County, appeared before the Board of Pardons and stated that the district attorney's office did not oppose the application if the petitioner was to be returned to the Philadelphia County Prison to serve a period of 3 years for his parole violation in Philadelphia County.

The Board of Pardons after reviewing all of the facts in this case are of the opinion that the petitioner has been sufficiently punished for his offense in Delaware County. The Board has noted that the petitioner has been confined for almost 12 consecutive years, and that he will when released from the Eastern State Penitentiary be returned to the Philadelphia County Prison to serve an additional period of 3 years for parole violation, which will amount to almost 15 years of continuous imprisonment. The Board, therefore, recommends that the minimum sentences be commuted in the following manner: On Bill No. 255 from a minimum term of 5 years to a minimum term of 1 year and 10 months, expiring on December 21, 1940; on Bill No. 307 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 22, 1940 and to be on parole until December 22, 1950, for the purpose of returning petitioner to the Philadelphia County Prison.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Isadore Holtzin, C-5309, No. 4484, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Isadore Holtzin, convicted of robbery, being armed with an offensive weapon in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on April 15, 1929 be commuted from a minimum term on Bill No. 550 from 10 years to a minimum term of 1 year and 8 months, expiring on December 15, 1940; and on Bill No. 551 from a minimum term of 10 years to a minimum term of 1 day, expiring on December 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Philadelphia County on April 15, 1929 to Bills of Indictment Nos. 549 to 570 inclusive April Term, 1929 and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary on Bill No. 549 for from 10 to 20 years; on Bill No. 550 to a term of imprisonment for from 10 to 20 years; and on Bill No. 551 to a term of imprisonment for from 10 to 20 years. Sentences to run consecutively and the sentences to cover all other bills generally.

An examination of the criminal record of the petitioner shows that he was arrested on six occasions in the City of Philadelphia before the arrest which resulted in his present imprisonment and that he was committed on one occasion to the County Prison and was later committed to the Pennsylvania Industrial School.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . This inmate participated in the disturbances in 1933 and as a result was transferred to Philadelphia County Prison. He was returned to this institution in 1935. Since his return, definite improvement has been noted in his conduct and attitude. He was formerly employed in the boiler house, and when that department was eliminated, he secured employment in the Electrical Department where he is now working. He receives correspondence regularly from his family and they are anxious that he make a successful adjustment when released. Consideration should be given to this man's improved attitude and also the potentialities on his parole plan." Mr. Justice Stern of the Pennsylvania Supreme Court was the trial judge in this case. Justice Stern made no reply to a communication addressed to him relative to this petition. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board of Pardons and stated the district attorney's office opposed this application, unless the Board is satisfied he has been rehabilitated and will be law-abiding. A parole plan has been obtained which provides adequate sponsorship and bona fide employment to the petitioner, if and when he is released.

The Board after reviewing all of the facts is of the opinion that the petitioner has been sufficiently punished and that he will, if released, become a self-respecting law-abiding citizen, the Board, therefore, recommends that the minimum sentences imposed by the Court be commuted in the following manner: on Bill No. 550 from a minimum term of 10 years to a minimum term of 1 year and 8 months, expiring on December 15, 1940; on Bil Nlo. 551 from a minimum term of 10 years to a term of 1 day, expiring on December 16, 1940 and that the petitioner remain on parole until December 16, 1960.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of William Mark Hayward, D-326, No. 4537, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the maximum sentence of William Mark Hayward, convicted of larceny of auto in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on January 31, 1935 be commuted from 10 years to 4 years and 11 months expiring on December 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Philadelphia County on January 31, 1935 to Bill of Indictment No. 992 January Term, 1935 charging him with the crime of larceny of auto and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 2½ to 10 years, from which he was paroled on July 31, 1937. After the petitioner's release on parole he was arrested in Montgomery County and was on May 27, 1938 sentenced to a term of imprisonment in the Montgomery County Prison for a period of 60 days for the crimes of operating auto while intoxicated and without owner's consent. On July 21, 1938 he was discharged from service of this sentence and returned to the Eastern State Penitentiary as a parole violator.

An examination of the criminal history of petitioner shows that he was in the hands of the law on four occasions prior to the arrest which resulted in his sentence from the Philadelphia County Courts.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . This man's institutional performance has been good. He has shown an interest in self-improvement by completing 6 agricultural courses in Pennsylvania State College and a course from International Correspondence School in Electrical Apprenticeship and now is studying radio. He is employed as a clerk in the Protestant Chaplain's office and is considered a good worker." The trial judge, the Honorable James Gay Gordon, Jr., made no reply in a communication addressed to him by the Board of Pardons relative to this petition. James W. Tracey, Jr., Esquire, assistant district attorney, advised the Board that the district attorney's office felt that the petitioner had been severely punished and that they had no objection to the granting of this petition. The applicant has been confined in the Eastern State Penitentiary for his parole violation for a period of 2 years and 5 months.

The Board of Pardons after reviewing all of the facts are of the opinion that the applicant has been sufficiently punished and that he will, if released, become a self-respecting law-abiding citizen, and the Board, therefore recommends that the maximum sentence in this case be commuted to a minimum term of 4 years and 11 months, expiring on December 21, 1940 and that he remain on parole until January 21, 1946.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Walter McDermott, D-3843, No. 4555, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Walter McDermott, convicted of entering with intent to steal, larceny in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on March 17, 1939 to be computed from March 10, 1939, be commuted from 2 years to 1 year and 9 months expiring on December 10, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on March 17, 1939 to Bills of Indictment Nos. 391, 392 and 392 March Sessions, 1939 charging him with the crime of entering with intent to steal and larceny and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 2 to 10 years. Sentence to be computed from March 10, 1939.

An examination of his criminal record shows that he has never been arrested before.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: " . . . The applicant has maintained a good record of prison performance. He has been careful in the selection of his associates and his attitude has been consistently constructive. He has worked in the bake shop since July 1939 and is considered to be an industrious worker." The Honorable Joseph Sloane, trial judge, in reply to a communication addressed to him by the Board of Pardons has stated that in his opinion the petitioner should be given a chance. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the district attorney's office felt that the application of the petitioner had merit and should be granted. A parole plan has been obtained which ensures adequate sponsorship and definite employment.

The Board after reviewing all of the facts are of the opinion that the petitioner has been sufficiently punished, and he will, if released on parole, become a self-respecting law-abiding citizen, and the Board, therefore, recommends that the minimum sentence as imposed by the Court be commuted to a minimum term of 1 year and 9 months, expiring on December 10, 1940 and that he remain on parole until March 10, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Stanley Joseph Zelenik, D-608, No. 4854, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Stanley Joseph Zelenik, convicted of robbery, being armed with an offensive weapon, larceny, receiving stolen goods, aggravated assault and battery in the Court of Oyer and Terminer and Quarter Sessions of Bucks County on May 21, 1935 be commuted from 7 years to 5 years and 7 months, expiring on December 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Bucks County on May 21, 1935 to Bill of Indictment No. 64 May Term, 1935 charged with robbery, being armed with an offensive weapon, larceny, receiving stolen goods, aggravated assault and battery and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 7 to 14 years.

An examination of the petitioner's criminal history shows

that he was arrested in Philadelphia County on January 3, 1931 on a charge of operating auto without consent of owner, for which he was committed to the Philadelphia County Prison for a period of 15 days. On November 20, 1931 he was committed to the Glen Mills School to an indeterminate term for felonious entry and larceny. The record further shows he was sentenced to the Pennsylvania Industrial School to an indeterminate term for the crime of attempted larceny of auto. The record further shows on July 14, 1934 he was arrested in Montgomery County for the crime of operating an auto without consent of owner, for which he was committed to the Montgomery County Prison for a period of 1 year. Upon his release from the Montgomery County Prison he was delivered to the Bucks County authorities from which he now seeks release.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated: ". . . That the applicant's behavior while confined has been erratic. He has demonstrated no interest in self-improvement. His institutional performance would not permit us to make any favorable recommendation at this time." The trial judge, the Honorable Hiram H. Keller, in a communication to the Board of Pardons states: ". . . there is no objection on the part of this office to the granting of this request." The trial district attorney, Edward G. Biester, Esquire, in a communication to the Board of Pardons states in part: ". . . If you feel in spite of the record of the Defendant that there has been a complete rehabilitation then in that event, we do not object to the grant of the prayer of the petition, although neither do we urge it." A parole plan has been obtained which will provide immediate employment and adequate sponsorship, if he is released to society. Mr. Leon Johnson, a resident of Colmar, Pennsylvania, appeared before the Board and stated that he is in business and that he is willing to sponsor and employ the petitioner, if and when he is released on parole. Mr. Johnson is known to the Board of Pardons as a very reliable person. He has sponsored and employed two brothers of the petitioner's who have made exceptional adjustment while on parole. The one brother is now married and owns his own home. The other is married and is steadily employed and has become an asset to the community in which he resides.

After a review of all the facts and taking into consideration the behavior of the applicant, the Board is of the opinion that because of the unusual sponsorship offered in this case and the employment which is known to be bona fide, there is a reasonable probability that the petitioner becoming a self-respecting law-abiding citizen under the guidance of Mr. Johnson, and therefore, recommends that the minimum sentence be commuted from 7 years to a minimum term of 5 years and 7 months, expiring on December 21, 1940 and that the petitioner remain on parole under the supervision of the Board of Pardons until May 21, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Edwin N. Yagle, D-3235, No. 5048, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Edwin N. Yagle, convicted of voluntary manslaughter in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on July 1, 1938 to be computed from March 16, 1938 be commuted from 6 years to 2 years and 9 months expiring on December 16, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on July 1, 1938 to Bill of Indictment No. 853 March Term, 1938 charging him with voluntary manslaughter and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 6 to 12 years. Sentence to be computed from March 16, 1938.

An examination of the petitioner's record shows that he was never arrested before. The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: "Definite evidence of instability was observed in this youth at the time of entrance. So far his prison experience has contributed very little in the way of a stabilizing influence. Every attempt has been made to give him an opportunity of maintaining a constructive program. He is employed in the bookkeeping department in the Philadelphia institution. He enrolled in school on two occasions but made no progress. Applicant has no record of previous delinquencies and his present evidence of instability prevents any prediction of future behavior." James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated that the petitioner has learned his lesson and the position of the district attorney's office was the same as that of the sentencing judge. The Honorable L. Stauffer Oliver, trial judge, in a communication to the Board of Pardons has stated: "The facts set forth in the application are substantially correct, although I felt at the trial that the young man was much too hasty with his knife and was not quite as innocent as his version of the facts indicates. However, he is a young man of good parentage and the killing took place in the course of a boyish quarrel which he gave every indication of seeking to avoid. I am convinced he has learned his lesson and is not likely to commit any further offense. Under all the circumstances I join in his application and sincerely trust that clemency may be granted." A parole plan has been obtained for the petitioner which provides adequate sponsorship and employment, if and when he is released.

The Board of Pardons after considering all of the facts are of the opinion that the petitioner has been sufficiently punished, and that he will, if released, become a self-respecting law-abiding citizen. The Board, therefore, recommends that the minimum sentence imposed by the Court be commuted to a minimum term of 2 years and 9 months, expiring on December 16, 1940 and to remain on parole until March 16, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Earl Connolly, C-8743, No. 5051, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Earl Connolly, convicted of burglary in the Court of Oyer and Terminer and Quarter Sessions of Delaware County on March 3, 1933 to be computed from February 21, 1933 be commuted from 10 years to 7 years and 10 months expiring on December 21, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Delaware County on March 3, 1933 to Bills of Indictment Nos. 210, 236, 239, 241, 242, 243, 244 and 245 March Term, 1933 charging him with burglary and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 10 to 20 years. Sentence to be computed from February 21, 1933.

An examination of the record of the applicant shows he was arrested in Norwalk, Connecticut on September 9, 1923 charged with burglary, for which he received a suspended sentence. The record also shows on February 23, 1926 he was arrested in Bridgeport, Connecticut charging him with burglary and was sentenced to the Connecticut State Reformatory to a term of imprisonment for from 2 to 5 years. The record also shows on September 19, 1932 he was arrested in Springfield, Massachusetts for the crime of assault and robbery. No action was taken on this arrest.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: "Applicant has maintained an excellent prison record. He is quiet and unassuming. He is employed as an machinist in the engine room and had demonstrated proficiency in that work. This man's exceptional prison performance, his unusual habits of industry and thrift, and his skill as a machinist leads us to believe that there is excellent possibility that he will become a good citizen." The trial judge, the Honorable John M. Brommall, in a communication to the Board of Pardons has stated: "If those facts are true that he is a proper subject for parole so that he may be given an opportunity to rehabilitate himself, warrants us in recommending favorable action." Guy DeFuria, Esquire, assistant district attorney of Delaware County, appeared before the Board of Pardons and stated the district attorney's office did not oppose the granting of the petition. A parole plan has been obtained which provides the petitioner with immediate and bona fide employment in the City of Philadelphia as a machinist. A satisfactory sponsor has been obtained.

The Board of Pardons after reviewing all of the facts is of the opinion that the applicant has been sufficiently punished for his offense, and that he will become a self-respecting law-abiding citizen, if released on parole. The Board, therefore, recommends that his minimum sentence be commuted from a period of 10 years to a minimum term of 7 years and 10 months, expiring on December 21, 1940 and that he remain on parole until February 21, 1953.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.

S. M. R. O'HARA,
Secretary of the Commonwealth.

CLAUDE T. RENO,
Attorney General.

WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of William Pegram, D-4110, No. 5053, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of William Pegram, convicted of sodomy in the Court of Oyer and Terminer and Quarter Sessions of Luzerne County on January 3, 1925 to be computed from June 25, 1939, be commuted from 3 years to 1 year and 6 months expiring on December 25, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Luzerne County on January 3, 1925 to Bill of Indictment No. 466 November Term, 1924 charging him with sodomy and was sentenced to a term of imprisonment in the Eastern State Penitentiary for from 3 to 6 years. This sentence to commence upon the expiration of the unexpired portion of the sentence imposed November 19, 1914 in the Courts of Lackawanna County, from which sentence the petitioner is on parole.

An examination of the record of the petitioner shows that on November 19, 1914 the petitioner was sentenced to a term of imprisonment for from 5 to 20 years in Lackawanna County for the crime of murder in the second degree, and was released on parole May 27, 1920, and that he violated the condition of this parole by the crime which resulted in his present incarceration. The petitioner was returned to the Eastern State Penitentiary on January 12, 1925 to complete the unexpired portion of his sentence imposed on November 19, 1914. He was discharged on June 25, 1939 and was immediately re-entered by the prison authorities for the purpose of serving the sentence imposed in the County of Luzerne on January 3, 1925.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . This man has maintained an excellent record. He has never been guilty of any misconducts and has consistently maintained a cooperative attitude. He is 69 years of age and he is still able to perform the work of janitor successfully. It is felt that this man has been sufficiently punished for his parole violation and the new crime which he committed." The trial judge, the Honorable Benjamin R. Jones, made no reply to a communication addressed to him by the Board of Pardons in this matter. The Honorable Will Leach of Lackawanna County in a communication to the Board of Pardons stated that he had no knowledge of the facts which resulted in the Lackawanna County sentence.

The Board of Pardons after a review of all the facts is of the opinion that the petitioner has been sufficiently punished. He having been continuously confined in the Eastern State Penitentiary for a period of 15 years and 6 months. The Board takes into consideration that the petitioner will because of his age be unable to obtain employment, however, a home has been provided for him with his brother and sister at 247 South Pennsylvania Avenue, Wilkes-Barre, Pennsylvania. An investigator for the Board of Pardons has reported that the petitioner's brother is in a position to take care of the petitioner, and that he bears an excellent reputation in the community in which he resides.

The Board of Pardons, therefore, recommends that the minimum sentence be commuted from a term of 3 years to a minimum term of 1 year and 6 months, expiring on December 25, 1940 and that he remain on parole until June 25, 1945.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.

Not Sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harold L. McNally, D-3536, No. 5057, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Harold L. McNally, convicted of felonious entry in the Court of Oyer and Terminer and Quarter Sessions of Lancaster County November 4, 1938 to be computed from October 27, 1938 be commuted from 5 years to 2 years and 1 month expiring on November 27, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Lancaster County to Bill of Indictment No. 108 September Term, 1938—charge—felonious entry, and on November 4, 1938 was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years. Sentence to be computed from October 27, 1938.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . This applicant's institutional performance has been good. He is employed as a clerk in the parole office and has become a proficient typist. He is careful in selecting his associates and reacts well to discipline. He uses mature judgment and has the ability to earn an honest livelihood." The trial judge is now deceased. The president judge, the Honorable Oliver S. Schaeffer, in a communication to the Board of Pardons has stated: ". . . Entitled to favorable consideration." The present district attorney, Karl L. Shirk, Esquire, appeared before the Board of Pardons and stated that the district attorney's office was convinced that if the petitioner is released he will be a decent citizen and there is merit to his application, and the district attorney's office voices no objection.

The Board of Pardons after reviewing all of the facts in this case is of the opinion that the petitioner has been sufficiently punished for his offense, and he will, if released on parole, become a self-respecting law-abiding citizen. A parole plan has been obtained which provides adequate sponsorship and bona fide employment to the petitioner, if and when he is released. The Board, therefore recommends that the minimum sentence of 5 years be commuted to a minimum term of 2 years and 1 month, expiring on November 27, 1940 and that he remains on parole until October 27, 1948.

Respectfully submitted,
S. S. LEWIS.
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not sitting.
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Walter Albert Trucksess, No. 5071, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Walter Albert Trucksess, convicted of receiving stolen goods, entering with intent to steal in the Court of Quarter Sessions of Philadelphia County, on April 1, 1938 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty to the Bill of Indictment No. 659 February Session, 1938 in Philadelphia County to the charge of receiving stolen goods, entering with intent to steal, and was thereupon sentenced by the Honorable Theodore Rosen, to the Philadelphia County Prison to a term of imprisonment for from 1 to 2 years on the first count or Bill No. 659, and to a probationary period of ten years on Bills Nos. 651, 652, 653, 654, 655, 656, 657, 658, 660 and 661. The petitioner was released on parole on April 1, 1939.

An examination of his criminal history shows he was arrested in the City of Philadelphia during the year of 1932 for assault and battery by auto and again in 1934 in a similar charge, however, both complaints were discharged by a magistrate. Petitioner operates a place of business in Feasterville, Pennsylvania, and his conduct since his release from the Philadelphia County Prison has been exemplatory. He is married and resides with his wife in Feasterville. At the time he committed the offense from which he now seeks relief he was a member of the Philadelphia Police Department. The petitioner bore an excellent reputation in the neighborhood and, during the trial, the trial judge tried to get some evidence from the various witnesses as to any queerness in the actions of petitioner, but the only thing that came out in the testimony was that he laid out in the sun on the very hottest days in summer, getting burnt, without a hat.

James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board of Pardons and stated that the petitioner was a former police officer, and that his arrest was brought about because he tried to sell a stolen typewriter, and that a loss of $1192.00 was caused by the depredations of the petitioner. Mr. Tracey further stated because of the short period of the probationary sentence served his office was opposed to the granting of the petition. The trial judge, the Honorable Theodore Rosen, is now deceased. The Honorable Harry S. McDevitt, president judge of the Common Pleas Court No. 1, in a communication to the Board of Pardons stated as follows: ". . . I don't see that the probationary period is a burden, and it may be wise to let it run a little while since he has only six months to snow that his original sentence had a beneficial effect." The petitioner is a former member of the Military Forces of the United States, and he is desirous of obtaining a full and complete pardon in order that he may re-enlist in the United States Navy and commence an honorable and worthy career. The petitioner's wife is self-supporting and has expressed no objection to the re-enlisting of her husband into the Navy.

The Board of Pardons after a review of all the facts is of the opinion that the offenses committed by the petitioner were committed during a period when he was not mentally balanced, and the Board is of the further opinion that he is worthy of consideration. The Board, therefore, recommends that a full and complete pardon be granted to the petitioner in order that he may re-enlist in the Navy Service of the United States, and commence an honorable career.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Robert B. Harold, No. 5074, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Robert B. Harold, convicted of assault and battery with attempt to ravish in the Court of Quarter Sessions of Montgomery County, on September 6, 1940 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty in the Court of Montgomery County on September 6, 1940 to the charge of assault and battery with attempt to ravish, whereupon sentence was suspended upon payment of costs in the amount of $47.68 and petitioner was placed upon probation for a period of one year.

An examination of the petition show that on July 19, 1930 the applicant attempted to force himself upon one Mary Mulroy whose present whereabouts is now unknown. Miss Mulroy being unwilling to accept the attention of the petitioner made an outcry, whereupon he arose and desisted from forcing his attentions. Nothing further was heard of the matter until August 29, 1940 on which date petitioner was placed under arrest in the City of Philadelphia, to answer to the indictment brought against him in the County of Montgomery at September Term, 1930.

The trial judge, the Honorable Harold G. Knight, in a communication to the Board of Pardons states as follows: ". . . I remember this somewhat unusual case. The crime was committed in 1931, but the defendant was not apprehended at that time, and was not arrested until 1940. It appears that he has conducted himself well, and that he had a responsible position when arrested. I believe the facts are substantially as set forth in the application, and have no objection to the grant of a pardon." Arthur W. Bean, Esquire, assistant trial district attorney, in a communication to the Board of Pardons states in part: ". . . We have investigated this matter and find that the facts set forth in the petition are correct. We feel that this offense will definitely hurt the applicant's chances of securing employment. He pleaded guilty to the charge in this county and was given a suspended sentence. If he had chosen to plead not guilty, our chance of convicting him would have been very remote, by reason of the fact that a period of almost ten years had elapsed from the time of the crime to the time of the arrest. Accordingly, we are entirely satisfied to have your Board grant a pardon to this defendant.

The Board of Pardons after considering all of the facts in this case are of the opinion that the petitioner is not criminally minded and that his action in pleading guilty to the assault before the Court, although he knew of the seriousness of the conviction, is an indication of the character of the petitioner in this case. In addition, the petitioner has maintained a splendid record since the date of the commission of the offense and his record shows no prior transgressions.

The Board is further of the opinion that a full and complete pardon should be granted, and therefore, recommends the prayer contained in the applicant's petition be granted."

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of George Harland Bilger, D-3234, No. 5085, November Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that George Harland Bilger, convicted of murder in the first degree, robbery being armed with an offensive weapon in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County, on November 3, 1938 to be computed from May 17, 1937, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty in the Courts of Philadelphia County on May 17, 1937 of the crime of murder in the first degree, and on November 3, 1938 pleaded not guilty to the crime of robbery, being armed with an offensive weapon on Bills of Indictment 423, 425, 426, 427, 428, 429, 430 and 431 June Term, 1937, and was thereupon sentenced on Bills of Indictment Nos. 40 and 41 June Sessions, 1937, charging him with murder in the first degree to a term of life imprisonment in the Eastern State Penitentiary, and on all other Bills of Indictment to a term of not less than 70 years nor more than 140 years in the Eastern State Penitentiary.

James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board of Pardons and stated that the petitioner was not guilty of the crime to which he pleaded guilty, and that his innocence had been established upon the investigation made by the district attorney's office and by the record of the Commonwealth v. Rudolph Sheeler, March Sessions, 1939, No. 574 Philadelphia County. The trial judge, the Honorable Harry S. McDevitt, in a communication to the Board of Pardons states: ". . . This man was convicted and sentenced to death by a jury in May, 1937. At this time I was not satisfied with the verdict and I granted him a new trial and permitted him to plead guilty based on the evidence in the first trial, upon which I sentenced him to life imprisonment. Subsequently, one Jack Howard was killed by the Philadelphia police during an attempted holdup, and his companion, Rudolph Sheeler, was arrested and confessed to participating in the crime for which Bilger is serving time. Howard and Sheeler were entirely responsible for the murder of Patrolman James T. Morrow and a citizen named John Canham, and Bilger should not be detained longer for this crime. His own testimony would have sent him to the electric chair at the time of his trial without any police evidence, and it was because of his lack of mental capacity that I hesitated to sentence him to death. He had been confined in the Elwyn Training School for mental defectives, and I still consider him a mental defective with an I. Q. of 68. During his confinement in the Penitentiary two operations have been performed upon his thyroid gland, and he is now in infinitely better physical condition than ever before. There still remains some signs of thyroid disturbance. I will not attempt to give you the results of his medical examinations, but I urge upon you most emphatically that you consider his mental and physical condition before taking action. He should not be longer detained at the Penitentiary for the crime that he was charged with, but I doubt seriously

whether his mental condition warrants his being turned loose upon the community with safety."

The Board of Pardons has been reliably informed that after the discharge of the petitioner from the Eastern State Penitentiary that he will be committed to a mental hospital where he can obtain the course of treatment for his complete recovery.

The Board after reviewing all of the facts in this matter, and after giving due consideration to the statements of the district attorney and the sentencing judge, is of the opinion that the innocence of the petitioner has been definitely established, and therefore, recommends the granting of his prayer.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
Not Sitting,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Albert B. Mackinnon, No. 5120. December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Albert B. Mackinnon, convicted of false pretenses and obtaining hotel accommodations with intent to defraud in the Court of Quarter Sessions of Philadelphia County, on November 28, 1913 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty in the Courts of Philadelphia County on November 28, 1913 to Bills of Indictments Nos. 691, 692 and 603 October Session, 1913 charging false pretenses and obtaining hotel accommodations with intent to defraud, and was thereupon sentenced to a term of imprisonment of 1 year and a day in the Philadelphia County Prison by the Honorable Robert Ralston, Judge. An examination of the criminal history of the petitioner shows on March 3, 1911 he was convicted at Woodstock, Vermont charged with issuing worthless checks and was thereupon sentenced to 1 year and 6 months in the House of Correction. An unconditional pardon was granted by the Governor of Vermont, thus expunging this conviction from the record. The record further shows on July 1, 1913 the petitioner was arrested in Boston, Massachusetts charged with passing worthless checks, from which sentence he was suspended. A full and complete pardon was granted in this case. An examination of the petition shows that the applicant has been in no difficulties with the law for the past 27 years. He is now gainfully employed and receiving a salary in excess of $10,000.00 per year.

The Honorable Harry S. McDevitt, president judge of the Common Pleas Court No. 1, in a communication to the Board has stated: ". . . This man was sentenced to a year and a day by the late Judge Ralston in November, 1913. Since that time, so far as our records shows, he has not been in trouble. I am unable to tell you anything about his activities and can only give you the record." James W. Tracey, Jr., Esquire, appeared before the Board and stated that the petitioner has maintained a clear record for the past 27 years and that the district attorney's office had no objection to the granting to a full and complete pardon. An investigation made of the activities of the petitioner reports that he has been a self-respecting law-abiding citizen. That he holds a position that is responsible and he is regarded as one of the top men in the division. He is employed in the advertising division with the New York Times. He bears a splendid reputation in his community.

The Board of Pardons after reviewing all of the facts is of the opinion that the petitioner has been severely punished for the misdeeds of his youth, and therefore, recommends that a full and complete pardon be granted which will in part remove the stigma of his crimes from his name and will be of material assistance to him in advancement in his chosen vocation.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Charles Daniel Quirple, D-4633. No. 951, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Charles Daniel Quirple, convicted of riotous destruction of property in the Court of Oyer and Terminer and Quarter Sessions of Montgomery County on September 19, 1934 to be computed from January 15, 1940 be commuted from 2 years to 11 months expiring on December 15, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Montgomery County on September 19, 1934 to Bill of Indictment No. 241-1 June Term, 1934 charging riotous destruction of property, and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 2 to 4 years. Sentence to begin upon the expiration of a sentence the petitioner was then serving; i. e., January 15, 1940. The applicant for commutation in this case pleaded guilty in the Courts of Philadelphia County on February 5, 1930 to Bill No. 12, February Term, 1930 charging robbery, being armed with an offensive weapon, and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary for from 5 to 10 years. The petitioner was technically paroled from further service of this sentence on January 15, 1940 and and was re-entered in the Eastern State Penitentiary to serve the sentence which he now seeks relief.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states: ". . . With the exception of his participation in the riot at Graterford, his institutional record has been satisfactory. He has been employed in the print shop for five years and is considered an efficient workman. If he had continued without misconduct, the applicant would no doubt have been recommended for parole at the expiration of his original minimum. However, the riot charge compelled him to complete his first sentence and this, together with the ten months' service on the second really means that

he has served more than five years punishment for rioting. Considering the latter, we feel that probably the ends of justice have been met." The trial judge, the Honorable George C. Corson, in a communication to the Board has stated: ". . . Whether or not you feel, under the testimony before you, that they are safe to return to society is, of course, a question for your sole determination and I cannot be of much assistance to you as I know nothing of the defendant's conduct in the penitentiary since September 1934." The Honorable Harry S. McDevitt, trial judge, in the case which resulted in the petitioner's commitment from Philadelphia County in a communication to the Board has stated: ". . . Outside of his participation in the 1934 riots, his institutional record has been satisfactory and for the past five years has been employed in the print shop where he is regarded as an efficient workman. Except for 1934, he would no doubt have been recommended for parole at the expiration of his minimum sentence. Considering the fact that he was only sentenced to two years for rioting and that he had actually served the maximum of my original sentence, which means ten years instead of five years, I feel that he is entitled to consideration." A parole plan which provides a reputable sponsor and adequate employment has been obtained.

The Board, after reviewing all of the facts in this case are of the opinion that the petitioner has been sufficiently punished, and therefore, recommends that the minimum sentence as imposed by the court in this case be commuted to a minimum term of 11 months, expiring on December 15, 1940 and that petitioner remain on parole until January 15, 1944.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Bologa, C-6801, No. 2306, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentence of John Bologa, convicted of entering with intent to steal and larceny in the Oyer and Terminer and Quarter Sessions Court of Philadelphia County on February 5, 1931, be commuted on Bill No. 183 from a minimum term of 5 years to a minimum term of 4 years and 10 months, expiring on December 5, 1940; and on Bill No. 184 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 6, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Philadelphia County on February 5, 1931 to Bills of Indictment Nos. 182, 183 and 184 February Term, 1931 charging entering with intent to steal, larceny and was thereupon sentenced to a term of imprisonment for from 5 to 10 years on each bill. Sentences to run consecutively.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . Subject's institutional performance has demonstrated a definite improvement in attitude and also a more mature judgment. He was 20 when received and during his 9 years and 10 months has consistently maintained a constructive record. Has been employed in the hosiery and underwear department for 7½ years where he works as a machinist repairing the equipment of that department. This man's change in attitude and behavior and interest in self-improvement deserves some consideration, however, his constant conflict with the law since 1927 makes it difficult to predict what his future conduct will be." The trial judge, the Honorable Frank Smith, in a communication to the Board has stated in part: ". . . I believe this young man has criminal tendencies, but it may be that he has seen the error of his ways." James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board of Pardons and stated that the petitioner has served almost 10 years of a 15 years' minimum sentence. The district attorney's office feels he has been sufficiently punished and that the matter was one for the Board.

A parole plan has been obtained which provides reputable sponsorship and adequate employment to go to, if and when released. The petitioner in this case has been confined for a period of approximately 9 years and 10 months. The Board of Pardons is of the opinion that he has been sufficiently punished, and will, if released on parole, become a self-respecting, law-abiding citizen, and therefore, recommends that the minimum sentences imposed by the Court be commuted in the following manner. On Bill No. 183 from a minimum term of 5 years to a minimum term of 4 years, 10 months, expiring on December 5, 1940; on Bill No. 184 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 6, 1940 and to remain on parole until December 6, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joe Lupjo, B-3101, No. 3287, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the board of Pardons recommend that the sentence of imprisonment imposed on Joe Lupjo convicted of breaking, entering and larceny in the Quarter Sessions Court of Westmoreland County, on February 6, 1932, be commuted on Bill No. 206 February Sessions, 1932 from a minimum of 3 years to a minimum of 2 years, 11 months and 29 days, expiring on February 5, 1941; on Bill No. 205 from a minimum of 3 years to a minimum of 1 day, expiring on February 6, 1941 (Bills Nos. 204, 207, 208, 209, 211, 212, 213 and 232 February Session 1932 concurrent).

Our reasons for making this recommendation are as follows:

The applicant is one of many prisoners whose release on parole has been affected by the opinion of the Supreme Court in the case of Commonwealth of Pennsylvania ex rel. Thomas Lynch v. Stanley P. Ashe, Warden of the Western State Penitentiary, 320 Pa. 341. In this opinion it was held that unless a prisoner, who was serving sentences imposed to run consecutively, was recommended and approved for parole at the expiration of the first

minimum sentence, he would be serving the maximum of that sentence, and if no recommendation for parole was made at the expiration of the second and subsequent minimum of sentences imposed to run consecutively, the prisoner would be serving the maximum of the second and subsequent sentences. In other words, a prisoner serving an indeterminate sentence is not automatically paroled at the expiration of the minimum term but is merely eligible for parole at that time, and if not favorably considered by the Prison Board at any time thereafter, the prisoner is required to serve the full sentence.

It was the custom for a long period of time for the officials of both the Eastern and Western State Penitentiaries to lump consecutive sentences and the Boards of Trustees would only make recommendations for release on parole at the expiration of the period of time equal to the total of the minimum sentences.

Since the Supreme Court held this procedure improper, the applicant and others, whose cases were not considered for parole at the expiration of their minimum sentences, through no fault of their own, will have to serve a much longer period of time than contemplated by the sentencing judge and the prison officials.

The failure of the Board of Trustees to make the necessary recommendations for parole at the expiration of the minimum sentences was an honest mistake, as most, if not all, sentencing judges shared the same view as the prison officials in deeming it to be unnecessary to make recommendations for parole at the expiration of the minimum of every consecutive sentence. Sentencing judges throughout the state have uniformly believed and taken into consideration in passing sentences the Prison Board practice that consecutive sentences would be lumped making a total minimum and a total maximum.

We believe that a great injustice would be done and that it would be most unfair to keep the applicant incarcerated for a longer period of time than recommended by the Board of Trustees of the institution in which the applicant is confined.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Raymond Roller, C-8142, No. 3358, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Raymond Roller, convicted of robbery in the Court of Oyer and Terminer and Quarter Sessions of Philadelphia County on July 19, 1932 be commuted from 10 years to 8 years and 5 months expiring on December 19, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the courts of Philadelphia County on July 19, 1932 to Bill of Indictment No. 554, July Term, 1932, charging robbery and was thereupon sentenced by the Honorable Forrest R. Shanaman, Judge, especially presiding, to a term of not less than 10 nor more than 20 years in the Eastern State Penitentiary for the crime of robbery.

The Board of Trustees in a report to the Board of Pardons stated: ". . . His institutional performance has been above the average. He was employed in the knitting shop for a number of years and was a good worker and also acted in the capacity of instructor. At the present time he is employed in the woodworking department. This is the first time that he has been in a penitentiary and it is our thought the amount of time he has served under constant discipline has made a definite impression which will react favorably when released provided he maintains his prison attitude and habits of industry and desire to refrain from further criminal activities."

The trial judge in a communication to the Board of Pardons stated: ". . . Without recollecting anything of the defendant, and without in any way prejudicing the judgment of the Board, I feel rather inclined, on general principles, toward clemency." James W. Tracey, Esquire, Assistant District Attorney appeared before the Board and stated: ". . . The petitioner has been in prison over 8 years. If the Board of Pardons feels that he has been rehabilitated the district attorney's office has no objection to the granting of clemency."

The applicant has been confined in the Eastern State Penitentiary for a period of 8 years and 5 months and the Board is of the opinion that he has been sufficiently punished. A parole plan has been obtained which provides reputable sponsorship and bonafide employment to the petitioner if and when he is released.

The Board is, therefore, of the opinion that the petitioner will, when released, become a self-respecting, law-abiding citizen and, therefore, recommends that the minimum sentence as imposed by the Court be commuted to a minimum sentence of 8 years and 5 months to expire December 19, 1940. The petitioner to remain on parole until July 19, 1952.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Anthony Danna, B-5627, No. 3764, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Anthony Danna, convicted of voluntary manslaughter in the Court of Oyer and Terminer of Beaver County on July 3, 1937 be commuted from 6 years to 3 years and 5 months expiring on December 3, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Beaver County on July 3, 1937 to Bill of Indictment No. 15, June, 1937, charging voluntary manslaughter and was thereupon sentenced by the Honorable Henry H. Wilson, Judge, to a term of not less than 6 nor more than 12 years in the Western State Penitentiary.

The Board of Trustees of the Western State Penitentiary in a report submitted to the Board of Pardons stated as follows: ". . . . If this inmate were eligible to apply for parole we would probably recommend him for parole,

1 (first conviction) 2 (excellent institutional record) 3 (cooperative inmate)."

The trial Judge, Honorable Henry H. Wilson in a communication to the Board of Pardons in reference to this petition stated as follows: ". . . I am still of the opinion that it is too early to grant clemency in this case, and the application does not truthfully state the facts. The crime was committed in a "beer war," and very closely approched the deliberate. Therefore this insistance of parole, under a finding and sentence of mere manslaughter which at the time gave the applicant every consideration, does not strike me with any particular force."

The district attorneys, Robert Mundy and Robert E. McCreary, Esquires, made no reply to a communication addressed them by the Board of Pardons in this matter.

The applicant for executive consideration has been confined in the Western State Penitentiary for a period of three years and five months. He is sixty-three years of age. An examination of his petition indicates that he has never been in difficulty with the law at any time prior to the offense for which he is now serving a term of imprisonment. A parole plan has been obtained which provides adequate sponsorship and bonafide employment to the petitioner if and when he is released on parole.

The Board of Pardons, after a review of all of the facts, is of the opinion that the applicant has been sufficiently punished and that he will if released on parole become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the minimum sentence as imposed by the Court be commuted to a minimum term of 3 years 5 months expiring December 3, 1940 and the petitioner to remain on parole until July 3, 1949.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Joseph McLaughlin, D-3967, No. 4064, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Joseph McLaughlin, convicted of riotous destruction of public buildings and setting fire to public buildings in the Oyer and Terminer and Quarter Sessions Court of Montgomery County on September 19, 1934 be commuted on Bill No. 223-1 June Term, 1934, from a minimum term of 2 years to a minimum term of 1 year and 8 months, expiring on December 28, 1940; and on Bill No. 223-3 from a minimum term of 3 years to a minimum term of 1 day, expiring on December 29, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the courts of Montgomery County on September 19, 1934 on Bills of Indictment Nos. 223-1 and 223-3 June Term, 1934—charging riotous destruction of public buildings and setting fire to public buildings, and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary on Bill No. 223-1 for from 2 to 4 years. Sentence to commence upon the expiration of his sentence that he was then serving; i. e., April 28, 1939, and on Bill No. 223-3—to a term of imprisonment for from 3 to 6 years. This sentence to commence upon the expiration of sentence imposed on Bill No. 223-1 June Term, 1934. The applicant at the time of conviction in this case was an inmate confined in the Eastern State Penitentiary. He having been sentenced in the courts of Philadelphia County on April 28, 1923, to a term of imprisonment for from 3 to 6 years for entering with intent to steal, larceny and receiving stolen goods. The applicant served this sentence in its entirety and was reentered on the record to serve the sentences he now seeks relief.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons states: ". . . That the petitioner with the exception of the latter misbehaviour, his conduct and attitude has been good. He is a finished carpenter and has attempted to improve himself by taking correspondence course in carpentry, millwork and bricklaying. It is further stated that he has served over four and one-half years is probably sufficient punishment for his participation in the prison disturbances, and if this were the only factor concerned, we should not hesitate to recommend favorable consideration." The trial judge, the Honorable George C. Corson, in a communication to the Board of Pardons stated: ". . . Whether or not you feel, under the testimony before you, that they are safe to return to society is, of course, a question for your sole determination and I cannot be of much assistance to you as I know nothing of the defendant's conduct in the penitentiary since September, 1934." The Honorable Harry S. McDevitt, trial judge in the case which resulted in McLaughlin's commitment to the penitentiary from Philadelphia County has advised the Board of Pardons as follows: ". . . He has served the maximum sentence imposed in Montgomery County. The two minimums imposed in Montgomery County amount to five years, and he has already served four and a half years in excess of my minimum, and I have no objection to clemency if you have none." A parole plan has been obtained in this case which provides the petitioner with reputable sponsorship and adequate employment.

The Board of Pardons after reviewing all of the facts in this case are of the opinion that the petitioner has been sufficiently punished, and will, if released, become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the minimum sentence as imposed in the Courts of Montgomery County be commuted in the following manner: On Bill No. 223-1 from a minimum term of 2 years to a minimum term of 1 year, 8 months, expiring December 28, 1940; and on Bill No. 223-3 from a minimum term of 3 years to a minimum term of 1 day, expiring on December 29, 1940 and to remain on parole until December 29, 1946.

Respectfully submitted,

S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:

ARTHUR H. JAMES.
Governor.

BOARD OF PARDONS

In re application of Phillip McCormick Oakes, B-3282, No. 4573, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Phillip McCormick Oakes, convicted of burglary in the Oyer and Terminer Court of Allegheny County on June 28, 1932 be commuted on Bill No. 66 December Term, 1931, from a maximum term of 10 years to a minimum term of 8 years and 6 months, expiring on December 28, 1940; on Bill No. 69 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 29, 1940; on Bill No. 83 from a minimum term of 5 years to a minimum term of 1 day, expiring on December 30, 1940; and on Bill No. 51 from a minimum term of 4 years and 4 months to a minimum term of 1 day, expiring on December 31, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the courts of Allegheny County on June 28, 1932 to Bills of Indictment Nos. 66, 51, 83, 69, December Term, 1931 and was thereupon sentenced by the Honorable Elder W. Marshall, Judge, to a term of not less than 19 years and four months nor more than 40 years in the Western State Penitentiary for the crimes of burglary.

The Board of Trustees in a report to the Board of Pardons stated: ". . . If this inmate were eligible to apply for parole we would probably recommend him for parole 1 (first conviction) 2 (satisfactory institutional record)."

The trial judge made no reply to a communication addressed him by the Board of Pardons relative to this matter. Ralph Bell, Esq., Assistant District Attorney, Allegheny County, appeared before the Board and stated that the petitioner participated in over fifty burglaries together with an accomplice named Robert Considine, and the District Attorney's office opposed the granting of the petition.

A parole plan has been obtained which provides for bonafide employment and adequate sponsorship. The Board of Pardons, after reviewing all of the facts, is of the opinion that the petitioner has been sufficiently punished for his misdeeds and that he will, if released, become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the sentences as imposed by the Court be commuted in the following manner: Bill No. 66 from a maximum term of ten years to a maximum term of 8 years and 6 months expiring December 28, 1940; Bill No. 69 from a minimum term of 5 years to a minimum term of 1 day expiring December 29, 1940; Bill No. 83 from a minimum term of 5 years to a minimum term of 1 day expiring December 30, 1940; Bill No. 51 from a minimum term of 4 years and 4 months to a minimum term of 1 day expiring December 31, 1940; and to remain on parole until December 31, 1950.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Harry Brosius Kessler, D-23, No. 4597, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Harry Brosius Kessler, convicted of breaking and entering, larceny in the Oyer and Terminer and Quarter Sessions Court of Northumberland County on September 28, 1934; and convicted of breaking and escaping prison, assault and battery, aggravated assault and battery, assault and battery with intent to kill in the Oyer and Terminer and Quarter Sessions Court of Northumberland County on November 25, 1935 be commuted on Bill No. 192 September Term, 1934 from a minimum term of 2½ years to a minimum term of 11 months, expiring on December 15, 1940; on Bill No. 110 December Term, 1935 from a minimum term of 1 day, expiring on December 16, 1940; and on Bill No. 111 December Term, 1935 from a minimum term of 3½ years to a minimum term of 1 day, expiring on December 17, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Northumberland County on September 28, 1934 to Bills of Indictments Nos. 190 and 192 September Term, 1934 charging breaking and entering, larceny, and was thereupon sentenced to a term of 5 to 10 years on Bill No. 190 and a term of 2½ to 5 years on Bill No. 192 in the Eastern State Penitentiary. Sentences to run consecutively. On November 4, 1935 the petitioner escaped. On November 9, 1935 he was apprehended in Elkhart, Indiana, and was returned to the County Prison. On November 25, 1935 the petitioner entered a plea of guilty on Bills Nos. 110 and 111 December Term, 1935, charging breaking and escaping prison, assault and battery, aggravated assault and battery, assault and battery with intent to kill, and was thereupon sentenced to a term of imprisonment for from 1 to 2 years on Bill No. 110 and was further sentenced on Bill No. 111 to 3½ to 7 years. This sentence to commence at the expiration of sentence imposed on Bill No. 110. Both to run consecutively with the sentence imposed on September 28, 1934.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons has stated: ". . . The petitioner was originally received in this institution on September 28, 1934; was transferred to Northumberland County Prison and escaped from that institution along with other inmates. He was apprehended on November 25, 1935 and was given additional sentence for escape and also a sentence for assult and battery which occured during the escape. His institutional record since his return has shown definite signs of improvement. He was employed in a shoe shop and when that shop was transferred to Graterford was given work as a typist. There is definite signs of improvement in his attitude and evidence that he realizes the gravity of his acts, however, his prior criminal record prevents a favorable recommendation." The trial judge, the Honorable Charles K. Morganroth, in a communication to the Board has stated: ". . . As to Kessler, no opinion as to merits." The present district attorney, Robert M. Forney, Esquire, appeared before the Board and stated that his office had no recommendation to make and would be satisfied with such action as the Board deemed proper to take. He invited, however, the attention to the fact that the criminal record of the petitioner began when he was 15 years of age. The petitioner has been confined for a period of approximately 6 years and 3 months. A parole plan has been obtained which provides reputable sponsorship and adequate employment, if and when released on parole.

The Board of Pardons, after reviewing all of the facts of the case are of the opinion that the applicant has been sufficiently punished, and that, if he is released, will become a self-respecting, law-abiding citizen. The Board, therefore, recommends that his minimum sentences be

commuted. The petitioner will remain on parole until December 17, 1947.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Donald E. Sharpe. D-3730, No. 4710, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Donald E. Sharpe, convicted of attempted robbery under aggravated circumstances in the Court of Oyer and Terminer and Quarter Sessions of Lancaster County on February 3, 1939 to be computed from January 16, 1939 be commuted from 3 years to 2 years expiring on January 16, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Lancaster County February 3, 1939 to Bill of Indictment No. 79, December Term, 1938, charging attempted robbery under aggravated circumstances, and was thereupon sentenced by the Honorable Oliver S. Schaeffer, Judge, to a term of imprisonment of not less than 3 nor more than 10 years in the Eastern State Penitentiary; sentence to be computed from January 16, 1939.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated: ". . . This man has maintained a very good record in the institution. He has accepted the counseling of the officials and as a result has come into contact with a minor number of negative influences of the institution. He attended school for 8½ months, studying agriculture and has completed 2 courses. He is now enrolled in automobile mechanics. During one half of each working day he is employed as a laborer in the landscape detail."

The Honorable Oliver S. Schaeffer, Judge, in a communication to the Board of Pardons stated: ". . . Replying to your letter of the 18th instant in re application of Donald E. Sharpe for clemency before the Board of Pardons, I am satisfied to have the Board use its own discretion. However, the application seems rather premature considering the minimum term and the serious offense. Furthermore, at the time of sentence, it was stated that two detainers had been lodged against Sharpe by the authorities at Chester County. The status of the two accomplices, who received the same sentence, should also be taken into consideration."

K. L. Shirk, District Attorney, appeared before the Board and stated: ". . . Inasmuch as the petitioner had served approximately two years of his minimum sentence that his office would express no objection to the granting of the petition."

The petitioner has been confined in the Eastern State Penitentiary for approximately twenty-three months and the Board is of the opinion that he has been sufficiently punished. A parole plan has been obtained which provides for a reputable sponsor and adequate employment for the petitioner if and when he is released on parole.

The Board, after a review of the facts in this case, is of the opinion that the petitioner is ready for release and that he will if released become a self-respecting, law-abiding citizen. The Board, therefore, recommends that the minimum sentence as imposed by the Court be commuted to a minimum sentence of 2 years to expire on January 16, 1941. The petitioner to remain on parole until January 16, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Emelio Barsoni, No. 4774, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Emelio Barsoni, convicted of Surety of the Peace in the Court of Quarter Sessions of Allegheny County on June 8, 1923; and convicted of violation of the liquor law in the Court of Quarter Sessions of Allgheny County, on February 2, 1924, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty in the Court of Allegheny County June 8, 1923 to Bill No. 210 June Term, 1923 charging surety of the peace and was thereupon sentenced by the Honorable Thomas Ford, Judge to pay the costs of the prosecution and to enter into his own recognizance in the sum of $500.00 to keep the peace.

On February 2, 1924 the applicant pleaded guilty in the Courts of Allegheny County to Bill of Indictment No. 357, June Sessions, 1923, charging violation of the liquor laws and was sentenced to pay the costs of the prosecution and to be placed on probation for a period of six months. During the month of October 1934 the petitioner was tried in the Courts of Allegheny County, charging violation of the liquor law. He was sentenced to a term of six months in the Allegheny County Workhouse and to pay a fine of $300.00 from which he was released on parole February 4, 1935.

The Honorable Ambrose B. Reid, trial Judge and the Honorable MacFarlane, Judge, failed to make a reply to a communication addressed them by the Board of Pardons relative to this matter. Ralph Bell, Esquire, Assistant District Attorney, Allegheny County appeared before the Board and stated that the District Attorney's office had no objection to the granting of a full and complete pardon.

The petitioner is married and resides with his wife at 5429 Second Avenue, Pittsburgh, Pennsylvania. The petitioner together with his wife operates a restaurant and saloon. An investigator of the Board of Pardons reports that the wife of the applicant bears an excellent reputation in the community, and the petitioner himself is know in the community as a person of good repute.

The Board of Pardons, after a review of all the facts, is of the opinion that the petitioner has been sufficiently punished for his misdeeds and that he is entitled to consideration. The Board, therefore, recommends that a full

and complete pardon be granted which will in part remove the stigma from the crimes committed from the names of the petitioner's wife and family, and will be of material assistance in the pursuance of applicant's legitimate business enterprise.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Earl Miller, D-3728, No. 5012, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Earl Miller, convicted of attempted robbery under aggravated circumstances in the Court of Oyer and Terminer and Quarter Sessions of Lancaster County on February 3, 1939 to be computed from January 16, 1939 be commuted from 3 years to 2 years expiring on January 16, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Lancaster County on February 3, 1939 to Bill of Indictment No. 79, December Term, 1938, charging attempted robbery with aggravated circumstances, and was thereupon sentenced by the Honorable Oliver S. Schaeffer, Judge, to a term of not less than 3 nor more than 10 years in the Eastern State Penitentiary; sentence to be computed from January 16, 1939.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated: ". . . This man attended school and was interested in completing high school but he had to quit because his family could not afford to pay for transportation. His previous behaviour and reputation in the community prior to this crime was of a very high type. He assisted in the support of his family by turning over most of his earnings. His prison performance has been good. He has attempted to improve himself by taking a course in Electric apprentice work and he is employed in a position of trust in the canteen. This man apparently has learned a lesson from his incarceration. He probably will never again come in conflict with the law." The Honorable Oliver S. Schaeffer, trial judge, in a communication to the Board of Pardons stated: ". . . I feel that this application is premature considering the serious offense and that the minimum term is not unreasonable. Karl L. Shirk, Esquire, district attorney, Lancaster County, appeared before the Board and stated that inasmuch as the petitioner had served two years of the minimum term imposed that he would offer no objection to the granting of the petition.

A parole plan has been obtained which provides adequate sponsorship and bona fide employment. The Board of Pardons, after considering all of the facts, is of the opinion that the petitioner will, if released on parole, become a law-abiding, self-respecting citizen, and therefore, recommends that the minimum term of imprisonment as imposed by the court be commuted to a minimum term of two years to expire on January 16, 1941. The petitioner to remain on parole until January 16, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Agnes McCabe Gay, 1455, No. 5015, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Agnes McCabe Gay, convicted of embezzlement in the Quarter Sessions Court of Washington County on January 19, 1940 be commuted on Bill No. 165 November Sessions, 1939 from a minimum term of 1½ years to a minimum term of 11 months, expiring on December 19, 1940; and on Bills Nos. 2 and 3 February Sessions, 1940 from a minimum term of 1½ years to a minimum term of 11 months, expiring on December 19, 1940. (These sentences to be served concurrently.)

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Washington County on January 19, 1940 to Bills of Indictment Nos. 165 November Term, 1939; Nos. 2 and 3 February Term, 1940, charging embezzlement, and was thereupon sentenced by the Honorable Carl E Gibson, Judge to a term of not less than 1 year, 6 months nor more than 3 years in the State Industrial Home for Women, Muncy, Pennsylvania.

The petitioner has maintained a satisfactory institutional record since the date of her commitment to the Women's Industrial Home. The trial judge, Honorable C. E. Gibson in a communication to the Board of Pardons stated as follows: ". . . This is an ordinary case of embezzlement by a bank employe who had access to money in the bank and an opportunity to take in from other accounts. The sentences on the three indictments run concurrently, and I have no recommendation to make." George T. Cummins, Esquire, District Attorney, in a communication to the Board stated: ". . . In connection with the application of the above named we wish to advise that we do not desire at this time to either recommend or oppose this application but shall leave the matter entirely within the hands of your Honorable Board."

Several reputable citizens of Washington County have signed a petition requesting clemency in the case of the petitioner. An investigator for the Board of Pardons stated in his report that embezzlement had been occurring from time to time in the bank where the petitioner was employed prior to the date of her employment and that she, after entering the bank's employ, embezzled funds which she converted to her own use. However, that at the time of her arrest she was asked to assume responsibility for embezzlements which occurred in the bank by others.

The petitioner has been confined for a period of about one year and the Board of Pardons is of the opinion that she has been sufficiently punished. She is married and her husband has expressed his willingness to provide a home for the petitioner at any time that she is released. A reputable sponsor has been obtained.

The Board of Pardons, after a review of all of the facts, is of the opinion that the petitioner is not criminally minded and that she will not, if released, at any time

become involved in further difficulties with the law. The Board, therefore, recommends that the minimum sentence as imposed by the court be commuted to a minimum sentence of 11 months to expire on December 19, 1940 and that she remain on parole until January 19, 1943.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Gardiner Smith, D-4097, No. 5033, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of Gardiner Smith, convicted of sodomy in the Court of Oyer and Terminer and Quarter Sessions of Lancaster County on June 15, 1939 to be computed from March 27, 1939 be commuted from 4 years to 1 year and 9 months expiring on December 27, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence was convicted in the Courts of Lancaster County on June 15, 1939 to Bill of Indictment No. 25, March Term, 1939, charging sodomy and was thereupon sentenced by the Honorable Oliver S. Schaeffer, Judge, to a term of not less than 4 nor more than 10 years in the Eastern State Penitentiary; sentence to be computed from March 27, 1939.

The Board of Trustees of the Eastern State Penitentiary in a communication to the Board of Pardons stated; ". . . He was formerly separated from his wife but apparently they have again become friendly; she writes to him regularly and he plans to return to her when he is released. His institutional performance has been of the average type. He has not attended school and he is working as a cleaner on the block. No unusual factors have been observed in this inmate's prison performance, and we can see no reason for recommending special consideration."

The trial judge is now deceased. The president judge in a communication to the Board of Pardons stated: ". . . In re application of the above for clemency, I did not sentence the prisoner. However, I feel that there is some merit in petitioner's application in view of the minimum sentence of one year heretofore imposed by our local court in cases of this kind. Furthermore, this is the prisoners first offense."

K. L. Shirk, District Attorney, appeared before the Board and stated: ". . . That if the record of the petitioner in the penitentiary has been satisfactory that his office offered no objection to the granting of the petition." The applicant has been confined for a period of one year and six months and the Board is of the opinion that he has been sufficiently punished for his crime.

A parole plan has been obtained which provides for a reputable sponsor and adequate employment to the petitioner if and when he is released. The Board, after considering all of the facts is of the opinion that the petitioner will, if released on parole, become a self-respecting, law-abiding citizen, and, therefore recommends that the minimum sentence as imposed by the Court be commuted to a minimum term of 1 year and 9 months to expire December 27, 1940. The applicant to remain on parole until March 27, 1949.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Walter Schultz, B-6056, D-1910, No. 5095, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the sentences of Walter Schultz, convicted of breaking and entering, larceny and burglary in the Oyer and Terminer and Quarter Sessions Court of Lackawanna County on December 12, 1926 be commuted on Bill No. 15 October Sessions, 1936 from a minimum term of 3 years to a minimum term of 2 years, 6 months and 18 days, expiring on June 30, 1941.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Lackawanna County on December 12, 1936 to Bills of Indictment Nos. 13, 14 and 15, October Term, 1936 charging breaking and entering, larceny and burglary, and was thereupon sentenced to a term of imprisonment in the Eastern State Penitentiary on Bill No. 13 for from 2 to 4 years and on Bill No. 15, for from 3 to 6 years. Sentences to run consecutively.

The Board of Trustees of the Eastern State Penitentiary in a report to the Board of Pardons stated: ". . . Subject was transferred to Rockview on April 29, 1938 and the authorities of that institution report that his record there has been satisfactory. He has maintained a good attitude and associated with a better class of inmates. He is employed as a carpenter on construction work and is considered to be an industrious worker. He has also attempted to improve himself by studying a course in electric arc welding through the Pennsylvania State College Extention Service. Rockview officials state that if considered for parole would probably recommend." The trial judge, the Honorable William R. Lewis, made no reply to a communication addressed to him by the Board of Pardons in this matter. The district attorney failed to reply to the Board's communication in which he was requested to advise the attitude of the district attorney's office in regards to this petition.

The petitioner has been confined for a period of approximately 4 years. It is noted from the record that the petitioner was placed in the County Prison on June 30, 1936 and that he was confined in the County Prison in default of bail until December 12, 1936, a period of 5 months and 12 days, for which credit was not allowed by the sentencing court.

The Board of Pardons having in mind the provision of an Act of Assembly approved April 1937 feels that the applicant in this case should be given credit for the period confined in the County Prison, and therefore, recommends that the sentence on Bill No. 15 be commuted to a minimum term of 2 years and 6 months and 18 days, expiring on June 30, 1941. The applicant was already granted a technical parole on Bill No. 13, October Term, 1936 as of December 12, 1938. He will remain on parole until December 12, 1944.

Respectfully submitted,
S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Edward Shelton, No. 5098, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Edward Shelton, convicted of receiving stolen goods, larceny in the Court of Quarter Sessions of Philadelphia County, on March 12, 1924 and December 23, 1931, be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon pleaded guilty on March 12, 1924 to Bill of Indictment No. 140 March Session, 1924 charging receiving stolen goods, and was thereupon placed on probation for a period of 2 years by the Honorable McPherson, Judge. On December 23, 1931 the petitioner pleaded non-vult in the Courts of Philadelphia County to Bill of Indictment No. 1203 March Session, 1931 charging larceny, and was placed on probation for a period of 1 year by the Honorable Horace Stern, Judge. Mr. Justice Stern made no reply to a communication addressed to him by the Board of Pardons in this matter. The Honorable McPherson is now deceased. James W. Tracey, Jr., Esquire, assistant district attorney, appeared before the Board and stated the district attorney's office had no objection to the granting of a full and complete pardon.

The petitioner is employed by the City of Ventnor, New Jersey in a supervisory capacity, having charge of all mechanical units for the City of Ventnor. The Honorable Harry S. Hodson, Mayor of the City of Ventnor, in a communication to the Board stated: ". . . Mr. Shelton has been in the employ of the City for a year or more and during that time we have found him absolutely reliable, ambitious and willing. His work has been entirely satisfactory and his standing in this community is unquestionable. You will make no mistake, I think, in considering Mr. Shelton for a position commensurate with his abilities." The Chief of Police, Maurice C. Mower, stated: ". . . The bearer of this letter is Mr. Edward Shelton is personally known to me and I have always found him to be a good character, honest, reliable and very industrious. He has been a respected resident of this city for a number of years and anything which might be done to assist him would be greatly appreciated." A communication was also received from Reverend Thomas J. Kelly, Presentation B. V. M. Rectory, Cheltenham, Pa., attesting to the integrity of the petitioner. An investigation submitted by the authorities of New Jersey states: ". . . He is married and lives quietly and respectably with his wife and three children, two daughters, 11 and 18 years of age, and a son, 17, under better than average condition in a high class, strictly residential environment at 106 South Princeton Ave., Ventor City, N. J. His wife keeps house and the home is ably managed and supervised. Their home life is conventional and happy. The children appear well brought up and are non-delinquent. According to his wife, subject is a good husband and father and takes his responsibilities seriously. He is employed by the City of Ventnor as a mechanic in charge of all mechanical equipment at wages of $25.50 a week and is reported as satisfactory in the performance of his duties. On the basis of this investigation, subject has established himself in the community in which he lives as a responsible, law-abiding family man with a satisfactory degree of stability and his petition is deserving of consideration."

The Board after reviewing all of the facts is of the opinion that the petitioner is not criminally minded and that he has during the past 9 years completely rehabilitated himself and is worthy of consideration. The Board, therefore, recommends that a full and complete pardon be granted which will in part remove the stigma from his name and the name of his family.

Respectfully submitted,
S. S. LEWIS,
Lieutenant Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of John Hovis, B-6970, No. 5106, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that the minimum sentence of John Hovis, convicted of burglary in the Court of Oyer and Terminer of Butler County on November 18, 1939 to be computed from November 14, 1939 be commuted from 3 years to 1 year and 1 month expiring on December 14, 1940.

Our reasons for making this recommendation are as follows:

The applicant for commutation of sentence pleaded guilty in the Courts of Butler County on November 14, 1939 to Bill of Indictment No. 6, December Term, 1939 charging burglary, and was thereupon sentenced by the Honorable John H. Wilson, Judge, to a term of not less than 3 nor more than 6 years in the Western State Penitentiary.

The Board of Trustees of the Western State Penitentiary in a report to the Board of Pardons stated: ". . . If this inmate were eligible to apply for parole we would probably recommend him for parole (1) first imprisonment (2) excellent institutional record (3) cooperative inmate."

The Honorable John H. Wilson, trial judge in a communication to the Board of Pardons stated: ". . . I have learned since imposing this sentence that this boy was lead into these offenses by men of stronger character and mentality than he. He was well brought up by his grandparents and, up to the offense for which he was sentenced, bore a good reputation. Had I known at the time of sentence all of the things that I know now, I would not have imposed as heavy a sentence as I did."

The district Attorney, Willis A. MacDonald failed to make a reply to a communication addressed to him by the Board of Pardons relative to this petition.

A parole plan has been obtained which provides adequate sponsorship and bonafide employment to the petitioner if and when he is released on parole. The petitioner has been confined for a period of 1 year and 1 month, and the Board is of the opinion that he has been sufficiently punished and that he will, if released, become a self-respecting, law-abiding citizen.

The Board, therefore, recommends that the minimum sentence as imposed by the court be commuted to a minimum sentence of 1 year and 1 month to expire December 14, 1940. The petitioner to remain on parole until November 14, 1945.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

BOARD OF PARDONS

In re application of Francis James McKenna, No. 5127, December Session, 1940.

To His Excellency, the Governor of the Commonwealth of Pennsylvania:

Sir: The above application having been heard, upon due public notice, in open session, the undersigned members of the Board of Pardons recommend that Francis James McKenna, convicted of operating an automobile while under the influence of intoxicating liquor in the Court of Quarter Session of Philadelphia County, on October 28, 1928; and convicted of entering, receiving stolen goods in the Court of Quarter Sessions of Philadelphia County, on May 29, 1935 be pardoned.

Our reasons for making this recommendation are as follows:

The applicant for a full and complete pardon entered a plea of not guilty in the Courts of Philadelphia County to Bill of Indictment No. 1619 October Term, 1928 charging operating an automobile while under the influence of intoxicating liquor, and was sentenced to pay a fine of $100, costs of prosecution and placed on probation for a period of 2 years on October 28, 1928 by the Honorable Miles J. Potter. On May 29, 1935 he pleaded not guilty to Bill of Indictment No. 190 February Term, 1935 charging entering, larceny and receiving stolen goods, and was sentenced to a term of imprisonment for from 1 to 5 years in the Philadelphia County Prison, from which he was released on September 10, 1935 on parole.

The trial judge, the Honorable Miles J. Potter is now deceased. Judge Potter presided at the trial which was held on February 5, 1929. The Honorable James Barnett, now deceased, presided at the trial held on May 29, 1935. The Honorable Harry S. McDevitt, president Judge of the Common Pleas Court No. 1, in a communication to the Board of Pardons stated: ". . . In 1929 this man was fined $100 and costs and placed on probation for two years, by former Judge Potter, specially presiding. He now asks a full pardon, but since that occurrence he has been arrested for attempted entering to steal, suspicion of breaking and entering, entering to steal, larceny and larceny by sneak. He has served a term of one year and his general reputation is such that there seems to be no good reason for granting a full pardon. At that time he claimed to be shielding others who were involved, but there has been no such claim on subsequent occasions. I don't see any good it will do him to have this crime wiped off the record and the rest of his criminal record remain intact." James W. Tracey, Jr., Esquire, Assistant District Attorney appeared before the Board and stated that the district attorney's office had no objection to the granting of a full and complete pardon.

He is employed by the Board of Education, in the city of Philadelphia, as an assistant janitor. He is married and resides with his wife and two daughters in the city of Philadelphia. His employment requires that he commence work at 6:00 A. M., and he is required to work for a period of twelve and half hours a day. Character witnesses appeared before the Board and they attested to the good reputation borne by the petitioner in his community.

The Board of Pardons after reviewing all of the facts is of the opinion that the applicant has been sufficiently punished for his misdeeds, and that he will, if granted a full and complete pardon, be materially aided. He will be able to obtain more gainful employment, and will therefore, be in a position to provide more of the necessities of life for his family than he is at the present time. The granting of a pardon will in part remove the stigma from his name and will permit him to obtain a bond which is necessary for his future advancement with the Board of Education. The Board of Pardons, therefore, recommends that a full and complete pardon be granted.

Respectfully submitted,

S. S. LEWIS,
Lieutenant-Governor.
S. M. R. O'HARA,
Secretary of the Commonwealth.
CLAUDE T. RENO,
Attorney General.
WILLIAM S. LIVENGOOD, JR.,
Secretary of Internal Affairs.

The above recommendation is approved:
ARTHUR H. JAMES,
Governor.

THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA

NUMBER OF OPEN ACCOUNTS ON NOVEMBER 4, 1940

	Main	Chestnut Street	Kensington	Frankford	North Phila.	21st Street	Phila. Nat'l	52nd Street	Total
$0-$1	25,162	4,070	329	396	460	554	27	202	31,200
$1-$10	23,655	14,033	1,845	2,098	1,942	2,434	35	1,392	47,434
$10-$20	7,945	5,117	1,160	702	957	821	19	732	17,453
$20-$50	7,026	4,129	1,202	726	1,075	740	16	668	15,576
$50-$100	6,816	4,128	1,407	902	704	650	12	514	15,133
$100-$200	5,325	3,440	1,190	895	600	554	15	300	12,319
$200-$300	2,826	2,702	1,128	862	902	848	19	528	9,815
$300-$500	4,477	2,894	890	702	850	642	25	456	10,936
$500 up	23,340	9,610	3,413	2,582	2,302	1,602	56	1,440	44,345
Total	106,572	50,123	12,564	9,859	9,792	8,845	224	6,232	204,211

Sworn to and subscribed before me this 6th day of November, 1940.

B. C. SCHUCHARD,
Notary Public.

My Commission expires March 5, 1941.

P. BLAIR LEE,
President.

J. R. MAULTY,
Treasurer

NINETY-FOURTH ANNUAL REPORT OF THE AUDITORS

ASSETS

Par Value		Book Value
$ 19,749,614.78	Cash	$ 19,749,614.78
28,653,100.00	United States of America Government Bonds	28,652,764.68
2,702,500.00	Home Owners' Loan Corporation Bonds	2,702,497.61
1,802,000.00	Federal Farm Mortgage Corporation Bonds	1,802,000.00
2,440,000.00	Dominion of Canada Bonds	2,289,423.03
7,282,347.50	State, County and Municipal Bonds	7,207,563.29
18,385,000.00	Railroad Bonds	13,963,190.61
2,453,000.00	Railroad Equipment Trust Certificates	2,317,650.14
19,500,000.00	Public Utility Bonds	19,351,170.25
3,099,000.00	Industrial Bonds	3,017,931.77
2,626,200.00	Miscellaneous Bonds and Lease Trust Certificates	1,815,202.00
392,561.36	Mortgages F. H. A.	392,561.36
10,851,546.69	Real Estate Mortgages	9,797,308.58
2,854,004.54	Other Real Estate	2,854,004.54
14,695.00	Collateral Loans	14,695.00
1,789,240.00	Bank Buildings	1,789,240.00
3,027.18	Mortgagee in Possession	3,027.18
1.00	St. Luke's and Children's Hospital Equipment	1.00
829,096.96	Accrued Interest Receivable	829,096.96
1,610.87	Prepaid Expenses and Taxes	1,610.87
1,917.82	Claim Against Estate of Robt. J. Wasson, Dec'd	1,917.82
77,736.71	Death Benefit Fund	77,736.71
$125,508,200.41		$118,630,208.18

LIABILITIES

Deposits	$110,335,854.14
Escheatable Accounts (6,162)	50,961.68
Mortgagor Accumulations	16,995.50
F. H. A. Escrow Accounts	3,635.37
Received on Account Purchase of Other Real Estate	3,930.75
Safe Deposit Taxes	132.61
Old Age Security Tax	1,449.10
Unemployment Insurance Tax	2,968.46
City of Philadelphia Income Tax	478.97
Accrued Interest Payable	25.50
Unearned Income	8,476.68
Accrued Expenses and Taxes	2,530.73
Reserve for Death Benefit Fund	77,736.71
Surplus	8,125,031.98
	$118,630,208.18

The Society also holds for 925 depositors, United States of America Treasury Bonds and Notes, deposited severally by them for safe-keeping, of which the par value is $142,700.00.

REPORT OF THE AUDITORS

The undersigned, Auditors appointed by the President Judges of the Court of Common Pleas of Philadelphia, to audit and settle the accounts of THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA, in conformity with the provisions of Article 1 of the Act of Assembly incorporating the said Society, approved 8th February, 1847, having been duly sworn according to law faithfully so to do:

Certify that the Assets of the said Society, at the close of business on the Thirty-First day of December, 1940, have been examined and verified by them, and that the value thereof as set forth in the above Schedule agrees with the books and the balance sheet of the Society.

The amount due to depositors, including interest, on the 31st day of December, 1941, and the Surplus are correctly stated and are in agreement with the books and balance sheet.

THOMAS RIDGWAY
CHAS. J. BIDDLE
FRANCIS H. BOHLEN, JR.

NINETY-FOURTH ANNUAL REPORT OF THE AUDITORS

ASSETS

Par Value	U. S. GOVERNMENT SECURITIES	Book Value
$ 1,000,000.00	United States of America 2% Treasury Bonds, 1947	$ 1,000,000.00
500,000.00	United States of America 2½% Treasury Bonds, 1948	500,000.00
2,604,000.00	United States of America 2½% Treasury Bonds, 1953-49	2,603,945.31
3,175,000.00	United States of America 2½% Treasury Bonds, 1952-50	3,175,000.00
1,750,000.00	United States of America 2¾% Treasury Bonds, 1947-45	1,750,000.00
3,900,000.00	United States of America 2¾% Treasury Bonds, 1948-51	3,900,000.00
3,100,000.00	United States of America 2¾% Treasury Bonds, 1954-51	3,099,719.37
425,000.00	United States of America 2¾% Treasury Bonds, 1963-58	425,000.00
447,500.00	United States of America 2¾% Treasury Bonds, 1959-56	447,500.00
250,000.00	United States of America 2¾% Treasury Bonds, 1965-60	250,000.00
1,775,000.00	United States of America 2⅞% Treasury Bonds, 1960-55	1,775,000.00
250,000.00	United States of America 3% Treasury Bonds, 1948-46	250,000.00
10,000.00	United States of America 3% Treasury Bonds, 1955-51	10,000.00
2,180,000.00	United States of America 3⅛% Treasury Bonds, 1949-46	2,180,000.00
1,003,600.00	United States of America 3¼% Treasury Bonds, 1944-46	1,003,600.00
400,000.00	United States of America 3⅜% Treasury Bonds, 1947	400,000.00
509,000.00	United States of America 3¾% Treasury Bonds, 1956-46	509,000.00
3,075,000.00	United States of America 4% Treasury Bonds, 1944-54	3,075,000.00
2,299,000.00	United States of America 4¼% Treasury Bonds, 1952-47	2,299,000.00
28,653,100.00		28,652,764.68
2,702,500.00	Home Owners' Loan Corporation 3% Bonds, Series "A", 1952-44	2,702,497.61
502,000.00	Federal Farm Mortgage Corporation 2¾% Bonds, 1947-42	502,000.00
1,300,000.00	Federal Farm Mortgage Corporation 3% Bonds, 1949-44	1,300,000.00
$33,157,600.00		$33,157,262.29

DOMINION OF CANADA SECURITIES

325,000.00	Government of the Dominion of Canada Seven Year 2¼%, 1944	322,562.50
275,000.00	Government of the Dominion of Canada 2½%, 1945-43	260,562.50
505,000.00	Government of the Dominion of Canada 3%, 1967	438,483.93
195,000.00	Government of the Dominion of Canada 3%, 1968	179,997.85
890,000.00	Government of the Dominion of Canada 3¼%, 1961-56	854,160.00
200,000.00	Government of the Dominion of Canada 4%, 1960-50	183,656.25
50,000.00	Government of the Dominion of Canada 5%, 1952-42	50,000.00
$ 2,440,000.00		$2,289,423.03

STATE, COUNTY & MUNICIPAL SECURITIES

ASSETS

Par Value		Book Value
158,000.00	Allegheny County, Pa., 4¼% Miscellaneous Bonds, 1942-47	157,210.00
50,000.00	Allegheny County, Pa., 4¼% Bridge Bonds, Ser. 20, 1942	49,750.00
50,000.00	Allegheny County, Pa. 4¼% Bridge Bonds, Ser. 34-B3, 1943	49,750.00
100,000.00	Baltimore, Md., 5% General Improvement Stock, Reg	100,000.00
41,000.00	Bethlehem, Pa., 3½% Refunding Water Bonds, 1946	40,180.00
300,000.00	Cleveland, Ohio, Elec. Light & Power Plant and System Ext. 3½%, 1950-51	300,000.00
231,000.00	Detroit, Mich., City of, Street Railway Equip. Trust Ctfs., 2½%, 1942	231,000.00
281,000.00	Detroit, Mich., City of, Public Utility Bonds 4½%, (Str. Rwy.)	244,470.00
1,777.50	Detroit, Mich., 3¼% Rfdg. Bonds, Series "B", 1962	1,244.25
3,570.00	Detroit, Mich., 3¼% Refunding Bonds, Series "C", 1962	2,570.40
25,000.00	Detroit, Mich., 4% Refunding Bonds, Series "F", 1949 (Non-callable)	25,000.00
10,000.00	Detroit, Mich., 4% Refunding Bonds, Series "F", 1950 (Non-callable)	10,000.00
100,000.00	Detroit, Mich., 4% Refunding Bonds Series "F", 1952 (Non-callable)	100,000.00
50,000.00	Detroit, Mich., 4% Refunding Bonds, Series "F", 1953 (Non-callable)	50,000.00
2,000.00	Detroit, Mich., 4½% Var. Municipal Impvt. & Rfdg. Bonds, "A", 1963	1,120.00
82,000.00	Houston, Texas, 2¾% Miscellaneous Loans, 1946	81,590.00
14,000.00	Los Angeles, Calif., Electric Plant Bonds, Class "D", 4½%, 1945	14,000.00
10,000.00	Los Angeles, Calif., Electric Plant Bonds, Class "C", 4½%, 1945	10,000.00
50,000.00	Los Angeles, Calif., Electric Plant Bonds, Class "G" 3¾%, 1953	50,000.00
100,000.00	Los Angeles, Calif., Water Works Bonds, Class "L", Ser. #1, 3½%, 1963-65	99,500.00
10,000.00	Los Angeles, Calif., Water Works Bonds, Class "M", Ser. #1, 3½%, 1964	9,950.00
180,000.00	Los Angeles, Calif., Dept. of Water & Power, Elec. Plant Rfdg., "A" 2¾% 1964 & 1967	179,998.89
100,000.00	Los Angeles, Calif., Dept of Water & Power, Elec. Plant Rev. 3¼%, 1957-58	98,875.00
110,000.00	Los Angeles, Calif., Dept. of Water & Power, Elec. Plant Rev. "A", 3½%, 1955-65	109,500.00
169,000.00	Louisana, State of, Refunding 3¼% Bonds, 1957-60	168,577 50
50,000.00	Louisana, State of, Serial Refunding 3½% Bonds, 1950	49,937.50
31,000.00	Louisiana, State of, 3½% Refunding Bonds, 1953	30,961.25
200,000.00	Miami, Fla., Refunding 3½% Bonds, 1953-54	199,992.80
250,000.00	Metropolitan Water Dist. of So. California, Refunding 4% Bonds, 1960-61	250,000.00
25,000.00	Minnesota, State of, 4¼% Trunk Highway Bonds, 1940-43	24,916.75
15,000.00	Missouri, State of, 4¼% Road Bonds, Series "I", 1944	14,950.05
200,000.00	Mississippi, State of, 3¼% Highway Bonds, 3rd Series, 1951	200,000 00
7,000.00	Nashville, Tenn., Water Works Impvt. 4¾% Gold Bonds, Ser. "B", 1941-45	6,956.68
357,000.00	New Orleans, La., Old Public Improvement, Series of 1900, 4% Bonds, 1942-50	356,200.00
25,000.00	New York, City of, N. Y., Construction of Schools, 4¼% Bonds, 1941-48	22,688.61
50,000.00	New York, City of, N. Y., Construction of Schools, 4¼% Bonds, 1942-55	45,793 38
25,000.00	New York, City of, N. Y., Construction of Schools, 4¼% Bonds, 1942	22,829 20
336,000.00	New York, City of, N. Y., 4¼% Gold Exempt School, Series "10E", 1944-49	330,067 50
500,000.00	New York, City of, N. Y., 3¼% Various Mun. Impvt., 1945-49	500,000.00
350,000.00	New York, City of, N. Y., 3% Bonds, 1948-49	350,000.00
50,000.00	New York, City of, N. Y., 2½% Bonds, 1950	50,000.00
50,000.00	New York, City of, N. Y., 4% Rapid Transit Bonds, 1951	49,500.00
338,000.00	New York, City of, N. Y., 3½% Bonds, 1952	338,000.00
50,000.00	New York, City of, N. Y., 4% Tri-Borough Bridge Bonds, 1953	49,375 00
200,000.00	New York, City of, N. Y., 4% Various Municipal Purposes, 1953	197,500.00
300,000.00	Pennsylvania, Commonwealth of, 1½% Tax Anticipation Notes, 1941	300,000.00
20,000.00	Pennsylvania, Commonwealth of, 3¼% Soldier Bonus, Series "I" 1945-56	20,000.00
300,000.00	Philadelphia Pa., Loan of October 1, 1920, 4% Bonds, 1952	300,000.00
100,000.00	Philadelphia, Pa., Loan of December 30, 1919, 4% Bonds 1975/45	100,000.00
250,000.00	Philadelphia, Pa., 15 Year 5% Bonds, 1947	249,250.00
25,000.00	Philadelphia, Pa., School District, 4½% Bonds, 1941	24,875 00
95,000.00	Philadelphia, Pa., School District 4½% Bonds, 1945	94,525.00
195,000.00	Philadelphia Pa., 4¼% Bonds, 1976/46	195,000 00
175,000.00	Pittsburgh, Pa., 4¼% Miscellaneous Bonds, 1942	174 781 25
50,000.00	St. Louis, Mo., 4½% Public Bldg. & Impvt. Bonds, 1943	50,000 00
15,000.00	St. Paul, Minn., 4% Public Welfare Bonds, 1941-42	14,981.25
110,000.00	San Francisco, City & County of, Calif., 4½% Water Bonds, 1941-50	107,750.00
70,000.00	San Francisco, City & County of, Calif., 4½% Memorial Hall Bonds, 1944-46	68,950 00
10,000.00	San Francisco, City & County of, Calif., 4½% Hospital Bonds, 1948	9,700 00
50,000.00	Westchester, County of, N. Y., 4% Park Bonds, 1942	44,696 03
180,000.00	West Virginia, State of, 4¼% Gold Bonds, 1945-46	179,100.00
$7,282,347.50		$7,207,563.29

ASSETS

RAILROAD BONDS

Par Value		Book Value
$173,000.00	Atchison, Topeka & Santa Fe Rwy Adjustment 4's; 1995	156,232.50
92,000.00	Atchison, Topeka & Santa Fe Rwy Gen'l Mortgage 4's; 1995	92,000.00
15,000.00	Atlantic Coast Line RR Gen'l Unified Mtg 4½, "A"; 1964	11,400.00
66,000.00	Atlantic Coast Line RR Collateral Trust 5's; 1945	45,540.00
292,000.00	Baltimore & Ohio RR First Mortgage 4's; 1948	201,681 77
495,000.00	Baltimore & Ohio RR (Pitts., Lake Erie & West Va., System) Refunding Mortgage 4's; 1951	356,400.00
373,000.00	Baltimore & Ohio RR (Toledo-Cinn. Div) 1st Lien & Refdg Mortgage 4's, "A", 1059	257,370 00
32,000.00	Baltimore & Ohio RR First Mortgage 5's; 1948	19,025 00
125,000.00	Beech Creek Extension RR First Mortgage 3½'s; 1951	112,469 50
213,000.00	Carolina, Clinchfield & Ohio Rwy 1st Mtge 4's "A"; 1965	213,000 00
164,000.00	Central Railroad of New Jersey Gen'l Mtge 5's; 1987 (Reg)	19,680.00
336,000.00	Central Railroad of New Jersey Gen'l Mtge 5's; 1987	40,320.00
197,000.00	Chesapeake & Ohio Rwy Rfdg & Impvt Mtge 3½'s, "F"; 1963	197,000.00
74,000.00	Chesapeake & Ohio Rwy Refdg & Impvt Mtge 3½'s, "D"; 1996	70,005.00
226,000.00	Chesapeake & Ohio Rwy Refdg & Impvt Mtge 3½'s, "E"; 1996	219,995.00
25,000.00	Chesapeake & Ohio Rwy (Richmond-Allegheny Div) 2d Consol Mtge 4's; 1989	25,000.00
70,000.00	Chesapeake & Ohio Rwy Gen'l Mortgage 4½'s; 1992	70,000.00
169,000.00	Chicago & Northwestern Rwy Gen'l Mortgage 4¾'s; 1987	25,350.00
11,000.00	Chicago & Northwestern Rwy Secured 6½'s 1936	1,760.00
256,000.00	Chicago, Rock Island & Pacific Rwy Gen'l Mtge 4's; 1988	32,640.00
300,000.00	Chicago & Western Indiana RR Consol Mortgage 4's; 1952	269,750.00
200,000.00	Chicago & Western Indiana RR 1st & Refdg 4½'s, "D"; 1962	190,000.00
258,000.00	Chicago Union Station Co. 1st Mortgage 3¾'s, "E"; 1963	255,474.61
200,000.00	Choctaw & Memphis RR First Mortgage 5's 1949	66,000.00
300,000.00	Choctaw, Oklahoma & Gulf RR Consol Mortgage 5's; 1952	25,500 00
112,000.00	Cincinnati, Hamilton & Dayton RR General 5's; 1942	104,160.00
52,000.00	Cincinnati Union Terminal Co. 1st Mtge 3½'s, "D"; 1971	51,351.77
155,000.00	Cleve., Cinn. Chic. & St. Louis Rwy (St. Louis Div) 1st Coll Trust Mtge 4's; 1990	131,238.50
45,000.00	Cleve., Cinn., Chic. & St. Louis Rwy Gen'l Mtge 4's; 1993	34,121.25
282,000.00	Cleve., Cinn., Chic. & St. Louis Rwy Refdg & Impvt Mtge 4½'s "E"; 1977	157,920.00
70,000.00	Coal River Railway First 4's; 1945	69,962.50

ASSETS

Par Value		Book Value
13,000.00	Columbus & Toledo RR First Mortgage 4's; 1955	12,790.00
50,000.00	Connecting Railway Co. First Mortgage 5's; 1951	49,875.00
192,000.00	East Tennessee, Virginia & Georgia Rwy 1st Consol Mtge 5's; 1956	179,130.00
500,000.00	Erie RR Consol Mortgage Prior Lien 4's; 1996	215,000.00
250,000.00	Great Northern Rwy Gen'l Mortgage 3¾'s, "I"; 1937	182,327.50
100,000.00	Great Northern Rwy Gen'l Mortgage 4's, "G"; 1946	100,000.00
43,000.00	Great Northern Rwy Gen'l Mortgage 4½'s, "D"; 1976	31,721.25
207,000.00	Great Northern Rwy Gen'l Mortgage 4½'s, "E"; 1977	191,475.00
10,000.00	Harrisburg, Portsmouth, Mt Joy & Lancaster RR 1st Mtge 4's, 1943 (Reg)	10,000.00
277,000.00	Illinois Central RR Refunding Mortgage 4's; 1955	116,340.00
175,000.00	Kansas City, Ft. Scott & Memphis Rwy Refdg Mtge 4's; 1936	45,500.00
47,000.00	Kansas City Terminal Rwy First Mortgage 4's; 1960	47,000.00
350,000.00	Lake Erie & Western RR First Extended 3's; 1947	332,500.00
36,000.00	Lehigh Coal & Navigation Co. Consol Mtge 4½'s, "C"; 1954	28,800.00
50,000.00	Lehigh & New England RR Gen'l Mortgage 4's, "A"; 1965	47,500.00
85,000.00	Lehigh Valley RR First 4's; 1948	61,200.00
72,000.00	Lehigh Valley Railway Co. (New York) 1st Mtge 4½'s; 1940	36,091.25
92,000.00	Louisville & Nashville RR 1st & Refdg Mtge 3¾'s, "E"; 2003	77,362.50
99,000.00	Louisville & Nashville RR 1st & Refdg Mtge 4's, "D"; 2003	87,107.25
149,000.00	Louisville & Nashville RR 1st & Refdg Mtge 4½'s, "C"; 2003	136,322.40
250,000.00	Michigan Central RR Refdg & Impvt Mtge 4½'s, "C"; 1979	168,986.25
360,000.00	Milwaukee, Sparta & Northwestern Rwy 1st Mortgage 4's; 1947	42,000.00
348,000.00	Nashville, Chattanooga & St. Louis Rwy 1st Mtge 4's, "A"; 1978	276,800.00
152,000.00	New York Central & Hudson River RR Lake Shore Coll 3½'s; 1998	113,237.50
350,000.00	New York Central & Hudson River RR Michigan Central Coll 3½'s; 1998	273,000.00
500,000.00	New York, Chicago & St. Louis RR 1st Mortgage 3½'s; 1947	480,000.00
4,000.00	New York & Erie RR Second 5's; 1939	3,000.00
100,000.00	New York, New Haven & Hartford RR 6% Convertible Debentures; 1948	17,000.00
360,000.00	New York, Pennsylvania & Ohio RR Prior Lien 4¼'s; 1950	285,000.00
50,000.00	Norfolk & Southern Rwy First Mortgage 5's; 1941	15,000.00
100,000.00	Norfolk & Western Rwy 1st Consol Mortgage 4's; 1996	100,000.00
14,000.00	Northern Pacific Rwy Prior Lien Railway & Land Grant 4's; 1997	12,181.28
260,000.00	Ogdensburg & Lake Champlain Rwy First Mortgage 4's; 1948	6,000.00
214,000.00	Oregon Short Line RR Consol 1st Mtge 5's (Ungtd); 1946	213,890.00
250,000.00	Pennsylvania Company Secured 4's; 1963	250,000.00
19,000.00	Pennsylvania RR Gen'l Mortgage 3¾'s, "C"; 1970	16,685.28
746,000.00	Pennsylvania RR Gen'l Mortgage 4¼'s, "D"; 1981	717,265.31
512,000.00	Pennsylvania RR Consol Mortgage 4½'s of 1915; 1930	511,291.71
121,000.00	Pennsylvania RR Gen'l Mortgage 4½'s, "A"; 1965	120,946.34
135,000.00	Pennsylvania & New York Canal & Railroad Co. Consol Mtge 5's; 1949 (R)	82,360.00
450,000.00	Pennsylvania, Ohio & Detroit RR 1st & Refdg Mtge 4½'s, "A"; 1977	444,168.90
302,000.00	Pere Marquette Rwy First 4½'s, "C"; 1980	242,400.00
244,000.00	Pere Marquette Rwy First Mortgage 5's "A"; 1956	209,384.08
202,000.00	Pitts., Cinn., Chic. & St. Louis Rwy Gen'l Mtge 4½'s, "C"; 1977	198,651.72
5,000.00	Pitts., Cinn., Chic. & St. Louis Rwy Consol Mtge 4's, "D"; 1945	5,000.00
2,000.00	Pitts., Cinn., Chic. & St. Louis Rwy Consolidated 4's "G"; 1957	2,000.00
498,000.00	Pitts., Cinn., Chic & St Louis Rwy Gen'l Mtge 5's, "B"; 1975	492,497.82
23,000.00	St. Paul & Duluth RR 1st Consol Mortgage 4's; 1968	22,177.31
112,000.00	Scioto Valley & New England RR First Mortgage 4's;1989	112,000.00
80,000.00	Southern Railway Co. (St. Louis Div) 1st Mortgage 4's; 1951	59,978.75
460,000.00	Southern Railway So. 1st Consol Mortgage 5's; 1994	423,687.50
505,000.00	Southern Pacific Co. Secured 3¾'s; 1946	277,963.12
240,000.00	Southern Pacific Co. (San Francisco Terminal) 1st Mtge 4's; 1950	218,822.17
805,000.00	Southern Pacific RR Co. 1st Refunding 4's; 1955	563,500.00
84,000.00	Terminal Railroad Association of St. Louis 1st Consol Mortgage 5's; 1944	83,895.00
2,000.00	Toledo, Walhonding Valley & Ohio RR 1st Mortgage 4's, "C"; 1942	2,000.00
400,000.00	Union Pacific RR Refunding Mortgage 3¼'s, "A"; 1980	400,000.00
158,000.00	Union Pacific RR First Mortgage Railroad & Land Grant 4's; 1947	157,940.30
25,000.00	Union Pacific RR First Mortgage Railroad & Land Grant 4's; 1947 (R)	24,750.00
479,000.00	Virginian Railway Co. 1st Lien & Refdg Mtge 3¾'s, "A"; 1966	475,136.97
258,000.00	West Shore RR First Mortgage 4's (Guaranteed); 2361 (Reg)	154,800.00
205,000.00	Western Maryland RR First Mortgage 4's; 1952	176,903.75
$18,385,000.00		$13,963,190.61

Par Value	RAILROAD EQUIPMENT TRUST CERTIFICATES	Book Value
$100,000.00	Boston & Maine RR 4% Equip. Trust Ctfs. Ser No. 6 of 1934; 1945-46	$ 100,000.00
100,000.00	Cambria & Indiana RR 2¾% Equip. Trust Ctfs. "H"; 1946-47	99,500.00
150,000.00	Chesapeake & Ohio Rwy 4½% Equip. Trust, Ser of 1930; 1942-43	149,250.00
300,000.00	Chicago, Burlington & Quincy RR 2½% Equip. Trust Ctfs., Ser. 1937; 1945-47	297,485.86
311,000.00	Illinois Central RR 3% Equip. Trust, "R"; 1947-49	295,922.28
100,000.00	Illinois Central RR 4% Equip Trust, "O"; 1944	99,000.00
614,000.00	Pennsylvania RR 2¾% Equip. Trust, "G"; 1947-50	602,176.05
470,000.00	Pennsylvania RR 2¾% Equip. Trust, "H"; 1947-49	456,558.93
150,000.00	Pennsylvania RR 2¾% Equip. Trust, "J"; 1948-49	148,740.12
15,000.00	St. Louis-San Francisco Rwy 4½% Equip. Trust, "B B"; 1941	6,000.00
133,000.00	St. Louis-San Francisco Rwy 4½% Equip. Trust, "D D"; 1941-44	53,200.00
10,000.00	Southern Railway Co. 4½% Equip. Trust, "A A"; 1941	9,816.90
$ 2,453,000.00		$2,317,650.14

ASSETS

Par Value	PUBLIC UTILITY BONDS	Book Value
$ 133,000.00	Alabama Power Co. 1st Mtge Lien & Refdg 5's; 1956	$ 122,360.00
238,000.00	Allentown-Bethlehem Gas Co. 1st Mtge 3¾'s; 1965	237,702.50
250,000.00	American Telephone & Telegraph Co. 3¼% Debentures; 1961	249,642.87
150,000.00	American Telephone & Telegraph Co. 3¼% Debentures; 1966	148,772.29
300,000.00	Appalachian Electric Power Co. First Mortgage 3¼'s, 1970	300,000.00
20,000.00	Bell Telephone of Canada First Mortgage 5's, "B"; 1957	20,000.00
85,000.00	Bell Telephone Co. of Pennsylvania 1st & Refdg Mtge 5's, "B"; 1948	85,000.00
107,000.00	Bell Telephone Co. of Pennsylvania 1st & Refdg Mtge 5's, "C"; 1960	106,870.78
524,000.00	Brooklyn Edison Co., Inc., Consolidating Mortgage 3¼'s, Ser 1926; 1966	519,069.54
420,000.00	Central Hudson Gas & Electric Corpn. 1st & Refdg Mtge 3½'s; 1965	415,971.58
219,000.00	Central Illinois Light Co. 1st & Consol Mortgage 3½'s; 1966	219,000.00
473,000.00	Cincinnati Gas & Electric Co. 1st Mtge. 3¼'s; 1966	468,476.47
112,000.00	Cincinnati Gas & Electric Co. 1st Mortgage 3½'s; 1967	112,000.00
217,000.00	Cleveland Electric Illuminating Co. 1st Mortgage 3's; 1970	217,000.00
362,000.00	Columbus & Southern Ohio Electric Co. 1st Mtge 3¼'s; 1970	362,000.00

Par Value	ASSETS	Book Value
111,000.00	Commonwealth Edison Co. 1st & Refdg Mtge 3½'s, "I"; 1968	110,445.00
84,000.00	Connecticut River Power Co. 1st Mtge 3¾'s, "A"; 1961	83,160.00
424,000.00	Connecticut Light & Power Co. 1st & Refdg Mtge 3¼'s, "G"; 1966	423,540.26
140,000.00	Connecticut Light & Power Co. 1st & Refdg Mtge 3½'s, "F"; 1966	138,844.77
176,000.00	Consolidated Gas. Elec. Light & Power Co., of Balto. 1st Refdg Mtge 3¼'s, "N"; 1971	173,941.18
300,000.00	Delaware Power & Light Co. 1st Mortgage 4½'s; 1971	298,500.00
250,000.00	Detroit Edison Co. Gen'l & Refdg Mtge 3's, "H"; 1970	250,000.00
230,000.00	Detroit Edison Co. Gen'l & Refdg Mtge 4's, "F"; 1965	229,712.50
383,000.00	Duquesne Light Co. First Mortgage 3½'s; 1965	380,046.79
207,000.00	Gulf States Utilities Co. 1st & Refdg Mtge 3½'s, "D"; 1969	207,000.00
44,000.00	Houston Lighting & Power Co. First Mortgage 3½'s; 1966	44,000.00
137,000.00	Illinois Bell Telephone Co. 1st & Refdg Mtge 3½'s, "B"; 1970	137,000.00
38,000.00	Lancaster County Railway & Light Co. Coll Trust 5's; 1951	38,000.00
450,000.00	Louisville Gas & Electric Co. 1st & Refdg Mtge 3½'s; 1966	444,019.50
26,000.00	Newark Consolidated Gas Co. Consol Mortgage 5's; 1948	26,000.00
468,000.00	New England Power Co. 1st Mortgage 3¼'s, "A"; 1961	460,512.00
50,000.00	New England Telephone & Telegraph Co. 1st Mortgage 5's, "A"; 1952	50,000.00
579,000.00	New York Edison Co., 1st Lien & Refdg Mtge 3¼'s, "D"; 1965	574,696.36
307,000.00	New York Edison Co., Inc. 1st Lien & Refdg Mtge 3¼'s, "E"; 1966	304,073.21
100,000.00	New York Gas, Elec. Light, Heat & Power Co. 1st Mtge 5's; 1948	100,000.00
320,000.00	New York & Queens Electric Light & Power Co. 1st & Consolidating Mortgage 3½'s, Ser 1935; 1965	318,019.63
249,000.00	New York Telephone Co. Redfg Mtge 3¼'s, "B"; 1967	248,787.18
300,000.00	New York & West Chester Lighting Co. Gen'l Mtge 4's; 2004	279,000.00
250,000.00	Northern States Power Co. (Wisc.) First Mortgage 3½'s, 1964	250,000.00
600,000.00	Ohio Power Co. First Mortgage 3¼'s, 1968	598,500.00
750,000.00	Pacific Gas & Electric Co. 1st & Ref. Mtge. Ser. "H" 3¾'s, 1961	743,716.67
475,000.00	Pacific Telephone & Telegraph Co. Ref. Mtge. "B" 3¼'s, 1966	471,013.77
405,000.00	Pacific Telephone & Telegraph Co. Ref. Mtge. "C" 3¼'s, 1966	399,229.01
173,000.00	Pennsylvania Water & Power Co. Ref. Mtge. & Coll. Tr. 3¼'s, 1964	173,000.00
275,000.00	Pennsylvania Water & Power Co. Ref. Mtge. & Coll. Tr. 3¼'s, 1970	275,000.00
1,000,000.00	Philadelphia Electric Co. 1st & Ref. Mtge. 3½'s, 1967	999,391.63
1,092,000.00	Potomac Electric Power Co. 1st Mtge. 3¼'s; 1966	1,072,948.87
391,000.00	Providence Gas Co. 1st Mtge. "B" 4's 1963	389,897.50
1,000,000.00	Public Service Electric & Gas Co. 1st & Ref. Mtge. 3¼'s, 1966	980,000.00
231,000.00	Public Service Co. of Northern Illinois 1st Mtge 3½'s, 1968	230,711.25
18,000.00	Rochester Gas & Electric Corp. Gen'l Mtge. "I" 3½'s, 1967	18,000.00
1,000,000.00	Southern California Edison Co. 3's, 1965	1,000,000.00
234,000.00	Southwestern Bell Telephone Co. 1st & Ref. Mtge. "C" 3's, 1968	232,830.00
177,000.00	Southwestern Bell Telephone Co. 1st & Ref. Mtge. "B" 3½'s, 1964	176,140.23
197,000.00	Southwestern Gas & Electric Co. 1st Mtge. "A" 3¼'s; 1970	197,000.00
900,000.00	Union Electric Co. of Missouri 1st Mtge. & Coll. Tr. 3¾'s, 1962	900,000.00
545,000.00	Virginia Electric & Power Co. 1st & Ref. Mtge. "B" 3½'s, 1968	545,000.00
501,000.00	West Penn Power Co. 1st Mtge. "I" 3½'s, 1966	495,626.91
300,000.00	Wisconsin Electric Power Co., 1st Mtge. 3½'s, 1968	300,000.00
$19,500,000.00		$19,351,170.25

INDUSTRIAL BONDS

263,000.00	Atlantic Refining Co. 3% Debentures; 1953	262,000.00
250,000.00	Bethlehem Steel Corpn. Consol Mortgage 3's, "G"; 1960	246,312.50
95,000.00	Dow Chemical Co. 2¼% Debentures; 1950	95,000.00
270,000.00	Inland Steel Co. 1st Mortgage 3's; 1961	270,000.00
550,000.00	National Steel Corpn. 1st (Coll) Mortgage 3's; 1965	547,519.27
170,000.00	New York Dock Co. First Mortgage 4's; 1951	98,600.00
200,000.00	Pennsylvania Glass Sand Corpn. 1st Mortgage 3½'s; 1960	200,000.00
51,000.00	Scovill Manufacturing Co. 3¼% Debentures; 1950	51,000.00
325,000.00	Socony-Vacuum Oil Co. 3% Debentures; 1964	325,000.00
250,000.00	Standard Oil Co. (New Jersey) 2¾% Debentures; 1953	247,500.00
12,000.00	Texas Corpn. 3% Debentures; 1959	12,000.00
288,000.00	Texas Corpn. 3% Debentures; 1965	288,000.00
375,000.00	Union Oil Co. of California 3% Debentures; 1959	375,000.00
$3,099,000.00		$3,017,931.77

ASSETS

Par Value	MISECLLANEOUS BONDS AND LEASE TRUST CERTIFICATES	Book Value
$200,000.00	Adelphia Hotel 2d Mortgage Cumulative Income 3's; 1959 (Reg)	$24,000.00
49,000.00	Adelphia Hotel First Pfd Stock Non-Cumulative 5's (Reg)	1.00
.....	Adelphia Hotel Class "A" Common Stock (Reg)	1.00
500,000.00	Bellevue-Stratford Hotel 1st Mortgage 5¾'s; 1935 (Reg)	70,000.00
100,000.00	Benjamin Franklin 1st Mortgage 6's, "A"; 1933 (Reg)	38,000.00
286,000.00	California Toll Bridge Authority (San Francisco-Oakland Bay Toll Bridge) Serial Revenue 4's; 1950-57	286,000.00
250,000.00	Port of New York Authority Gen'l & Refdg 3's, 4th Series; 1976	250,000.00
100,000.00	Pennsylvania Building First Mortgage 6's, "A"; 1934 (Reg)	6,000.00
354,000.00	Philadelphia Gas Revenue Certificates 3¼'s; 1941-57	354,000.00
100,000.00	Triborough Bridge Authority Revenue 2¾'s; 1952	100,000.00
100,000.00	Triborough Bridge Authority Revenue 3's; 1953	100,000.00
587,200.00	F. W. Woolworth Co. Lease Trust Certificates 4½%-5%; 1941-55	587,200.00
$2,626,200.00		$1,815,202.00

DEATH BENEFIT FUND BONDS

$5,000.00	Chesapeake & Ohio Rwy Refdg & Impvt 3½'s "D"; 1996	$4,900.00
5,000.00	Pennsylvania Company Secured 4's; 1963	5,000.00
5,000.00	Virginian Rwy 1st Lien & Refdg 3¾'s, "A"; 1966	5,000.00
5,000.00	Delaware Power & Light Co. 1st Mortgage 4½'s; 1971	5,000.00
5,000.00	Texas Corporation 3% Debentures; 1965	5,000.00
$25,000.00		$24,900.00
52,728.52	Cash	52,728.52
$77,728.52		$77,628.52

A STATEMENT

Showing the whole number of depositors on the books of The Philadelphia Saving Fund Society on the first day of January, 1940, and showing the number of depositors having sums on deposit not exceeding fifty dollars; how many from fifty to one hundred dollars; how many from one hundred to two hundred dollars; how many from two hundred to five hundred dollars, and how many of five hundred dollars and upward, made out in conformity with the provisions of the Fourth Section of the Supplement to the Act, entitled "An Act to incorporate The Philadelphia Saving Fund Society," passed the fifteenth day of March, A. D. 1824, as amended June 10, 1884, by Common Pleas, No. 3, of March Term, 1879, No. 1-337.

Number of Depositors having sums on deposit not exceeding fifty dollars	298	330
Number of Depositors having sums on deposit from fifty to one hundred dollars	30	221
Number of Depositors having sums on deposit from one hundred to two hundred dollars	35	550
Number of Depositors having sums on deposit from two hundred to five hundred dollars	50	702
Number of Depositors having sums on deposit of five hundred dollars and upward	134	556
Whole number of Depositors on January 1, 1940.	549	359

THE PHILADELPHIA SAVING FUND SOCIETY

The Oldest Saving Fund Society in the United States
Established December 2, 1816
Incorporated February 25, 1819

Seventh and Walnut Streets

ONE HUNDRED TWENTY-FOURTH
ANNUAL STATEMENT

January 1, 1941

Member Federal Deposit Insurance Corporation

OTHER OFFICES

Broad and Ruscomb Sts.
11th St. and Lehigh Ave.
15 S. 52d Street
Board and McKean Sts.
12th and Market Streets

President
STACY B. LLOYD

Vice President
ISAAC W. ROBERTS

Vice President
J. HAMILTON CHESTON

Vice President
DONALDSON CRESSWELL

Secretary
DAVID N. PATTERSON

Treasurer
WILLIAM G. BOWLER

Assistant Treasurer and Comptroller
SAMUEL J. MURRAY

Assistant Treasurers
ROBERT H. BREEDING
FRANKLIN C. GERENBECK
GEORGE GERENBECK
CHARLES F. WHEELER
HOWARD R. MYERS
KENNETH SNYDER

Assistant Secretary and Manager of Mortgage Dept.
ROBERT A. MURRAY

Assistant Secretary and Assistant Treasurer
FERDINAND L. VOGEL

Assistant Treasurer
GRANVILLE S. MORGAN

Solicitor
CHARLES J. BIDDLE

Finance Committee
STACY B. LLOYD, Chairman
THOMAS S. GATES
JOHN HAMPTON BARNES
CHARLES J. RHOADS
JAMES D. WINSOR, JR.
JOSEPH WAYNE, JR.
EDWARD HOPKINSON, JR.
FLOYD T. STARR

MANAGERS

J. Rodman Paul
Thomas S. Gates
John Hampton Barnes
Edward F. Beale
Charles J. Rhoads
Stacy B. Lloyd
Isaac W. Roberts
Charlton Yarnall
James D. Winson, Jr.
Parker S. Williams
Henry S. Drinker, Jr.
Joseph Wayne, Jr.
Nathan Hayward
Edward Hopkinson, Jr.
R. Sturgis Ingersoll
David E. Williams, Jr.
Effingham B. Morris, Jr.
Martin W. Clement
Marshall S. Morgan
Philip C. Staples
J. Hamilton Cheston
Geoffrey S. Smith
Floyd T. Starr
Morris Duane

REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY

The subscribers, duly appointed by the President Judges of the Courts of Common Pleas of Philadelphia County, to audit and settle the Accounts of The Philadelphia Saving Fund Society, under the provisions of the Third Section of the Supplement to the "Act" incorporating the said Society, approved March 15, 1824, having been duly qualified, respectfully report:—

That, in the performance of the duties assigned them, they have audited and settled the Books and Accounts of The Philadelphia Saving Fund Society for the year ending the thirty-first day of December, 1940, and have examined and ascertained the amount of the Bonds and Mortgages, Real Estate, Public Loans, Railroad Loans, and the other evidences of the property and effects of the said Society, and agreeably thereto have made out the subjoined statement, which agrees with the books at that date, and exhibits the situation and condition of the said The Philadelphia Saving Fund Society on the first day of January, 1941.

EMILE C. GUYELIN,
T. TRUXTON HARE,
THEODORE W. REATH,
Auditors.

CONDENSED STATEMENT

January 1, 1941

ASSETS

Cash on Hand and in Banks		$ 34,945,085.84
United States Government Bonds	$117,235,221.96	
Dominion of Canada Bonds	8,657,280.00	
State, County & Municipal Bonds	37,433,845.73	
Railroad Bonds	61,494,881.25	
Railroad Equipment Trust		

Certificates	6,478,740.38	
Public Utility Bonds	34,479,177.81	
Industrial Bonds	10,116,334.68	
Real Estate Bonds	284,250.00	276,179,731.81
First Mortgages on Real Estate		42,869,729.54
Ground Rents		7,500.00
Main Office, five Branches, 12th & Market Streets Office Building and Real Estate for Society's Use		6,696,039.74
Other Real Estate acquired and held for sale		17,586,401.95
Other Assets		1,253,746.22
		$379,538,235.10

LIABILITIES

Due to 553,732 Depositors	$355,738,618.55
Surplus and Contingent Reserve	23,500,000.00
Reserve for Federal & State Taxes	102,600.00
Other Liabilities	197,016.55
	$379,538,235.10

The Society also holds for safekeeping for 7,758 depositors, United States Bonds amounting to $942,050.

UNITED STATES GOVERNMENT BONDS

	Due	Per Cent	Par Value	As Charged
Treasury Notes	1941	1⅜	$1,700,000.00	$1,699,406.25
Treasury Notes	1942	1¾	2,300,000.00	2,300,000.00
Treasury Notes	1944	1	510,000.00	510,000.00
Treasury Notes	1945	¾	4,167,000.00	4,164,000.02
Treasury Bonds	1941-1946	3¼	8,630,000.00	8,630,000.00
Treasury Bonds	1945-1953	2½	12,910,000.00	12,899,681.27
Treasury Bonds	1947	3⅜	250,000.00	250,000.00
Treasury Bonds	1947-1965	2¾	32,500,000.00	32,500,000.00
Treasury Bonds	1948-1955	3	7,000,000.00	7,000,000.00
Treasury Bonds	1949-1952	3⅛	4,950,000.00	4,950,000.00
Treasury Bonds	1952	4¼	8,600,000.00	8,581,962.53
Treasury Bonds	1953-1956	2¼	6,153,000.00	6,153,000.00
Treasury Bonds	1955	2	2,450,000.00	2,450,000.00
Treasury Bonds	1960	2⅞	7,000,000.00	7,000,000.00
Federal Farm Mortgage	1947	2¾	4,000,000.00	4,000,000.00
Federal Farm Mortgage	1949	3	5,000,000.00	4,982,093.76
Federal Farm Mortgage	1964	3¼	900,000.00	900,000.00
Home Owners' Loan	1944	2¼	1,025,000.00	1,025,000.00
Home Owners' Loan	1947	1½	3,991,875.00	3,991,875.00
Home Owners' Loan	1952	3	3,250,000.00	3,248,203.13
			$117,286,875.00	$117,235,221.96

DOMINION OF CANADA BONDS

Loan of 1/15/37	1944	2¼	$456,000.00	$453,720.00
External Loan of 8/15/35	1945	2½	560,000.00	492,800.00
External Loan of 1/15/36	1961	3¼	4,000,000.00	3,720,000.00
Loan of 1/15/37	1968	3	3,415,000.00	3,039,350.00
External Loan of 11/15/38	1968	3	1,069,000.00	951,410.00
			$9,500,000.00	$8,657,280.00

STATE BONDS

New Jersey	1941	3¼	$125,000.00	$123,585.84
Pennsylvania—Tax Anticipation Notes	1941	1½	1,000,000.00	1,000,000.00
			$1,125,000.00	$1,123,585.84

COUNTY BONDS

Allegheny County, Md.	1947-1952	4¼	$183,000.00	$183,000.00
Allegheny County, Pa.	1941-1947	4¼	393,000.00	393,000.00
Baltimore County, Md.	1953-1966	4½	271,000.00	271,000.00
Bergen County, N. J.	1943-1955	4½	440,000.00	440,000.00
Cambria County, Pa.	1941-1945	4¼	107,000.00	107,000.00
Cook County, Ill.	1956	4	646,000.00	628,861.62
Dallas County, Rd. Dist. No. 1, Texas	1950-1953	4¾	200,000.00	200,000.00
Davidson County, N. C.	1949-1960	3¼	128,000.00	128,000.00
Essex County, N. J.	1952-1955	3¼	246,000.00	246,000.00
Forsyth County, N. C.	1942-1956	4½	115,000.00	115,000.00
Greenville County, S. C.	1942-1943	4½	100,000.00	100,000.00
Guilford County, N. C.	1941-1943	4¼	129,000.00	129,000.00
Guilford County, N. C.	1941-1950	4½	160,000.00	160,000.00
Guilford County, N. C.	1958-1962	3¼	53,000.00	52,591.06
Hamilton County, Ohio	1941-1946	5	50,000.00	50,000.00
Harris County, Houston Ship Channel Nav. Dist., Texas	1945-1958	4½	400,000.00	400,000.00
Harris County, Texas	1949-1951	4½	50,000.00	50,000.00
Lehigh County, Pa.	1941	4¼	165,000.00	165,000.00
Lorain County, Ohio	1941-1947	4½	122,000.00	122,000.00
Lucas County, Ohio	1945-1954	4½	390,000.00	390,000.00
Mahoning County, Ohio	1941	4½	19,000.00	19,000.00
Mahoning County, Ohio	1941-1943	4¾	36,000.00	36,000.00
Middlesex County, N. J.	1941-1943	4¼	84,000.00	84,000.00
Monmouth County, N. J.	1941	4½	20,000.00	20,000.00
Montgomery County, Md.	1941-1962	4½	726,000.00	726,000.00
Montgomery County, Md.	1955-1958	2.40	60,000.00	60,000.00
Multnomah County, Ore.	1943-1954	4½	189,000.00	189,000.00
Multnomah County, Ore.	1945-1951	4¾	153,000.00	153,000.00
Passaic County, N. J.	1941-1949	4¼	403,000.00	403,000.00
Shelby County, Tenn.	1941	4¾	35,000.00	35,000.00
Shelby County, Tenn.	1949	4½	300,000.00	300,000.00
Somerset County, N. J.	1941-1950	4½	100,000.00	100,000.00
Spartanburg County, S. C.	1941-1947	4½	107,000.00	107,000.00
Spartanburg County, S. C.	1953-1957	3½	100,000.00	100,000.00
Tarrant County, Water Control and Imp. Dist. No. 1, Texas	1941-1971	4½	421,000.00	419,685.00
Trumbull County, Ohio	1941-1943	4¾	27,000.00	27,000.00
Tulsa County, Okla.	1943-1948	4¾	138,000.00	138,000.00
Union County, N. J.	1941-1947	4¼	35,000.00	34,626.32
Union County, N. J.	1941-1960	4½	490,000.00	490,000.00
Venango County, Pa.	1942-1949	4¼	160,000.00	160,000.00
Wayne County, Mich.	1941	4¾	49,000.00	49,000.00
			$8,000,000.00	$7,980,764.00

MUNICIPAL BONDS

Abington, Twp., Pa.	1943-1948	4½	$37,000.00	$37,000.00
Abington, Twp., Sch. Dist., Pa.	1943-1958	4½	50,000.00	50,000.00
Amarillo, City, Texas	1947-1951	3½	125,000.00	125,000.00
Baltimore, City, Md.	1943	5	300,000.00	300,000.00
Beaumont, City, Texas	1965-1969	3¼	35,000.00	35,000.00
Chicago San'y. Dist., Ill.	1955	4¼	919,000.00	919,000.00
Chicago San'y. Dist., Ill.	1955	4½	440,000.00	440,000.00
Detroit, City, Mich.	1943-1963	4½	450,000.00	450,000.00
Detroit, City, Mich.	1956	4	600,000.00	584,947.08
Detroit, City, Mich.	1962	3¼	35,004.83	31,504.35
E. Providence, Town, R. I.	1941-1948	4¼	80,000.00	79,573.46
Elizabeth, City, N. J.	1941-1954	4¼	26,000.00	26,000.00
Elizabeth, City, N. J.	1942-1962	4½	175,000.00	175,000.00
Erie, City, Pa.	1941-1960	4½	405,000.00	405,000.00
Fort Worth City, Texas	1941-1954	4½	197,000.00	197,000.00
Ft. Worth City, Texas	1954-1966	3½	264,000.00	264,000.00
Fort Worth City, Texas	1955-1960	3¼	33,000.00	33,000.00
Galveston City, Texas	1950-1953	3½	98,000.00	98,000.00
Galveston City, Texas	1954-1958	2¾	145,000.00	139,134.19
Greenville City School Dist., S. C.	1948-1955	3¾	101,000.00	101,000.00
Harrisburg City School Dist., Pa.	1941-1946	4¼	60,000.00	60,000.00
Houston City Ind. School Dist., Texas	1950-1966	3	338,000.00	332,377.33
Huntington City, W. Va.	1954	4½	41,000.00	41,000.00
Irvington Town, N. J.	1942-1947	4¾	200,000.00	200,000.00
Irvington Town, N. J.	1942-1949	4½	120,000.00	120,000.00
Jacksonville City, Fla.	1951-1956	3	675,000.00	673,750.00
Kearny Town, N. J.	1943-1955	4½	400,000.00	400,000.00
Los Angeles City, Cal.	1946-1948	4½	120,000.00	120,000.00
Memphis City, Tenn.	1944-1951	4½	110,000.00	110,000.00
Memphis City, Tenn.	1945-1953	4¾	58,000.00	58,000.00
Memphis City, Tenn.	1953-1957	3	150,000.00	150,000.00
Memphis City, Tenn.	1956-1965	3¼	126,000.00	126,000.00
Memphis City, Tenn.	1959-1963	2.90	45,000.00	45,000.00
Memphis City School Dist., Tenn.	1941-1956	4½	202,000.00	202,000.00
Memphis City School Dist., Tenn.	1945-1954	4¾	42,000.00	42,000.00
Minneapolis City, Minn.	1957-1963	2.90	27,000.00	27,000.00
Minneapolis City, Minn.	1961-1968	2.80	104,000.00	103,998.96
Montclair Town, N. J.	1941-1951	4½	163,000.00	163,000.00
Morristown Town, N. J.	1941-1951	4½	220,000.00	220,000.00
Nashville City, Tenn.	1941-1948	5	100,000.00	100,000.00
Nashville City, Tenn.	1941-1953	4½	156,000.00	156,000.00
Newark City, N. J.	1950-1960	3	200,000.00	197,120.61
New Brunswick City, N. J.	1941-1968	4¼	90,000.00	90,000.00
New York City, N. Y.	1941	3¾	100,000.00	100,000.00
New York City, N. Y.	1941-1958	4¼	1,050,000.00	1,050,000.00
New York City, N. Y.	1945-1959	4½	3,500,000.00	3,500,000.00
New York City, N. Y.	1950-1956	3¼	700,000.00	700,000.00
New York City, N. Y.	1951-1960	3½	3,350,000.00	3,350,000.00
New York City, N. Y.	1954-1955	3	550,000.00	549,986.78
Northampton Borough School Dist., Pa.	1941-1956	4½	135,000.00	135,000.00
Oklahoma City, Okla.	1941	4½	50,000.00	50,000.00
Pawtucket City, R. I.	1942-1951	4¼	100,000.00	100,000.00
Philadelphia City, Pa.	1943	4	100,000.00	100,000.00
Philadelphia City, Pa.	1948-1979	4½	4,336,000.00	4,336,000.00
Philadelphia City, Pa.	1951-1953	2½	500,000.00	495,190.00
Philadelphia City, Pa.	1974-1980	4¼	2,480,000.00	2,479,687.50
Philadelphia City School Dist., Pa.	1941-1947	4¼	821,000.00	821,000.00
Philadelphia City School Dist., Pa.	1943-1944	4½	60,000.00	60,000.00

	Due	Per Cent	Par Value	As Charged
Pittsburgh City School Dist., Pa.	1956-1960	2¾	300.000.00	300.000.00
Ridgefield Park Township School Dist., N. J.	1941	4½	13.000.00	13.000.00
San Antonio City, Texas	1953-1956	3¼	64.000.00	64.000.00
San Antonio City Ind. Sch. Dist., Texas	1943-1955	4¼	225.000.00	225.000.00
Sandusky City, Ohio	1941-1947	4½	21.000.00	21.000.00
Trenton City, N. J.	1941-1953	4½	558.000.00	558.000.00
Union City, N. J.	1941-1943	4¾	160.000.00	160.000.00
Union City, N. J.	1941-1954	4½	150.000.00	150.000.00
West Orange Town, N. J.	1950-1958	4½	110.000.00	110.000.00
Winston-Salem City, N. C.	1941-1961	4½	373.000.00	373.000.00
Winston-Salem City, N. C.	1956-1960	3	98.000.00	96.336.50
Winston-Salem City, N. C.	1959-1961	4¾	50.000.00	50.000.00
Winston-Salem City, N. C.	1962-1963	2¾	51.000.00	50.617.50
Woonsocket City, R. I.	1941-1964	4¼	105.000.00	104.271.63
			$28.372.004.83	$28.329.495.89
Total—State, County & Muncipal Bonds			$37.497.004.83	$37.433.845.73

RAILROAD BONDS

	Due	Per Cent	Par Value	As Charged
Allegheny Valley (Penna.)	1942	4	$2.004.000.00	$2.004.000.00
Atchison, Topeka & Santa Fe	1995	4	802.000.00	731.325.00
Baltimore & Ohio	1948	4	1.102.000.00	754.870.00
Baltimore & Ohio	1948	5	1.400.000.00	959.000.00
Beech Creek (New York Central)	1951	3½	225.000.00	196.875.00
Carolina, Clinchfield & Ohio	1965	4	400.000.00	400.000.00
Catawissa (Reading)	1948	4	779.000.00	772.400.00
Central of Georgia (Macon & Northern Div.)	1946	5	126.000.00	1.00
Central of Georgia (Mobile Div.)	1946	5	150.000.00	1.00
Central Pacific (Southern Pacific)	1949	4	3.496.000.00	2.569.560.00
Central Pacific Through Short Line (So. Pac.)	1954	4	724.000.00	535.760.00
Chesapeake & Ohio (Rich. & All'y Div. 2nd)	1989	4	155.000.00	143.693.05
Chesapeake & Ohio	1996	3½	3.000.000.00	2.985.000.00
Chicago, Burlington & Quincy (Ill. Div.)	1949	3½	550.000.00	547.695.00
Chicago, Mil. & St. Paul (C. M. St. P. & P.)	1989	4	1.250.000.00	287.500.00
Chicago, Mil. & St. Paul (C. M. St. P. & P.)	1989	4½	600.000.00	132.750.00
Chicago, Rock Island & Pacific	1988	4	1.896.000.00	215.670.00
Chicago Union Station Co., Series "E"	1963	3¾	198.000.00	198.000.00
Chicago Union Station Co., Series "F"	1963	3⅛	500.000.00	500.000.00
Cincinnati Union Term. Co., Series "D"	1971	3½	658.000.00	658.000.00
Cleveland & Pittsburgh (Penna.)	1942	4½	905.000.00	905.000.00
Cleveland & Pittsburgh Series "A" (Penna.)	1977	4½	2.104.000.00	2.103.862.50
Cleveland Union Terminals Co., Series "C"	1977	4½	414.000.00	322.920.00
Columbus & Toledo (Chesapeake & Ohio)	1955	4	679.000.00	679.000.00
Connecting (Penna.)	1951	4	2.597.000.00	2.503.508.00
Detroit River Tunnel (Detroit Terminal & Tunnel) (Michigan Central)	1961	4½	1.000.000.00	999.313.75
East Tenn., Va. & Georgia (Southern)	1956	5	531.000.00	498.885.59
Fort Street Union Depot Co. (Chesapeake & Ohio)	1965	3¾	150.000.00	150.000.00
Indianapolis Union, Series "B"	1986	3½	855.000.00	854.880.00
Kansas City Terminal	1960	4	1.500.000.00	1.451.198.75
Kentucky Central (Louisville & Nashville)	1987	4	775.000.00	713.386.95
Lake Shore & Michigan Southern (New York Central)	1997	3½	361.000.00	331.056.25
Lehigh Coal & Navigation	1948	4	495.000.00	470.250.00
Lehigh Coal & Navigation Series "C"	1954	4½	205.000.00	115.056.25
Lehigh Valley	1948	4	1.361.000.00	993.530.00
Lehigh Valley (New York) (Lehigh Valley)	1950	4½	1.220.000.00	585.600.00
Louisville & Nashville, Series "A"	1950	3½	1.100.000.00	1.099.875.00
Michigan Central (New York Central)	1952	3½	971.000.00	950.458.75
Nashville, Chatt. & St. Louis (A. C. L.)	1978	4	331.000.00	231.700.00
New York Central & Hud. Riv. (N. Y. C.)	1997	3½	500.000.00	430.813.75
New York Connecting, Series "A"	1965	3½	1.000.000.00	1.000.000.00
New York & Erie	1938	4½	3.844.000.00	3.639.696.81
New York & Erie	1947	4	1.194.000.00	1.176.090.00
New York Pennsylvania & Ohio (Erie)	1950	4¼	234.000.00	230.490.00
New York Short Line (Reading)	1957	4	112.000.00	108.707.50
North Pennsylvania (Reading)	1953	3.30	2.155.000.00	1.835.450.00
Northern Central (Penna.)	1974	4½	528.000.00	522.285.00
Northern Pacific	1997	4	3.173.000.00	2.348.020.00
Ohio Connecting (Penna.)	1943	4	884.000.00	884.000.00
Pennsylvania	1948	4	3.289.000.00	3.119.287.60
Pennsylvania	1960	4½	3.630.000.00	3.630.000.00
Pennsylvania Series "A"	1965	4½	200.000.00	200.000.00
Pennsylvania	1970	3¾	400.000.00	388.658.75
Pennsylvania Company (Penna. R. R.)	1963	4	1.146.000.00	1.145.482.50
Pennsylvania Company Guar. Trust Certificates (Penna. R. R.)	1952	4	148.000.00	147.995.00
Pa. & N. Y. Canal & R. R. (Lehigh Val.)	1949	4	73.000.00	35.770.00
Pa. & N. Y. Canal & R. R. (Lehigh Val.)	1949	4½	119.000.00	63.665.00
Pa. & N. Y. Canal & R. R. (Lehigh Val.)	1949	5	98.000.00	57.820.00
Pa., Ohio & Detroit, Series "A" (Penna.)	1977	4½	600.000.00	571.726.25
Philadelphia & Reading (Reading)	1943	4¼	563.000.00	563.000.00
Philadelphia & Reading (Reading)	1947	4	2.876.000.00	2.875.817.50
Pittsburgh, Virginia & Charleston (Penna.)	1943	4	1.645.000.00	1.645.000.00
Reading Company, Series "A"	1997	4½	1.189.000.00	885.805.00
St. Paul & Duluth (Northern Pacific)	1968	4	43.000.00	38.270.00
Scioto Valley & New Eng. (Norfolk & West.)	1989	4	360.000.00	342.260.00
Toledo & Ohio Central (New York Central)	1960	3¾	500.000.00	467.308 75
Union Pacific	1970-1971	3½	650.000.00	647.120.00
Union Pacific Series "A"	1980	3½	700.000.00	700.000.00
United New Jersey R. R. & Canal (Penna.)	1944	4	817.000.00	817.000.00
United New Jersey R. R. & Canal (Penna.)	1951	3½	55.000.00	55.000.00
West Shore (New York Central)	2361	4	713.000.00	370.760.00
			$71.007.000.00	$61.494.881.25

RAILROAD EQUIPMENT TRUST CERTIFICATES

	Due	Per Cent	Par Value	As Charged
Canadian Pacific, Series "C"	1941-1945	4½	$1.280.000.00	$1.280.000.00
Canadian Pacific	1944	5	229.000.00	229.000.00
Chesapeake & Ohio	1942-1944	4½	250.000.00	249.228.16
Chesapeake & Ohio	1944	2¼	209.000.00	208.477 50
Erie	1941-1944	4½	83.000.00	82.051.25
New York Central	1941-1945	4½	210.000.00	209.407.64
New York, Chicago & St. Louis	1946-1949	3	301.000.00	301.000.00
Pennsylvania, Series "D"	1941	4½	36.000.00	35.724.60
Pennsylvania	1945-1953	2¾	2.493.000.00	2.450.790 03
Pennsylvania, Series "K"	1951-1954	2¼	843.000.00	841.684.97
Reading Co., Series "M"	1941-1945	4½	575.000.00	574.687.50
Southern	1941	4½	17.000.00	16.688.73
			$6.526.000.00	$6.478.740.38

PUBLIC UTILITY BONDS

	Due	Per Cent	Par Value	As Charged
Alabama Power Co. (Commonwealth & Southern)	1967	4½	$ 250.000.00	$244.375.00
Allentown-Bethlehem Gas Co. (U. G. I.)	1965	3¾	238.000.00	238.000.00
American Gas & Electric Co.	1950	2¾	29.000.00	29.000.00
American Gas & Electric Co.	1960	3½	44.000.00	44.000.00
American Gas & Electric Co.	1970	3¾	15.000.00	15.000.00
American Telephone & Telegraph Co.	1961	3¼	1.320 000.00	1.317.406.25
Atlantic City Elec. Co. (Amer. Gas & Elec.)	1964	3¼	861.000.00	855.287.50
Brooklyn Edison Company, Inc. (Cons. Ed. of New York)	1966	3¼	900.000.00	900.000.00

PUBLIC UTILITY BOARDS (Continued)

	Due	Per Cent	Par Value	As Charged
Central Hudson Gas & Electric Corporation	1965	3½	1,000,000.00	1,000,000.00
Central Ill. Light Company (Commonwealth & Southern)	1966	3½	350,000.00	350,000.00
Central Ill. Public Service Co. (Middle West Corp.)	1968	3¾	500,000.00	500,000.00
Central Power & Light Co. (Middle West Corp.)	1969	3¾	300,000.00	300,000.00
Cincinnati Gas & Electric Co. (Col. G. & E.)	1966	3¼	877,000.00	877,000.00
Cincinnati Gas & Electric Co. (Col. G. & E.)	1967	3½	197,000.00	197,000.00
Cleveland Electric Illuminating Co. (North American)	1970	3	200,000.00	200,000.00
Commonwealth Edison Company	1968	3½	463,000.00	463,000.00
Connecticut Light & Power Co. (U. G. I.)	1966	3¼	385,000.00	385,000.00
Consolidated Gas, Electric Light & Power Co. of Baltimore	1965	3½	620,000.00	620,000.00
Consolidated Gas, Electric Light & Power Co. of Baltimore	1971	3¼	910,000.00	910,000.00
Consumers Power Company (Commonwealth & Southern)	1965-1970	3½	1,500,000.00	1,495,000.00
Consumers Power Company (Commonwealth & Southern)	1966	3¼	425,000.00	425,000.00
Continental Pass. Ry. Company (P. T. Co.)	1959	4	280,000.00	252,000.00
Detroit Edison Company	1961	4½	175,000.00	173,281.25
Detroit Edison Company	1966	3½	270,000.00	270,000.00
Detroit Edison Company	1970	3	250,000.00	250,000.00
Diamond State Telephone Co. (Amer. Tel. & Tel.)	1968	3	750,000.00	738,750.00
Duquesne Light Co. (Standard Gas & Elec.)	1965	3½	1,750,000.00	1,750,000.00
Georgia Power Co (Commonwealth & Southern)	1967	5	100,000.00	100,000.00
Houston Lighting & Power Company (Nat'l Power & Light)	1966	3½	500,000.00	500,000.00
Illinois Bell Tel. Co. (Amer. Tel. & Tel.)	1970	3½	600,000.00	600,000.00
Kansas City Power & Light Co. (United Light & Power)	1966	3¾	1,000,000.00	1,000,000.00
Louisville Gas & Electric Co (Ky.) (Standard Gas & Electric)	1966	3½	300,000.00	300,000.00
Mountain States Telephone & Telegraph Co. (Amer. Tel. & Tel.)	1968	3¼	500,000.00	500,000.00
New England Telephone & Telegraph Co. (Amer. Tel.)	1961	4½	239,000.00	238,792.81
New York & Queens Electric Light & Power Company (Cons. Ed. Co. of N. Y.)	1965	3½	505,000.00	505,000.00
New York Edison Company, Inc. (Cons. Ed. Co. of N. Y.)	1965-1966	3¼	1,550,000.00	1,550,000.00
North American Company	1954	3¾	800,000.00	800,000.00
Ohio Edison Company (Commonwealth & Southern)	1972	3¾	200,000.00	200,000.00
Ohio Power Company (Amer. Gas & Elec.)	1966	3¼	500,000.00	500,000.00
Oklahoma Gas & Electric Company (Standard Gas & Electric)	1966	3¾	450,000.00	450,000.00
Pacific Gas & Electric Company	1966	3½	800,000.00	800,000.00
Pacific Telephone & Telegraph Company (Amer. Tel. & Tel.)	1966	3¼	1,535,000.00	1,535,000.00
Pennsylvania Power & Light (Nat'l Power & Light)	1969	3½	460,000.00	460,000.00
Philadelphia Company (Standard Gas & Elec.)	1967	5	275,000.00	275,000.00
Philadelphia Electric Company (U. G. I.)	1967	3½	2,387,000.00	2,384,722.50
Philadelphia Gas Revenue Trust Certificates	1941-1957	3½	870,000.00	870,000.00
Public Service Electric & Gas Co. (Public Service Corp. of N. J.)	1966	3¼	2,000,000.00	2,000,000.00
Southern Bell Telephone & Telegraph Co. (Amer. Tel. & Tel.)	1979	3	500,000.00	500,000.00
Southern California Edison Co., Ltd.	1965	3	250,000.00	250,000.00
Southern California Gas Co.	1970	3¼	158,000.00	158,000.00
Southwestern Bell Telephone Company (Amer. Tel. & Tel)	1964	3½	830,000.00	830,000.00
Southwestern Bell Telephone Company (Amer. Tel. & Tel	1968	3	794,000.00	794,000.00
United Electric Company of New Jersey (Public Service Corp. of N. J.)	1949	4	277,000.00	274,562.50
Virginia Electric & Power Company (Engineers Public Service)	1968	3½	111,000.00	111,000.00
West Penn Power Company (Amer. Water Works & Electric)	1966	3½	194,000.00	194,000.00
West Penn Power Company (Amer. Water Works & Electric)	1970	3	250,000.00	250,000.00
West Texas Utilities Company (Middle West Corp.)	1969	3¾	250,000.00	250,000.00
Wisconsin Electric Power Company (North American Edison)	1968	3½	500,000.00	500,000.00
			$34,544,000.00	$34,479,177.81

INDUSTRIAL BONDS

	Due	Per Cent	Par Value	As Charged
Atlantic Refining Co.	1953	3	700,000.00	693,025.00
Dow Chemical Co.	1950	2¼	147,000.00	147,000.00
Inland Steel Co.	1952-1961	3	1,012,000.00	1,012,000.00
National Dairy Products Corp.	1960	3¼	200,000.00	200,000.00
National Steel Corporation	1965	3	500,000.00	497,020.00
Shell Union Oil Corporation	1954	2½	1,050,000.00	1,015,975.00
Socony-Vacuum Oil Company, Inc.	1964	3	500,000.00	500,000.00
Standard Oil Company (New Jersey)	1953	2¾	3,000,000.00	2,981,351.25
Standard Oil Company (New Jersey)	1961	3	715,000.00	698,425.00
Union Oil Company of California	1959	3	650,000.00	650,000.00
United States Steel Corporation	1946	1.75	20,000.00	19,721.73
United States Steel Corporation	1946	1.80	40,000.00	39,400.48
United States Steel Corporation	1947	1.85	40,000.00	39,312.99
United States Steel Corporation	1947	1.90	60,000.00	58,964.18
United States Steel Corporation	1948	1.95	50,000.00	49,042.09
United States Steel Corporation	1948	2	15,000.00	14,713.50
United States Steel Corporation	1949	2.05	50,000.00	48,600.93
United States Steel Corporation	1949	2.10	60,000.00	58,241.31
United States Steel Corporation	1950	2.15	85,000.00	83,163.40
United States Steel Corporation	1950	2.20	75,000.00	73,406.54
United States Steel Corporation	1951	2¼	75,000.00	73,344.20
United States Steel Corporation	1951	2.30	65,000.00	63,627.08
United States Steel Corporation	1952	2.35	25,000.00	25,000.00
United States Steel Corporation	1952	2.40	50,000.00	50,000.00
United States Steel Corporation	1953	2.45	231,000.00	231,000.00
United States Steel Corporation	1953	2.50	219,000.00	219,000.00
United States Steel Corporation	1954	2.55	200,000.00	200,000.00
United States Steel Corporation	1954	2.60	200,000.00	200,000.00
United States Steel Corporation	1955	2.65	175,000.00	175,000.00
			$10,209,000.00	$10,116,334.68

REAL ESTATE BONDS

	Due	Per Cent	Par Value	As Charged
Hallowell, J. Wallace, S. E. Cor. Walnut and Watt Streets, Philadelphia	1941	3¼	$284,250.00	$284,250.00
GRAND TOTAL			$286,854,129.83	$276,179,731.81

SUMMARY OF BOND INVESTMENTS

	Par Value	As Charged
United States Government	$117,286,875.00	$117,235,221.96
Dominion of Canada	9,500,000.00	8,657,280.00
State, County & Municipal	37,497,004.83	37,433,845.73
Railroad	71,007,000.00	61,494,881.25
Railroad Equipment Trust Certificates	6,526,000.00	6,478,740.38
Public Utility	34,544,000.00	34,479,177.81
Industrial	10,209,000.00	10,116,334.68
Real Estate	284,250.00	284,250.00
Totals	$286,854,129.83	$276,179,731.81
Depositors' United States Bonds		942,050.00

TABULAR STATEMENTS

TABLE No. 1

Showing the Number and Amount of Deposits Received and Paid During 1940

Months	Number	Receipts	Number	Payments
January	105,338	$ 6,618,649.09	31,414	$ 5,214,219.02
February	86,220	5,071,176.68	30,343	4,962,821.21
March	112,679	6,107,673.01	45,388	7,088,408.85
April	123,920	6,014,766.46	39,314	6,690,895.84
May	105,234	5,446,102.41	40,988	6,876,328.12
June	73,967	4,836,295.62	42,568	7,068,482.28
July	63,738	5,219,697.94	39,605	6,152,444.48
August	65,750	4,658,170.47	36,242	5,315,599.34
September	75,322	4,518,219.61	33,309	5,184,573.19
October	129,238	5,012,229.48	34,712	5,713,612.35
November	106,796	5,366,030.15	31,578	5,191,150.71
December	97,529	6,570,563.25	39,665	5,229,798.84
Totals	1,145,731	$65,439,574.53	445,126	$70,688,334.23

TABULAR STATEMENTS

TABLE No. 2

Showing the Occupations of the Depositors who Opened Accounts with the Society During 1940

Males	
Wage Earners	10,507
Salaried Employes	4,064
Agriculturists	1
Professional Men	806
Business Men	879
Minors	11,844
No Occupation	821
	28,922

Females	
Wage Earners	2,843
Wives of Wage Earners	7,690
Wives of Salaried Employes	1,209
Business Women	11
Professional Women	364
Domestic Servants	621
Salaried Employes	4,205
Minors	12,661
No Occupation	4,642
	34,246

Males	28,922
Females	34,246
Total	63,168

TABULAR STATEMENTS

TABLE No. 3

Showing the Nativity of Depositors Who Opened Accounts with the Society During 1940

Countries	Number
United States	55,314
Russia	1,906
Italy	1,671
Ireland	975
Germany	758
Poland	406
England	341
Austria	319
Hungary	231
Balkan States	226
Baltic States	194
Scotland	163
Greece	105
Canada	91
Norway and Sweden	91
France	63
Czecho-Slovakia	51
Turkey	45
Switzerland	41
West Indies	38
Asia	36
South America	20
Spain-Portugal	18
Belgium	14
China-Japan	11
Holland	11
Denmark	9
Africa	9
Australia	7
Mexico	4
Total	63,168

TABULAR STATEMENTS

TABLE No. 4

Showing the Change in the Number of Accounts, and Amount of Deposits for the Last Thirty Years

Years	Number of Accounts Open January 1	Change in Number of Accounts	Balance Due Depositors January 1	Change in Amount of Balance
1912	276,379	3,059	$106,548,487.98	$5 2[illegible]1,494.16
1913	278,497	2,118	111,671,396 12	5,122,908.14
1914	283,735	5,238	117,799,032.02	6,127,635.90
1915	283,086	*649	121,210,207.68	[illegible],175.66
1916	284,846	1,760	125,522,321.79	4,312,113.
1917	294,748	9,902	136,583,586.55	11,066,264.96
1918	287,801	*6,947	137,700,673.29	1,112,086.74
1919	289,917	2,116	144,339,790.92	6,639,117.63
1920	295,863	5,946	157,312,701.66	12,972,910.74
1921	294,526	*1,337	167,846,323.04	10,533,621.38
1922	283,130	*11,396	169,958,578.20	2,112,255.16
1923	272,758	*10,372	172,722,7[illegible].51	2,764,216.31
1924	267,269	*5,489	184,937,788.05	12,214,993.54
1925	272,277	5,008	195,809,110.04	10,87[illegible],321.99
1926	288,100	15,823	209,976,114.52	14,167,004.48
1927	305,764	17,664	225,350,088.61	15,373,974.09
1928	324,254	18,490	240,560,770.65	15,2[illegible]0,682.04
1929	336,947	12,693	255,983,388.14	15,42[illegible],617.49
1930	362,787	25,840	263,425,959.06	7,442,570.92

1931	394,728	31,941	300,934,564.40	37,508,605.34
1932	447,776	53,048	312,000,098.28	11,065,533.88
1933	468,023	20,247	319,284,105.43	7,284,007.15
1934	483,936	15,963	311,593,205.38	*7,690,900.05
1935	505,612	21,626	320,430,887.76	8,837,682.38
1936	521,729	16,117	328,407,915.09	7,977,027.33
1937	543,819	22,090	341,805,083.76	13,397,168.67
1938	552,659	8,840	347,190,899.79	5,385,816.03
1939	549,631	*2,978	350,188,360.91	2,997,461.12
1940	549,359	*322	354,046,024.72	3,857,663.81
1941	553,732	4,373	355,738,618.55	1,692,593.83

*Decrease

TABULAR STATEMENTS

TABLE No. 5

Showing the Average Receipts and Payments of Deposits for the Last Thirty Years

Years	Receipts	Payments	Years	Receipts	Payments
1911 ...	$60.46	$121.19	1926 ...	$69.34	$213.41
1912 ...	62.65	123.80	1927 ...	60.80	188.78
1913 ...	63.50	130.83	1928 ...	58.93	170.65
1914 ...	68.73	122.07	1929 ...	57.36	180.59
1915 ...	66.47	123.52	1930 ...	75.79	146.40
1916 ...	70.24	140.12	1931 ...	87.85	189.85
1917 ...	79.47	168.96	1932 ...	67.69	134.31
1918 ...	84.78	179.73	1933 ...	65.34	130.89
1919 ...	78.64	229.63	1934 ...	55.59	120.03
1920 ...	76.05	206.72	1935 ...	53.37	127.13
1921 ...	70.83	214.71	1936 ...	53.55	136.09
1922 ...	79.10	240.14	1937 ...	51.95	146.37
1923 ...	100.15	274.45	1938 ...	52.37	134.54
1924 ...	93.86	244.74	1939 ...	54.29	147.30
1925 ...	79.91	228.40	1940 ...	57.12	158.81

TABLE No. 6

Showing the Amount of the Surplus and Contingent Reserve on the First Day of January of Each Year for the Last Thirty Years

Years	Amounts	Years	Amounts
1912	$10,683,845.56	1927	$15,087,567.11
1913	11,165,999.94	1928	15,898,813.47
1914	11,176,555.44	1929	18,009,645.96
1915	11,331,235.55	1930	19,921,389.30
1916	12,227,166.07	1931	21,279,368.96
1917	12,742,427.54	1932	20,423,523.22
1918	12,762,461.74	1933	20,140,866.72
1919	12,017,436.96	1934	19,310,613.47
1920	8,096,438.74	1935	20,426,076.88
1921	7,049,126.96	1936	21,439,134.92
1922	8,695,524.15	1937	22,218,281.11
1923	10,451,116.13	1938	22,567,408.49
1924	11,711,226.15	1939	22,762,243.46
1925	13,834,881.92	1940	23,014,276.97
1926	14,482,780.78	1941	23,500,000.00

EIGHTY-SIXTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY

School Lane and Germantown Avenue, East Germantown Office, Cheltenham Avenue and Wister Street

Member Federal Deposit Insurance Corporation

(The Managers serve without compensation, and neither they nor any officer or agent of the Saving Fund can directly or indirectly borrow money from, or become in any way indebted to it.)

President
ARTHUR W. JONES

Vice-President
WILLIAM N. PRICE

Treasurer
HOWARD H HEWETT

Secretary
ROBERT H. BOLLING

Asst. Treasurer
EDWARD M. MOSBROOK

Solicitor
GEORGE WHARTON PEPPER

MANAGERS

MARRIOTT C. MORRIS
Trustee

C. STEVENSON NEWHALL
Chairman of the Board, Pennsylvania Co. for Ins. on Lives & Granting Annuities

LIVINGSTON E. JONES
President, First National Bank of Philadelphia

ARTHUR W. JONES
President

HARROLD E. GILLINGHAM
Insurance

CHARLES C. WRIGGINS
Vice-President, B. F. Dewees, Inc.

THOMAS RAEBURN WHITE
Attorney-at-Law

JOHN T. EMLEN
Trustee

J. SOMERS SMITH
Executive Secretary, Philadelphia Contributionship

EDWARD STARR, JR.
of Drexel & Co.

ALFRED G. SCATTERGOOD
Vice-President, Provident Trust Company

RICHARD P. BROWN
Vice-President, Minneapolis-Honeywell Regulator Co.

WALTER M. SCHWARTZ
President, Proctor and Schwartz, Inc.

C. SEWELL CLARK
of E. W. Clark & Company

WILLIAM N. PRICE
Vice-President

CONDENSED STATEMENT

January 1, 1941

ASSETS

Cash on hand and in banks	$3,603,161.76
United States Government Bonds	6,289,000.00
State and Municipal Bonds	5,947,578.79
Australian and Canadian Bonds	719,345.00
Railroad Bonds	7,421,181.30
Public Utility Bonds	8,141,118.27
Industrial Bonds	1,756,634.31
First Mortgages on Real Estate	9,589,537.41
Loans on Collateral	12,254.00
Main and Branch Office Buildings	330,000.00
Other Real Estate	484,373.74
Real Estate Sold Under Agreement	489,088.29
	$44,783,272.87

LIABILITIES

Due to 49,912 Depositors	$39,851,594.50
Surplus	4,902,908.50
Other Liabilities	28,769.87
	$44,783,272.87

We, the Subscribers, Auditors, appointed by the Saving Fund Society of Germantown and Its Vicinity, do hereby certify that we have examined the above statement, and the assets therein named, and find them correct.

WILLIAM H. EMHARDT
GEORGE W. EMLEN, JR.
STANLEY R. YARNALL
GEORGE W. CLIFFE
JAMES STARR

January 8, 1941

UNITED STATES GOVERNMENT BONDS

Issue	Per Cent	Due	Par Value	As Charged
Savings Bonds	2.90	1948-1950	22,500.00	22,500.00
Treasury Notes	1¾	1942	170,000.00	170,000.00
Treasury Bonds	2	1950-1955	219,000.00	219,000.00
Treasury Bonds	2¼	1956	207,000.00	207,000.00
Treasury Bonds	2½	1945-1953	290,000.00	290,000.00
Treasury Bonds	2¾	1947-1965	1,108,500.00	1,108,500.00
Treasury Bonds	3	1948	200,000.00	200,000.00
Treasury Bonds	3⅛	1949-1952	1,200,000.00	1,200,000.00
Treasury Bonds	3¼	1941-1946	725,000.00	725,000.00
Treasury Bonds	3⅜	1947	426,000.00	426,000.00
Treasury Bonds	3¾	1956	100,000.00	100,000.00
Treasury Bonds	4¼	1952	300,000.00	300,000.00
*Home Owners Loan Corp.	1½	1947	150,000.00	150,000.00
*Home Owners Loan Corp.	2¼	1944	703,000.00	703,000.00
*Home Owners Loan Corp.	3	1952	226,000.00	226,000.00
*Federal Farm Mortgage Corp.	3	1949	50,000.00	50,000.00
*U. S. Housing Authority	1⅜	1944	60,000.00	60,000.00
*Reconstruction Finance Corp.	1	1942	132,000.00	132,000.00
*Guaranteed Principal & Interest by United States Government			$6,289,000.00	$6,289,000.00

STATE BONDS

Arkansas	5	1959-1964	150,000.00	99,812.50
Louisiana	4½	1947-1953	100,000.00	100,000.00
Louisiana Port Commission	5	1950-1953	60,000.00	59,850.00
North Carolina	5	1942	50,000.00	50,000.00
Pennsylvania Tax Notes	1½	1941	300,000.00	300,000.00

MUNICIPAL BONDS

California Toll Bridge Authority, San Francisco-Oakland Bay Toll Bridge	4	1976	98,000.00	98,000.00
Canton, Ohio	4½	1954	10,000.00	9,568.00
Charleston, S. C.	4½	1962	50,000.00	49,875.00
Chattanooga, Tenn.	4¾	1951	30,000.00	30,000.00
Chattanooga (Electric Power Revenue) Tenn.	2¾	1968	100,000.00	100,000.00
Chicago, Ill.	3	1944	60,000.00	60,000.00
Chicago (Park District), Ill.	3½	1956	100,000.00	100,000.00
Chicago, Ill.	4	1946-1947	40,000.00	38,053.56
Chicago (Sanitary District), Ill.	4½	1955	100,000.00	50,000.00
Cleveland, Ohio	4¼	1941	50,000.00	50,000.00
Delaware River Joint Commission, Philadelphia-Camden Bridge	4¼	1956-1959	200,000.00	200,000.00
Detroit, Mich.	3¼	1962	8,042.00	4,825.20
Detroit, Mich.	4¼	1957-1963	250,000.00	220,779.17
Detroit, Mich.	4½	1952	50,000.00	50,000.00
Fort Worth, Texas	5	1949-1951	25,000.00	24,968.75
Grand Rapids (Water (Revenue) Mich.	2¾	1965-1966	100,000.00	100,000.00
Greensboro, N. C.	3½	1960-1961	100,000.00	100,000.00
Greater Greenville (Sewer District) S. C.	4½	1967	50,000.00	50,000.00
Hanover Twp. (School District) Pa.	5½	1941-1946	50,000.00	50,000.00
Houston (School District) Texas	5	1945	15,000.00	15,000.00
Jacksonville, Florida	5	1942-1946	17,000.00	17,000.00
Knoxville, Tenn.	4	1952	50,000.00	50,000.00
Knoxville, Tenn.	5	1951	30,000.00	29,700.00
Los Angeles (Department of Water & Power) Cal.	2¾	1957-1959	150,000.00	144,621.52
Los Angeles (Department of Water & Power) Cal.	3	1976	100,000.00	100,000.00
Los Angeles (Department of Water & Power) Cal.	4	1951	50,000.00	50,000.00
Los Angeles (Electric Plant) Cal.	4½	1941	25,000.00	24,295.00
Los Angeles (Harbor Improvement) Cal.	4½	1942-1943	50,000.00	50,000.00
Los Angeles (Electric Plant) Cal.	5	1945	60,000.00	60,000.00
Madison (Village of) Gingshighway Bridge Ill.	4	1964	125,000.00	125,000.00
Maine-New Hampshire Interstate Water Bridge Authority	4	1969	50,000.00	50,000.00
Maxin Municipal Water District, Cal.	5	1942-1947	13,000.00	13,000.00
Memphis, Tenn.	4½	1945-1947	35,000.00	35,000.00
Miami Conservancy District, Ohio	5½	1943-1947	50,000.00	50,000.00
Mobile (Tunnel Revenue) Ala.	4	1969	100,000.00	100,000.00
New Orleans, La.	4½	1952	50,000.00	50,000.00
New Orleans (Public Belt Ry. Bridge) La.	4	1946-1947	100,000.00	100,000.00
New York, N. Y.	2½	1948-1949	100,000.00	99,287.99
New York, N. Y.	3	1980	95,000.00	89,750.00
New York, N. Y.	3¼	1950-1953	325,000.00	325,000.00
New York, N. Y.	3½	1954	150,000.00	150,000.00
New York, N. Y.	4	1959	75,000.00	75,000.00
New York, N. Y.	4¼	1960	50,000.00	50,000.00
Niagara Falls Bridge Commission, N. Y.	4¼	1970	75,000.00	75,000.00
Norfolk, Va	4½	1942	10,000.00	10,000.00
Northampton Boro (Municipal Water) Pa.	2¾	1958-1960	100,000.00	99,515.20
Philadelphia, Pa.	4	1952	50,000.00	50,000.00
Philadelphia, Pa.	4¼	1974-1979	520,000.00	520,000.00
Philadelphia, Pa.	4½	1979	50,000.00	50,000.00
Philadelphia, Pa.	5	1951	170,000.00	170,000.00
Pittsburgh, Pa.	5	1941-1951	69,000.00	69,000.00
Port of New York Authority, N. Y.	3	1976	200,000.00	200,000.00
Port of New York Authority, N. Y.	4	1975	150,000.00	150,000.00
Port of New York Authority, N. Y.	4¼	1954-1959	50,000.00	50,000.00
St Charles County Bridge, Mo.	3¾	1956	47,000.00	46,387.50
San Diego, Cal.	5	1947-1948	50,000.00	50,000.00
San Francisco, Cal.	4½	1942	7,000.00	6,789.40
Seattle Municipal Light & Power, Wash.	4	1944	50,000.00	50,000.00
Seattle, Municipal Light & Power, Wash.	4½	1941	3,000.00	3,000.00
Spartanburg County, S. C.	4½	1945-1947	50,000.00	50,000.00
Triborough Bridge Authority, N. Y.	3¼	1980	300,000.00	300,000.00
			$6,097,042.00	$5,947,578.79

AUSTRALIAN AND CANADIAN BONDS

Australia (Commonwealth of)	5	1955-1957	200,000.00	179,521.25
Canada (Dominion of)	2½	1945	33,000.00	33,000.00
Canada (Dominion of)	3	1968	127,000.00	116,538.75
Canada (Dominion of)	4	1960	100,000.00	90,250.00
New Brunswick (Province of) Canada	3½	1949	50,000.00	50,000.00
Ontario (Province of) Canada	4½	1943-1954	100,000.00	100,000.00
Ontario (Province of) Canada	5	1960	100,000.00	100,000.00
Montreal (City of) Canada	4½	1971	30,000.00	25,560.00
Toronto (City of) Canada	5	1942	25,000.00	24,475.00
			$765,000.00	$719,345.00

RAILROAD BONDS

Atchison, Topeka & Santa Fe Ry. (Transcontinental Short Line)	4	1958	50,000.00	46,146.09
Atchison, Topeka & Santa Fe Ry. (California-Arizona Lines)	4½	1962	75,000.00	71,090.00
Baltimore & Ohio R. R. (Pittsburgh-Lake Erie & West Virginia)	4	1941	70,000.00	50,109.30
Baltimore & Ohio R. R. Secured Notes	4	1944	100,000.00	65,000.00
Baltimore & Ohio R. R. 1st	4	1948	121,000.00	100,450.25
Canadian National Ry. Equipment Trust	4½	1943	114,000.00	114,000.00
Canadian National Ry Guaranteed	4½	1956	100,000.00	97,625.00
Canadian National Ry. Guaranteed	4¾	1955	10,000.00	8,568.75
Canadian National Ry. Guaranteed	5	1969	50,000.00	48,875.00
Canadian Pacific Ry. Equipment Trust	4½	1941-1945	123,000.00	122,886.05
Canadian Pacific Ry. Consolidated	4	Perpetual	100,000.00	85,000.00
Carolina Central R. R.	4	1949	25,000.00	4,000.00
Central New England Ry.	4	1961	55,000.00	17,000.00
Central Pacific Ry. 1st Refunding	4	1949	172,000.00	120,427.00
Central Pacific Ry. (Thru Short Line)	4	1954	100,000.00	80,000.00
Central Pacific Ry. Guarteed	5	1960	50,000.00	29,563.75
Central Railroad of New Jersey General	5	1987	50,000.00	10,000.00
Chesapeake & Ohio Ry. Refunding & Improvement	3½	1996	50,000.00	46,793.75
Chesapeake & Ohio Ry. General	4½	1992	75,000.00	65,615.75
Chicago, Burlington & Quincy R. R. General	4	1958	150,000.00	131,837.50

Issue	Per Cent	Due	Par Value	As Charged
Chicago, Burlington & Quincy R. R. 1st & Refunding	4½	1977	100,000.00	85,000.00
Chicago & Erie R. R. 1st	5	1982	35,000.00	28,029.25
Chicago, Milwaukee & St. Paul Ry. General	4½	1989	198,000.00	52,000.00
Chicago & Northwestern Ry. General	5	1987	32,000.00	6,000.00
Chicago, Rock Island & Pacific Ry. General	4	1988	110,000.00	18,950.00
Chicago, St. Louis & New Orleans R. R.	5	1951	150,000.00	122,843.75
Chicago Union Station 1st	3¾	1963	200,000.00	200,000.00
Choctaw & Memphis R. R.	5	1949	85,000.00	28,000.00
Cleveland Cincinnati, Chicago & St. Louis Ry. (St. Louis Division)	4	1990	190,000.00	170,538.45
Cleveland Cincinnati, Chicago & St. Louis Ry. (Cincinnati, Wabash & Michigan Division)	4	1991	125,000.00	84,937.50
Cleveland Cincinnati, Chicago & St. Louis Ry. Refunding & Improvement	4½	1977	43,000.00	32,957.00
East Tennessee, Virginia & Georgia Ry.	5	1956	233,000.00	207,088.50
Eastern Railway of Minnesota (Northern Division)	4	1948	132,000.00	132,000.00
Erie R. R. Equipment Trust	4½	1941	25,000.00	24,507.83
Erie R. R. 1st Consolidated Prior Lien	4	1996	100,000.00	41,537.50
Great Northern Ry. General	4½	1977	100,000.00	91,312.50
Great Northern Ry. General	5	1973	50,000.00	48,871.25
Greenbrier, Cheat & Elk R. R.	5	1944	50,000.00	49,250.00
Illinois Central R. R. Equipment Trust	3	1944-1945	100,000.00	99,798.54
Illinois Central R. R. Collateral Trust	4	1952	72,000.00	42,550.00
Illinois Central R. R.	4	1953	100,000.00	50,187.50
Illinois Central R. R. & Chicago, St. Louis & New Orleans R. R.	5	1963	100,000.00	65,000.00
Jacksonville Terminal Refunding & Extension	6	1967	55,000.00	55,000.00
Kansas City, Fort Scott & Memphis Ry. Refunding	4	1936	100,000.00	35,000.00
Kansas City Terminal Ry.	4	1960	200,000.00	184,278.75
Kentucky Central Ry.	4	1987	50,000.00	42,065.00
Lake Erie & Western R. R.	3	1947	100,000.00	100,000.00
Lehigh & New England R. R. General	4	1965	98,000.00	97,980.00
Lehigh Valley R. R. General Consolidated	4½	2003	28,000.00	5,692.16
Long Island R. R. Refunding	4	1949	54,000.00	47,532.53
Midland Valley R. R. 1st	5	1943	25,000.00	20,000.00
Milwaukee, Sparta & Northwestern Ry.	4	1947	19,000.00	3,000.00
Minneapolis, St. Paul & Sault Ste. Marie Ry. 1st Consolidated	4	1938	50,000.00	4,000.00
Minneapolis, St. Paul & Sault Ste. Marie Ry. 2nd	4	1949	63,000.00	35,000.00
Missouri Pacific R. R. Equipment Trust	4½	1941-1944	40,000.00	35,633.61
Missouri Pacific Ry. 3rd	4	1938	31,000.00	18,607.50
New York Central & Hudson River R. R. (Lake Shore Collateral)	3½	1998	100,000.00	72,563.75
New York Central & Hudson River R. R. (Michigan Cent. Collateral)	3½	1998	50,000.00	36,875.00
New York Central R. R. Secured Sinking Fund	3¾	1946	100,000.00	98,017.50
New York Central R. R. Consolidated	4	1998	50,000.00	39,625.00
New York Central R. R. Refunding & Improvement	4½	2013	113,000.00	78,000.00
New York, Chicago & St. Louis R. R.	3½	1947	200,000.00	200,000.00
New York, Lackawanna & Western Ry.	4	1973	100,000.00	64,750.00
New York, Pennsylvania & Ohio R. R.	4¼	1950	150,000.00	150,000.00
Northern Pacific Ry. General Lien	3	2047	50,000.00	25,876.25
Northern Pacific Ry. Prior Lien	4	1997	127,000.00	106,763.25
Oregon Short Line R. R. Consolidated 1st Unstamped	5	1946	200,000.00	194,398.75
Pacific R. R. of Missouri 2nd	5	1938	75,000.00	51,000.00
Pennsylvania Company Trust Certificates	3½	1941-1944	97,000.00	89,107.95
Pennsylvania R. R. Equipment Trust	2¾	1946-1947	100,000.00	98,243.01
Pennsylvania R. R. Convertible	3¼	1952	46,000.00	36,183.75
Pennsylvania R. R. Consolidated	4½	1960	100,000.00	89,207.50
Pennsylvania R. R. General	4½	1965	145,000.00	145,000.00
Philadelphia & Reading R. R. Improvement	4	1947	50,000.00	50,000.00
Pittsburgh, Bessemer & Lake Erie R. R.	5	1947	29,000.00	29,000.00
Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Consolidated	4	1957	200,000.00	200,000.00
Pittsburgh, Cincinnati Chicago & St. Louis Ry. Consolidated	4½	1963	105,000.00	101,087.50
Pittsburgh, Cincinnati Chicago & St. Louis R. R. General	4½	1977	160,000.00	159,495.00
Pittsburgh, Cincinnati Chicago & St. Louis R. R. General	5	1975	90,000.00	90,000.00
Pittsburgh & West Virgia Ry.	4½	1960	100,000.00	66,961.25
Reading Company Purchase Money Mortgage	4	1952	25,000.00	22,000.00
Reading Company General & Refunding	4½	1997	200,000.00	200,000.00
St. Paul & Duluth R. R.	4	1968	55,000.00	55,000.00
Seaboard Air Line Ry. Equipment Trust	3½	1945	113,000.00	90,000.00
Southern Pacific Co. Equipment Trust	4½	1941-1944	40,000.00	35,784.88
Southern Pacific Co. (San Francisco Terminal)	4	1950	25,000.00	20,000.00
Southern Pacific Co. Oregon Lines	4½	1977	100,000.00	62,250.00
Southern Pacific Co.	4½	1981	100,000.00	55,626.25
Southern Pacific R. R.	4	1955	100,000.00	76,093.75
Southern Ry. 1st Consolidated	5	1994	88,000.00	86,822.50
Southern Ry. (Memphis Division)	5	1996	15,000.00	14,487.50
Terminal R. R. Association of St. Louis 1st Consolidated	5	1944	35,000.00	35,000.00
Toledo, Canada, Southern & Detroit Ry.	4	1956	50,000.00	34,250.00
Toledo Terminal R. R.	4½	1957	50,000.00	40,362.50
Union Pacific R. R.	4	1947	150,000.00	150,000.00
Union Terminal Company, Dallas	3¾	1967	75,000.00	75,000.00
Virginian Ry. 1st & Refunding	3¾	1966	150,000.00	148,601.25
Wabash R. R. 1st	5	1939	100,000.00	47,000.00
West Shore R. R.	4	2361	170,000.00	104,284.90
Winston-Salem Southbound Ry.	4	1960	142,000.00	116,525.00
			$9,203,000.00	$7,421,181.30

PUBLIC UTILITY BONDS

Alabama Power 1st & Refunding	4½	1967	100,000.00	94,858.75
Alabama Power 1st & Refunding	5	1968	100,000.00	100,000.00
American Gas & Electric	2¾	1950	40,000.00	39,850.00
American Gas & Electric	3½	1960	12,000.00	12,000.00
American Gas & Electric	3¾	1970	24,000.00	24,000.00
American Telephone & Telegraph	3¼	1966	200,000.00	195,750.00
Appalachian Electric Power 1st	3¼	1970	200,000.00	200,000.00
Bangor Hydro-Electric	3¾	1966	150,000.00	150,000.00
Bell Telephone Company of Canada	5	1957	90,000.00	89,967.50
Blackstone Valley Gas & Electric	3½	1968	59,000.00	59,000.00
Brooklyn Edison Consolidated	3¼	1966	225,000.00	202,500.00
Central Hudson Gas & Electric	3½	1965	250,000.00	250,000.00
Central Illinois Light	3¼	1963	250,000.00	244,000.00
Central Illinois Light	3½	1966	50,000.00	50,000.00
Central New York Power	3¾	1962	100,000.00	99,000.00
Chicago Railways 1st	5	Extended	18,750.00	5,605.00
Commonwealth Edison	3½	1968	95,000.00	95,000.00
Connecticut River Power	3¾	1961	143,000.00	142,580.00
Consolidated Edison of New York	3½	1948	200,000.00	200,000.00

Issue	Per Cent	Due	Par Value	As Charged
Consolidated Gas, Electric Light & Power of Baltimore	3	1969	115,000.00	115,000.00
Consolidated Gas, Electric Light & Power of Baltimore	3	1971	235,000.00	211,500.00
Consumers Power	3¼	1969	150,000.00	150,000.00
Consumers Power	3½	1970	186,000.00	186,000.00
Delaware Power & Light	4¼	1969	144,500.00	118,691.35
Delaware Power & Light	4½	1969	5,000.00	5,000.00
Duquesne Light	3½	1965	350,000.00	350,000.00
Fort Pitt Traction	5	1935	24,000.00	2,000.00
Georgia Power	5	1967	200,000.00	198,678.75
Gulf States Utilities	3½	1969	200,000.00	200,000.00
Houston Lighting & Power	3½	1966	100,000.00	100,000.00
Illinois Bell Telephone	3½	1970	200,000.00	198,647.00
Indianapolis Power & Light	3¼	1970	100,000.00	100,000.00
Market Street Elevated Passenger Ry.	4	1955	200,000.00	173,336.25
Mississippi River Power 1st	5	1951	81,000.00	80,800.00
New England Telephone and Telegraph	5	1952	100,000.00	100,000.00
New York Edison	3¼	1965	100,000.00	90,000.00
New York & West Chester Lighting	4	2004	50,000.00	40,125.00
North American Company	3½	1949	116,000.00	116,000.00
Northern States Power (Minnesota)	3½	1967	100,000.00	96,500.00
Ohio Edison	3¾	1972	100,000.00	100,000.00
Ohio Power	3¼	1968	150,000.00	150,000.00
Pacific Gas & Electric	4	1964	100,000.00	100,000.00
Pennsylvania Power & Light	3½	1969	250,000.00	250,000.00
Pennsylvania Water & Power	3¼	1964-1970	359,000.00	359,000.00
Philadelphia Electric	3½	1967	250,000.00	250,000.00
Philadelphia Electric Power	5½	1972	48,000.00	41,743.67
Philadelphia Gas Revenue Trust Certificates	3½	1941-1957	279,000.00	279,000.00
Philadelphia Suburban Water	4	1965	100,000.00	100,000.00
Philadelphia Transportation Company 1st & Refunding	4	1969	151,000.00	69,000.00
Portland General Eelctric 1st Extended	5	1950	88,000.00	87,630.00
Public Service of Colorado	3½	1964	161,000.00	161,000.00
Public Service of Northern Illinois	3½	1968	100,000.00	100,000.00
Shawinigan Water & Power	4½	1967-1970	75,000.00	75,000.00
Southern California Edison 1st & Refunding	3	1965	230,000.00	230,000.00
Southwestern Bell Telephone	3½	1964	105,000.00	97,102.50
Union Electric of Missouri	3¾	1962	200,000.00	200,000.00
Union Passenger Ry. 2nd Extended	4	1960	20,000.00	12,000.00
Virginia Electric & Power	3½	1968	126,000.00	126,000.00
West Penn Power	3½	1966	165,000.00	165,000.00
West Philadelphia Passenger Ry. 2nd	5½	1956	50,000.00	35,000.00
Wisconsin Electric Power	3½	1968	176,000.00	176,000.00
Wisconsin Public Service	4	1961	94,000.00	91,252.50
			$8,440,250.00	$8,141,118.27
INDUSTRIAL BONDS				
Atlantic Refining	3	1953	150,000.00	148,500.00
Inland Steel	3	1952-1961	198,000.00	197,960.00
Lehigh Valley Coal 1st & Refunding	5	1954-1974	70,000.00	27,055.41
Pennsylvania Glass Sand	3½	1960	102,000.00	102,000.00
Shell Union Oil	2½	1954	150,000.00	144,312.50
Socony-Vacuum Oil	3	1964	250,000.00	250,000.00
Standard Oil of New Jersey	3	1961	234,000.00	234,000.00
Texas Corporation	3	1965	255,000.00	255,000.00
United States Steel	Var.	1941-1954	398,000.00	397,806.40
			$1,807,000.00	$1,756,634.31
TOTAL			$32,601,292.00	$30,274,857.67

The following table shows the growth of the Society since 1854:

Date	Number of Accounts	Amount of Deposits	Surplus
June 1, 1855	273	$12,788.84	
" " 1859	11	75,023.85	$923.24
January 1, 1867	1,273	133,631.84	3,566.52
" " 1872	2,196	361,847.87	23,196.73
" " 1876	3,543	581,996.50	44,970.08
" " 1880	4,047	875,1[illegible]4.55	52,514.96
" " 1884	7,190	1,439,825.13	99,722.55
" " 1890	11,285	2,361,209.14	206,548.53
" " 1895	13,052	2,810,673.13	309,696.41
" " 1900	16,294	4,233,238.96	324,268.28
" " 1905	20,966	6,171,098.37	425,000.00
" " 1910	24,511	7,803,287.60	625,000.00
" " 1915	28,748	10,493,595.6[illegible]	830,000.00
" " 1920	32,648	13,826,[illegible]7 6[illegible]	1,000,000.00
" " 1925	35,649	19,378,508.30	1,483,451.37
" " 1930	38,354	24,830,38[illegible].57	2,720,630.55
" " 1931	39,134	26,512,360.0[illegible]	2,920,762.84
" " 1932	41,605	26,727,657.47	3,220,857.60
" " 1933	43,028	26,960,[illegible]03.08	3,370,857.60
" " 1934	44,047	26,861,169.60	3,457,879.55
" " 1935	45,414	28,340,528.05	3,567,366.39
" " 1936	46,273	30,364,53[illegible]0	3,819,758.30
" " 1937	46,462	32,859,685.35	4,204,672.14
" " 1938	47,023	34,517,458.45	4,367,127.55
" " 1939	47,670	36,194,525.12	4,518,249.66
" " 1940	48,788	38,207,013.31	4,713,842.41
" " 1941	49,912	39,851,5[illegible]4.50	4,902,908.50

Total Interest Paid Depositors Since Organization $25,002,632.20

Accounts may be opened and business transacted by mail Interest is paid on all balances of $5.00 or over

REPORT ON RELIEF

PREPARED FOR THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA

by the

Joint State Government Commission of the General Assembly

Capitol Building, Harrisburg, Penna.

January 1941

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939 P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

Chairman: Ellwood J. Turner, Speaker of the House
Vice-Chairman: Frederick T. Gelder, President Pro Tem of Senate
Secretary: Robert E. Woodside, Jr., Representative
Treasurer: William E. Habbyshaw, Representative

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EDWARD R. FREY	HERBERT B. COHEN
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G. MASON OWLETT	THOMAS LYONS
HARRY SHAPIRO	CHARLES W. SWEENEY
GEORGE WOODWARD	JOHN E. VAN ALLSBURG
	EDWIN WINNER

Director R. ALFRED WASSERMAN

COMMITTEE ON RELIEF OF THE JOINT STATE GOVERNMENT COMMISSION

JOHN E. VAN ALLSBURG, Chairman

JAMES A. GELTZ LEO A. ACHTERMAN
FREDERICK L. HOMSHER ELLWOOD J. TURNER
GEORGE WOODWARD ROBERT E. WOODSIDE, JR.

LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania

In pursuance of House Resolution, Serial No. 134 of the Regular Session of 1939, and under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating Joint State Government Commission), we submit herewith Report and Recommendations on the subject of Unemployment Relief and the administration thereof.

ELLWOOD J. TURNER, Chairman,
Joint State Government Commission.

January, 1941

FOREWORD

The new public function of affording assistance to those who are unemployed or have no other means of support can no longer be considered escapable, or a temporary or emergency function of government.

The Committee on Relief approached this task with a keen sense of appreciation of the magnitude and many ramifications and implications of the relief problem as well as its responsibility to render a worthwhile accounting of its stewardship to the legislature.

It is generally easy and popular to be kind. However, it is necessary to remember the tremendous burden that relief has placed on the taxpayers. It is also important that both the recipient of relief and the taxpayers who pay the bill should be treated fairly. The Committee approached this task on a non-partisan and non-political basis.

Its sole aim has been to learn facts about the present system of relief, its organization, its policies and its methods, and finally to evaluate them in terms of efficiency to administer relief to those who, through no fault of their own, are in need, and at a minimum cost to those who pay the bill.

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RECOMMENDATIONS

The Joint State Government Commission makes the following recommendations:

I. LIBERALIZATION OF THE SOCIAL SECURITY ACT

A. The Social Federal Security Act should be amended to permit Pennsylvania to make payment to the aged on a more liberal basis.

B. The Federal Social Security Act should be amended to permit the matching of Pennsylvania's payments to the blind, which is on a liberal pension basis.

II. RELATIONS OF THE DEPARTMENT TO THE COUNTY BOARDS

A. The County Boards should be made really autonomous. They should be granted full authority to operate their county organizations.

B. The function of the Secretary of the Department of Public Assistance and the State staff should be advisory in character and confined to securing compliance with the Public Assistance law by the County Boards. Therefore:

1. All contacts, suggestions, findings, information and advice from the Secretary or the State staff should be made or communicated to the Executive Director and the County Board and to no other person.

C. Each County Board should be permitted to set up such organization and establish such methods of maintaining records as may be deemed essential for local conditions, subject only to such reasonable requirements or provisions as may be prescribed by the Department to bring about uniformity.

D. The Secretary of Public Assistance should set quarterly administrative budgets for each board and not monthly budgets. Within the limits of this over-all budget, County Boards should have the authority to determine the number and type

of employes required, subject to the civil service lists.

E. Suggestions to County Boards from the Department should be greatly simplified, their number decreased, and made to conform to the above recommendations.

F. Department field representatives should be greatly reduced in number and their qualifications raised.

III. RELATION OF THE COUNTY BOARDS TO THE EMPLOYMENT BOARD OR CIVIL SERVICE AGENCY

A. The County Boards should deal directly with the Employment Board.

B. Eligible lists of candidates for all positions shall be furnished direct to County Boards.

C. In the preparation of examinations and determining the qualifications of applicants for positions of visitors or supervisors, ratings should be based primarily upon investigatory and supervisory ability and experience in the field of business rather than upon social service training.

D. County Boards should have power to terminate the services of employes for the following reasons:

1. Lack of ability to efficiently perform their duties.
2. Insubordination.
3. Unpatriotic activities.
4. Membership in any political party or organization designed to destroy the American form of government.
5. Any form of political activity.

E. County Boards should have the right to suspend the services of any employes not needed at the the time, subject to reinstatement in the order of their suspension.

IV. INVESTIGATION OF CASES

A. The investigation staff in all counties should be greatly improved. Sound investigation and reinvestigation of cases forms the entire basis for effective work in the Department and the County Boards.

B. Visitors should be rotated and the practice of checking and rechecking cases by the same employe should be discontinued

C. More stringent supervision of visitors' work should be instituted. Therefore:

1. Supervisors should direct visitors' work rather than "confer" with them regarding it.
2. The number of daily visitations should be increased.
3. An effort should be made to set up time limits for rechecking recipients of any type of assistance. Supervisors should demand that these time limits be observed.

D. The paper work required by visitors should be reduced.

E. Night checking of many recipients, particularly in the larger cities, should be provided, in order to assure the County Board that the recipient is not employed on a night shift.

F. Special investigating units composed of employes with Superior investigating ability than the average visitor now possesses should be established

G. Independent surveys of assistance payments should be made periodically.

H. Any visitor who knowingly grants relief to a person who is not entitled to it by law should be penalized.

V. SALARIES AND PROMOTION OF EMPLOYES OF THE COUNTY BOARDS

A. Methods should be adopted to encourage efficiency and diligence of the employes of the County Boards.

1. Fewer classifications for examinations for employment of the staffs of the County Boards should be utilized, thereby making possible greater salary ranges for employes within a classification. This reduction in classifications for examinations will tend to decrease the cost of the operation of the Employment Board.
2. Employes should start at the lowest salary in their classification and their salary systematically increased as their efforts justify.
3. County Boards should have the exclusive power to promote employes and to increase their salaries, subject only to salary ranges established by the Employment Board. Such salary ranges should take into account local living costs.
4 Every effort should be made to reduce the large turnover in personnel by promoting efficient employes to higher salaried classifications.

VI. LOCAL INTEREST IN THE COST AND ADMINISTRATION OF RELIEF

A. The County Boards should make every effort to develop and foster Local Citizens' Committees provided by law in order that local interest may be aroused as to the social effects of unemployment and the costs thereof.

B. Every effort should be made to cooperate with all agencies engaged in training and retraining programs which will provide skills for those receiving assistance. This will result in individual self-reliance and in the reduction of the relief rolls.

VII. COORDINATION OF THE STATE AGENCIES DEALING WITH PERSONS ON ASSISTANCE ROLLS

A. There should be improved coordination of data pertaining to the unemployed between State and County offices of the Department of Public Assistance and the Department of Labor and Industry.

B. Consideration should be given to the desirability of providing general assistance for a person whose total salary and unemployment compensation payments during the preceding 12 months have equalled a predetermined figure. There is evidence of a cyclical movement of individuals between employment, unemployment compensation and general assistance, which results in the granting of relief to many individuals who receive substantial wage payments during the preceding months.

VIII. SPECIAL FACTORS RELATIVE TO THE ADMINISTRATION OF PUBLIC ASSISTANCE

A. A special survey should be made of the medical program as now constituted.

B. The County Boards should be given power to adopt rules and regulations relative to the denial of assistance in cases where:
   1. Relief funds are being used for the purchase of intoxicating liquor.
   2. It has been demonstrated over a long period of time that no effort has been made to secure employment.
   3. Relief funds are used to maintain extra-marital relationships.
   4. Relief funds are being used for gambling purposes
C. Consideration should be given to amending the Milk Order Law enacted in 1939 to meet valid objections. However, it is imperative that children of families on relief should receive an adequate supply of milk.
D. No authority should be given by any County Board to the Worker's Alliance, or similar organizations, to represent applicants or to appear in their behalf at any meeting of the Board. No worthy applicant needs the services of any organization to obtain relief.
E. Organizations of employes under civil service should not be affiliated with labor unions. Employes subject to civil service have the right to form any organization within their own Department. Civil service provides their protection.
F. Consideration should be given to the possibility of effecting greater economies and efficiency in the administration of relief by the counties participating in some financial and administrative responsibility. The closer the administration of relief comes to the people who are benefited thereby, the more likely it is to be successful, effective and economical.
G. Provision should be made under the Pierson Work Relief Act for accumulating the credits of a recipient of relief so that he can be employed for a longer period at any one time.

* * * *

It is the considered opinion of the Joint State Government Commission that if these recommendations are adopted, the administration of assistance in the Commonwealth of Pennsylvania will be raised to a higher level and will result in every needy person within the State receiving the assistance provided for him by the laws of this State; that the morale of those receiving relief will be improved, maintained and strengthened; and that the costs of relief will be materially reduced.

PENNSYLVANIA JOINT STATE GOVERNMENT COMMISSION

The Pennsylvania Joint State Government Commission was created by Act 439 of the General Assembly in 1937. Although many temporary committees had been established to study specific problems, the committee composed of members of the House and Senate, was the first permanent research agency ever established by the Pennsylvania Legislature to study government and its problems.

The primary function of the Commission is research. Pursuant to its authority received from the Legislature, to whom it is responsible, the mission has as its permanent work the study of State problems and the preparation of recommendations for the legislature.

Duties of Commission

The duties of the Commission as prescribed by the Act include seven points as follows:

1. To investigate departments, boards, commissions, and officers of the State and local governments and to study their legislative, financial, and other problems;
2. To make studies for the use of the legislative branch of the government, seeking to improve the administrative organization of the State and local governments, to eliminate waste and overlapping functions and to institute economies;
3. To suggest ways and means of financing the Commonwealth upon a more scientific and equitable basis;
4. To gather budget information for the use of the General Assembly;
5. To make such other investigations and studies and to gather such other information as may be deemed useful to the General Assembly;
6. To sit during the interim between legislative sessions;
7. From time to time, to report to the General Assembly such findings and recommendations accompanied with such drafts of legislation as it deems necessary for the information of and consideration by the General Assembly.

In 1937 the Commission, under the Chairmanship of Representative Herbert B. Cohen of York, completed a study covering the costs of legislative printing and a survey of State government departments, which resulted in savings of thousands of dollars.

The powers and duties of the present Commission were outlined on August 16, 1939, following the naming of new members incident to changes in the 1939 Legislature, the present Chairman, Representative Ellwood J. Turner, was then appointed. At the 1939 session the Commission was granted $30,000 to carry on its work and at the special session of 1940 an additional $35,000 was made available to the Commission.

The Commission appointed an Executive Committee consisting of Hon. Ellwood J. Turner, Hon. Frederick T. Gelder, Hon. G. Mason Owlett, Hon. John E. Van Allsburg, and Hon. Robert E. Woodside, Jr.

In addition, it set up standing sub-committees; all reports and recommendations made by the Commission will be based on studies of these sub-committees.

In order that the legislators may be able to view the present relief situation and time in growth from its earliest conception, a brief history of public assistance in Pennsylvania has been included as part of the report.

BRIEF HISTORY OF POOR RELIEF

For the Period 1705 to 1929

A brief review of the events which took place to aid the "poor and the distressed in Pennsylvania" beginning with the colonial days of William Penn stretching down through the years to our stream-lined, highly-centralized relief system of today, may well serve as a fitting introduction to, and a background for, this study.

It was in the year 1705 that poor laws* were first enacted in Pennsylvania. Since that time more than one thousand laws affecting the poor have been enacted, in view of this fact, it should be obvious to the most skeptical that poverty cannot be entirely eliminated by legislative enactment and that the biblical prophecy "The Poor Ye Have With You Always" is true.

That we have come far along the humanitarian path in caring for the poor is evident, for we recall in highlight that in the beginning all unfortunates, whether indolent, feeble-minded, infants or aged, were classed alike and treated alike. This was the first application of the English precept conceived in Queen Elizabeth's era that "The condition of the lowest class of industrious laborer should be a more enviable one than that of pauperism."

From such beginnings we proceeded, step by step, to the building of almshouses, the appointment of poor directors, the first subsidy of private charity, the inception of the county unit for poor relief, exclusion of children from almshouses and the establishment of special categories for feeble-minded, insane, aged and other groups.

Whether properly or not, we no longer hold strictly to the original precept. There is no imaginary line. In fact many persons on relief live at a higher standard than some of those who labor industriously.

At the same time we have improved our humanitarian approach so that it is difficult to realize that one time the law required that all persons receiving aid, even children, must wear upon the right sleeve a large letter "P,"* signifying "pauper."

Act of 1718.

When the General Settlement Act of 1718 was passed the law-makers believed it necessary to put a curb upon relief activities. Provisions for discouraging applications for relief were enacted, one of which was the pauper's "P." Strict requirements for legal settlement, based on continued residence and occupation, specifying rates of assessment for relief of the poor, were provided.

Still seeking more economical and efficient solution to the problem, another important step was taken in 1731 when Philadelphia erected its first public almshouse. One of the primary thoughts in this was that an almshouse would prove less attractive to the indolent than outside relief.

Further efforts to relieve the public treasury came in 1749 when provision was made for putting the dependent poor of Philadelphia to work in order that they might contribute something to their own support. At the same time the poor overseers were authorized to receive donations from private sources.

This process was applied, although with a change in emphasis in 1751, when the Pennsylvania Hospital was incorporated as the "Contributors to the Pennsylvania Hospital" under private management with public subsidy. This was the beginning of the system of public aid for privately organized charity.

By 1771** the poor problem had increased so alarmingly that the assembly again enacted legislation with emphasis particularly upon the efficiency of administration.

The system of county relief, replacing small township poor districts, was inaugurated in Chester and Lancaster counties in 1798 "in the interests of economy."

Here then, for the first time in the history of poor relief in Pennsylvania, directors of the poor were chosen by the electorate of the County and financial compensation (at first only $20 a year) was provided for their services.

However, the old township and borough systems of directing poor relief in small local units continued for many years in the majority of counties.

Progressive thought concerning poor relief was in the ascendancy after the turn of the 19th century, and in 1836 the general poor law of 1771 was taken apart, revised, and put back to work.

During the period from 1836 to 1874 many laws were enacted, most of which were directed toward specific counties and townships, thereby adding to already existing diversity and confusion.

The general acts of 1876[1] and 1879[2], amended several times since, simplified the adoption of the county unit system of poor relief.

An important step was made by legislation of 1883[3] which prohibited the keeping in almshouses for more than 60 days normal children between the ages of two and sixteen, rather than allow them to associate permanently with adult paupers.

A thoroughgoing attempt to revise and codify Pennsylvania's mass of poor laws was made by the Poor Law Commission of 1890, appointed by Governor Beaver in response to general demand, but the legislature of 1891 failed to act upon the Commission's recommendations.

In 1922, Governor Sproul appointed another Poor Law Commission whose report, submitted in the legislature of 1925, led to the passage of the General Poor Relief Act.

The 1925 Act aimed at carrying to its logical conclusion the trend, inaugurated a century and a quarter before, namely to make the county the unit of poor relief administration. But changes made in the act before passage, and in supplementary legislation, have minimized this reform so that in 1934 there were only seven more counties using the county unit system than there were in 1925.

RELIEF BECOMES STATE AND NATIONWIDE PROBLEM
THE PERIOD 1929 TO 1940

The depression of 1929 helped to increase the rising tide of unemployment. The April 1930 census showed that more than 325,000 Pennsylvania wage earners were unemployed.

It was not until the fall and winter of 1930-31 that any definite action was taken regarding what was then referred to as a "trend." The first important statewide movement leading up to the relief problem was the Pennsylvania

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* See Page —Poor Relief Administration in Pennsylvania—Department of Welfare, 1934.

* Page —Poor Relief Administration in Pennsylvania.

** Pauperism and vagrancy were intensified by imprisonment of debtors and by the continued dumping of shiploads of derelicts from Europe.

[1] May 8, P. L. 149.

[2] June 4, P. L. 78.

[3] June 13, P. L. 111.

Committee on Unemployment appointed by Governor Pinchot in October 1930. The report of this committee was transmitted to the General Assembly in February 1931. No action was taken by the General Assembly. In November 1930 and January 1931, two local citizen committees were formed to study the unemployment situation, the former being the Philadelphia Committee for Unemployment Relief and the latter was the Allegheny County Emergency Association.

In July 1931 Governor Pinchot appointed the Baker Committee to ascertain ". . . what is the actual situation of unemployment relief and to prepare for whatever demands may be made upon the State and estimate the sufficiency or insufficiency of local tax funds . . ."

In submitting its report the Committee called attention to the June Bulletin of the State Department of Labor and Industry, which estimated Pennsylvania's unemployed at nearly 1,000,000, or 24.7 per cent of the total wage earners in the State. It called attention to the extent of unemployment in the major industries and the poverty and dire need which existed in many communities.

But mainly it tended to show the need of State aid for unemployment relief.

On September 23, 1931, the Committee suggested that $20,000,000 be considered as an appropriation by the legislature for unemployment relief, and that this sum be raised from some new source of revenue.

But Article III, Section 18, of the Constitution of Pennsylvania which provides that ". . . No appropriation except for persons or gratuities for military services, shall be made for charitable, educational or benevolent purposes to any person or community, nor to any denominational or sectarian institution, corporation or association" become an obstacle. The Baker Committee suggested a way of circumventing the act, but the Attorney General found it unconstitutional.

Governor Pinchot then proposed a "Prosperity Bond Issue" subject to a constitutional amendment. After a stormy session the legislature rejected the "bond issue" and enacted the First Talbot Act, which provided $10,000,000 to be paid to political subdivisions charged by law with the care of the poor. The Governor refused to sign the bill and it became a law without his signature on December 28, 1931; four months later the State Supreme Court found the act constitutional.

The administration of the Act was through poor directors without State supervision.

Pennsylvania's unemployment relief structure began to take shape during the Second Special Session of the Pinchot Administration.

At that session the legislature enacted three bills: The Woodward Act (Act 51), Second Talbot Act (Act 52)[1] and the Emergency Relief Sales Tax (Act 53).[2]

The Woodward Act, approved August 19, 1932, established the State Emergency Relief Board.

THE FEDERAL RELIEF PROGRAM

As the effect of unemployment became more severe, and the needs of the unemployed more acute, it became evident that the local governments with their limited taxing and borrowing powers could not bear the whole burden. It was then that the State government found itself obliged to help provide the necessary funds for relief.

As unemployment increased, it also became necessary for the Federal Government to lend aid to the various state governments. The first official Federal expenditure for unemployment relief was the appointment in 1930 of the "President's Emergency Committee for Unemployment."

A second committee was appointed to stimulate state, local and charitable agencies to provide relief funds. On March 7, 1932, by joint resolution, Congress authorized the Federal Farm Board to give 40,000,000 bushels of federally-owned wheat to the Red Cross, and authorized an additional 45,000,000 bushels of wheat and 500,000 bales of cotton to the same agency.

The Act of 1932 authorized Reconstruction Finance Corporation to lend states $300,000,000[1] for relief purposes and later authorized R.F.C. to make loans to the states and their political subdivisions for self-liquidating construction projects, and provided for the expenditure of $322,000,000 for Federal Public Works. In May 1933 the Federal Emergency Relief Administration was created and the R.F.C. granted to the F.E.R. $500,000,000 for relief. This amount was later increased by appropriations and allocations to $2,945,450,000.[2]

In an effort to increase the buying capacity of the general public the F.E.R. Program was interrupted from November 1933 to April 1934, when the Federal government initiated the Civil Work Administration (C.W.A.) The main purpose of the C.W.A. was to increase consumer purchasing power as quickly as possible, thereby providing business with a needed stimulant. During the Civil Works Administration all other work relief was suspended.

In June 1933 Congress enacted the National Industrial Recovery Act, which became known as N.R.A., for which was appropriated $3,300,000,000. Under N.R.A. was created the Public Works Administration, which had as part of its program: (1) The construction of post offices, harbors, naval construction and land reclamations; (2) non-federal roads, schools and slum clearance. P.W.A. was allotted $2,200,000,000.

Two years later the Federal government decided to expand its work relief program in an effort to take up the entire slack in unemployment and to this end, by Executive Order of the President, the Works Progress Administration (W.P.A.) was created, thus leaving the care of unemployables to the State. To carry out the purpose of this order, Congress on April 8, 1935, appropriated the sum of $4,888,000,000.

Today W.P.A. is supposed to be the hub of the entire relief program of the nation which features a federally-administered work relief program for needy unemployed employables in need of work projects sponsored by the states and local communities who bear a small share of the cost. However, W.P.A. has never been able to employ all the employables on relief.

The workers on W.P.A. for the most part are taken from local relief rolls, certified by local relief authorities as be-

[1] Act 52 (August 19, 1932) appropriated $12,000,000 to the State Emergency Relief Board.

[2] Act 53 (August 19, 1932) provided revenue by an emergency sales tax upon sales of tangible personal property by vendors.

[1] Statistical Abstract of the United States (1939, p. 282)

[2] Statistical Abstract of the United States (1939, p. 170)

ing in need. They are paid a monthly wage, varying in amount from locality to locality, and according to the type of work performed. The Federal government administers the W.P.A. program on a basis which compels the local sponsors to contribute some cash, material, equipment and non-relief labor. The wages of relief labor and administrative costs are paid by W.P.A. Up to January 1, 1940, there was no statutory requirement as to the amount of the sponsor's contribution. Now each state must average at least 25 per cent of the total cost of each project, which is more than 100 per cent increase over Pennsylvania's required contribution of 11 per cent in January 1939.

Under the Federal Social Security Act of January 9, 1935, the Federal government makes grants in aid to the states on a fifty-fifty basis for assistance to the aged, the blind and aid to dependent children. While Pennsylvania participates in this Federal program so far as it applies to the aged and aid to dependent children, it bears alone the entire cost of pensions to the blind. Federal authorities refuse aid to our blind assistance program because they consider it to be on a pension basis and not one of need.

In addition, the Social Security Act established a long-range Federal Old Age Insurance System, paved the way for nation-wide action by states in setting up unemployment compensation programs, and appropriated funds for the extension of State public health, maternal and child welfare activities.

The other relief agencies operated directly by the Federal government are:

National Youth Administration (NYA); to provide part-time work for persons up to 24 years of age.

Farm Security Administration (FSA); was originally the resettlement administration which sponsored the construction of over 160 cooperative, rural resettlement and homestead projects.

Civilian Conservation Corps (CCC); the earliest form of direct relief activity created by the Act of March 31, 1933, was to place in camps young men 17 to 23 years of age whose families were in need. In these camps they devoted themselves to trail-making, forest conservation, flood control and the like. Formerly independent, the CCC is now part of the Federal Security Agency.

Federal Surplus (Commodities) Marketing Administration:* the purpose of which is to remove price-depressing farm surplus by subsidizing exports and by relief distribution through state and local agencies.

In 1932 when Pennsylvania made its first appropriation for relief no one anticipated that out of this emergency there would develop, within the short period of eight years, the most pressing problem Pennsylvania's legislators have had to face since the crisis in which Benjamin Franklin cast the future of the Commonwealth with the new union of states.

There was no way to know that relief would skyrocket, in 1938, to the level of $350,000,000[1] spent in the State for relief in various forms; that in a single month the relief rolls would include about 2,000,000 people; that the problem of financing the program would tax the ingenuity of succeeding legislatures; that the resulting tax increase would become so great as to lead many economists[2] to believe that business was being impeded and that the cost of relief, instead of stimulating recovery, was preventing recovery.

SITUATION BECAME ACUTE

Within a few short months after the State's initial venture into augmenting local funds for the needy, it became evident to the members of the legislature that they were facing a situation which was growing more acute—a situation which demanded action.

Like most states, Pennsylvania's heart had been opened by the desperate knocking of those who were unable to help themselves, and during the first three months of 1933 the State's purse strings were opened to the tune of $19,500,000.

From that moment to the present time[1] it has cost the State (excluding federal funds) approximately $56,000,000 just to administer relief in Pennsylvania, and while the total monthly outlay for assistance has decreased in the past two months, General Assistance alone is costing approximately $925,000 a week. Relief in all its forms, including categories and General Assistance, costs $7,500,000 a month.

LEGISLATIVE COMMITTEES FORMED

Anxiety on the part of the legislature and the mushroom growth of relief and its attendant costs resulted in many committees[2] being appointed to study the new trend in taking care of the needy.

During the period between 1932 and 1935 more than 20 legislative[3] committees were appointed. Each studied and reported on various phases of relief.

As early as 1935 a Legislative Committee was blazing a trail toward a "balanced" relief set-up for Pennsylvania. In their preliminary report, to Joint Committee to Investigate the Distribution of Public Relief Throughout the Commonwealth (House Res. No. 110,[3] 1935) said, "Relief administration . . . should be decentralized . . . and local boards should be given authority to make such rules as will provide reasonable relief at a minimum of expense to the taxpayers."

And in reporting on the trend toward socializing relief, the Committee found, "no criticism occurred more frequently than that relating to the type of employes administering relief . . . the administration of relief has passed to a large extent into the hands of professional social workers . . ." and added, "the testimony of the Assistant Administrator of Direct Relief showed the large measure of free play given to the social influence in the whole administration of relief."

Early in 1935, a committee appointed under House Resolution No. 44, to investigate the Allegheny County Emergency Relief Board pointed out that "local control was vital . . ." and added that "State emergency Relief Board should determine allotments to various counties . . . but the manner, organization, distribution and planning of relief is distinctly a local problem."

In commenting on the type of workers, the Committee was most emphatic in its statement that "use of social workers (is) not essential or even necessary. Require-

* See page 6160, Appendix

[1] See page 6076, Appendix

[2] See page 6160, Report of Dent Commission, 1939

[1] (Year 1940 estimated.)

[2] Pages 6160-6161 Appendix.

[3] Pages 6161-6162 Appendix.

nents for the position of investigator seems to have been drawn up to fit social workers."

GENERAL DISSATISFACTION

Knowing the general dissatisfaction of the legislators and the public with the relief problem, which early in 1936 was costing the taxpayers in State and Federal grants more than $20,000,000 a month, Governor George H. Earle appointed a Committee on Public Assistance and Relief, headed by Dean Herbert F. Goodrich, of the University of Pennsylvania, which was complete with special advisory committees, a technical staff, research assistants and others.

The Goodrich report which was presented in December, 1936, recommended sweeping changes in the entire relief set-up, including a new department to be known as the "Department of Assistance."

During this period many persons were emphasizing the need for returning relief to local responsibility. At the special session of the Legislature in the summer of 1936, these demands became especially frequent and urgent.

In August, 1936, Governor Earle, with the approval of the State Emergency Relief Board, announced that an experiment in this direction would be made in the hope of deriving, during the ensuing months, information of value to the legislature in guiding the formulation of a permanent relief policy.

Six counties were chosen for this experiment, partly because they had expressed a desire for an increased measure of local administration, and partly because they were representative counties in the State.

They were Butler, Carbon, Centre, Chester, Cumberland, and Clarion counties.

Local boards were selected and they were granted full powers to use any method of procedure they thought wise. Prior to this there were no local boards under the S. E. R. B.

Members of the Goodrich Committee visited the various counties to study their methods and approach to the problems which came up during the experiment.

SUMMARY OF GOODRICH COMMITTEE EXPERIMENT

Note: All material under Summary of Goodrich Committee Experiment to quotes (") on page 14 is quoted from Goodrich Report.

"Two general conclusions must be drawn from the study of this experiment. First, despite the unlimited freedom allowed to the especially constituted boards in these counties, no drastic change in policy or method of administration was found by them advisable or necessary. Second, it appears, nevertheless, that in these communities there is somewhat increased confidence in relief administration as a whole, based on public confidence in the local citizens to whom opportunity and responsibility had been given for close scrutiny of administrative policy and action.

"The following facts regarding policies of relief administration are apparent from the study:

1. There were no drastic changes or reductions of staff.
2. Expenditures were not decreased more rapidly in these counties than in other counties of the state.
3. Case loads in the experimental counties followed practically the same curve as for the rest of the state.
4. Standards of eligibility for relief were not altered in any substantial degree. The local boards apparently found little evidence of widespread chiseling and there were indications that the new board members, faced with actual individual needs, came to feel that relief grants should be somewhat greater.

". . . While there are indications that the mere existence of genuine local boards, with real responsibilities, strengthened local confidence and cooperation, there is also evidence that most of these local communities still lack* any deep interest, or even general understanding, in regard to the relief program."

"One of the striking outcomes of the experiment is the demonstration that a state-local partnership in public assistance and relief is practicable and desirable. It is clear, in the first place, that it is possible to enlist the unselfish, intelligent, and diligent services of representative citizens of the local community in the conduct of these important functions without any promise of financial reward. In no single instance was there evidence of the slightest intrusion of partisan political activity.(")

Following the report of the Goodrich Committee, the legislature in 1937 set up a Department of Public Assistance (Act No. 399, 1937 P. L. 2051) providing for a centralized system of administration and distribution of assistance and relief.

Prior to 1937 the permanent relief load of the unemployables had presumably been with the counties; the temporary relief load of the employables had been with a temporary State agency. By this 1937 Act they were combined under a permanent State agency and no taxes were thereafter collected in any county for these purposes but were collected by the State and the proceeds thereof sent into all parts of the State as applicants were certified for assistance and relief.

A survey[1] completed in November, 1940, by the Pennsylvania Economy League showed that locally supported welfare costs in the counties dropped $6,125,000 in 1939 below similar costs in 1936. While this may be an answer to the often asked question "What savings in local taxes will (The Goodrich Acts) be effected?", it must be remembered that there may be and are other contributing factors which, while possibly not so important as the change, have had some effect on the costs.

SURVEY COMMITTEE APPOINTED

It soon became evident, however, that a satisfactory formula for administering relief was still in doubt. For it was but one year and one day from the date that the Goodrich Report was presented, and less than six months

(") End quotes from Goodrich report.

* In the opinion of the Relief Committee this lack of interest was due to the absence of any local financial burden for the relief load.

[1] See page 6162 Appendix.

after the so-called Goodrich Plan was enacted into law, that Governor Earle found it necessary to appoint a Relief Survey Committee *, charged with checking the efficiency of the newly-formed Department's staff, investigating the eligibility of relief cases, an analysis of elapsed time between visits to relief recipients and additional comparable data.

The Survey Committee, consisting of D. M. Livingston, Chairman, Harry Margolis, and William A. Sponsler, 3d, found that among other things the "supervisors in charge of interviewers and investigators did not attempt to check data compiled for relief grants . . . permitting the possibility of collusion or fraud between the applicant and the investigator."

They found that the investigators were "spending 25 to 50% of their time in obtaining irrelevant matter on the applicant . . . instead of finding the facts upon which eligibility was (and is) based."

The Committee also found the whole system of investigation had become classified in the Department as follows: Investigators were known as "visitors," relief recipients as "clients," and investigations and re-investigations as "visits." And added, "In our judgment, this terminology exactly describes the degeneration of the Department's most important activity."

EIGHT YEARS AFTER

During the past eight years committee after committee has found virtually the same situation year to year.

What was true in 1932 was more evident in 1940.

Reports of special committees appointed to study relief four and five years ago read like carbon copies of much later reports.

Similar committees found similar conditions in all parts of the State.

Naturally, the figures and trends presented in this section of the report show how relief was affecting our pocketbooks the general employment situation began to show improvement.

The cost of unemployment relief (general assistance)[1] has decreased from an all-time high of $7,657,000 per month in 1939 to approximately $4,000,000 per month for the last few months of 1940.

Official figures show that General Assistance during the last six months of 1940 cost Pennsylvania taxpayers approximately $26,373,000 or approximately $8,000,000 less than the $34,719,000 for the first six months of the year.

This is the "breather" that the Legislature needs in order to stand off from the picture and see its true colors.

Eight years after starting on this course we are justified in asking ourselves these questions:

What has relief accomplished?

Have the benefits been in proportion to the costs?

Have abuses and evils developed?

Can improvements in approach and administration be brought about?

In answering the above questions, these problems are involved:

To what extent should the Commonwealth obligate itself to care for those who are in need?

Is it responsible, and if so to what extent, for the social welfare of recipients beyond physical necessities for health and decent living?

Does the experience of being a recipient of government aid have any ill effect upon character or citizenship?

Should these considerations have a definite place in the plan and policies of relief administration?

The answers to those questions do not come properly from our emotional side. They depend upon facts, sincerely and honestly studied. What is done now in this opportune period may determine the course of social and economic events in our Commonwealth for a long time to come. If after eight years we cannot appraise our problem and act as the situation dictates, what possibility is there that we shall be better able to reach a just and equitable conclusion after ten, fifteen or twenty years?

What the legislators have a right to know and must know is how assistance is being administered in Pennsylvania. Is it being administered in accordance with the real intent of the Act? Are the eligibility requirements as prescribed by law being followed?

ORGANIZATION AND PROGRAM OF COMMITTEE ON RELIEF

It is the duty of the Legislature to know the pertinent facts about the relief situation and to bring about whatever changes are necessary.

Too often in the past eight years the Legislature has lacked all of the necessary facts. Without knowledge it has had to proceed upon emotion and under pressure.

The Committee on Relief of the Joint State Government Commission, with the cooperation of the Pennsylvania Economy League and others, has developed the facts. This report is the result of studies of taxes and of relief, in comparison with 13 other states, of investigations and of a generally constructive approach to the whole question. To support this report, the Commission has gathered authentic and specific material.

AMBITIOUS PROGRAM PLANNED

At its first meeting, the Committee adopted an ambitious program of study covering the administration of relief in Pennsylvania and throughout the nation. The Committee and its sub-committee met regularly between August 23, 1939, and December 31, 1940.

The Committee was organized to study the cost of assistance in Pennsylvania and has therefore sponsored the following activities:

1. Recommended and assisted in organizing the State War Mobilization program to ascertain if unemployment can be reduced by:
   a. Creating interest by citizens in local units throughout the State.
   b Arousing interest of employers in assistance costs.
   c. Stimulating re-employment.
2. It has made a comprehensive survey of the cost of the present Public Assistance program in Pennsylvania.

The Committee has surveyed the administration of public assistance by the Department and the County Boards, with particular reference to:

* November 16, 1937 (Page 1.) Page 6162, Appendix.

[1] See page 6162 Appendix.

1. Scope of the present program of public assistance in Pennsylvania.
2. Relationship which exists between the Department and the County Boards, their staffs and offices throughout the State, including:
   a. Powers, Duties, Personnel and Organization of the County Board of Assistance.
   b. Rules and regulations imposed on County Boards by the Department.
   c. Regulations regarding eligibility issued by the Department and the effect of reviewing boards organized to review local determinations of eligibility.
   d. Cooperation and conflicts between the Department and the County Boards.
3. Extent of interest on the part of the members of the local boards and the extent of their activity.
4. Method of determination and investigation of eligibility for General Assistance.
5. Effect of certain provisions in the law:
   Milk
   Family responsibility
   Citizens' committees
   Performance of work for relief
   Medical services.
6. Operation of the Merit System in the following particulars:
   a. Examinations and Rating.
   b. Appointment.
   c. Promotion.
   d. Separation from Service.
7. Existence of Labor Organizations in the Department of Public Assistance and its effect on administration.
8. Coordination between facilities of State Employment Offices and the Department of Public Assistance.
9. Unemployment Compensation and Relief Payments.

The Committee engaged in a comprehensive study of administration of public assistance and the costs in Pennsylvania contrasted to other selected states. In securing this information:

1. It gathered much data on public assistance in Pennsylvania and the laws and programs of administration in other states. It considered reports on recent investigations of the administration of Public Assistance in other states.
2. It secured the cooperation of the Pennsylvania Economy League in preparation of a report which includes detailed tables and charts analyzing the expenditures for public assistance, number of cases, and number of persons on assistance since 1932 in Pennsylvania and ten other selected comparable states, by type of assistance granted by Federal, State and local governments. In addition, three southern states were also studied and similar comparisons made.

FIELD INVESTIGATIONS

The Committee conducted hearings and through the personnel of the Commission made extensive surveys. These hearings and surveys have included the following:

1. A field investigation in Philadelphia of 777 general assistance cases, taken at random, the majority of which were from the "Federal District," which was a representative area, to ascertain whether persons receiving assistance were in need of such aid, to learn the number of cases ineligible and the reasons therefor. This study was made in the period from October 23, 1939, to January 27, 1940.
2. A field investigation in Pittsburgh of 283 general assistance cases, also taken at random in several areas to ascertain whether persons receiving assistance were in need of such aid, to learn the number of cases ineligible and the reasons therefor. This study was made in the period from February 21, 1940, to April 8, 1940.
3. A field investigation in Delaware County to survey 105 cases to determine how persons, denied or removed from assistance, were presently living without aid. This included single men, aged 18 to 45, who the County Board assumed could earn the equivalent of a weekly relief check, and others "who were on too long and had not made an honest effort to get into industry." This study was made in the period from February 27, 1940, to April 8, 1940.
4. Conferences during February, 1940. with members of seven County Boards, to inquire into local administration of public assistance.
5. Field surveys from June 17 to August 9, 1940, of the administration of public assistance in the offices of eight County Assistance Boards.
6. Meetings from February 13 to July 24, 1940, with the Employment Board, the Department of Public Assistance, the Department of Labor and Industry, and the Auditor General, to discuss the operation of the Department of Public Assistance, the merit system and the State Employment Offices.

LIMITED FUNDS AVAILABLE

A limited appropriation to the Joint State Government Commission, and the need of funds by other Committees of the Commission, made it necessary for the Committee on Relief to carry on its studies and investigations on a proportionate allotment.

This does not mean that the findings of the Committee's report are any less pertinent or final.

The investigations of the Committee were based on complaints by citizens and those engaged in the administration of assistance, on obvious administrative defects in the counties, and objections to the system which had been raised during the past few years.

Every action of the Committee was motivated by a desire to learn the true, unbiased facts concerning the administration of relief in Pennsylvania. To effect this, the Committee's staff chose representative localities in the State and made samplings.

All cases were taken at random from County Board files and no attempt was made to "choose" a specific case which could be considered a "set-up" to prove a case or point either for or against the present system.

In some cases the staff investigated "complaint" cases turned in by citizens who felt that the recipient was not entitled to relief, either wholly or in part.

STRUCTURAL ORGANIZATION OF THE DEPARTMENT OF PUBLIC ASSISTANCE

A comprehensive idea of the governmental machinery of

the Department of Public Assistance may be had from Organization Charts I and II (pages 6065-6066).

It is the purpose here to supplement those charts by briefly outlining the main divisions of the Department and their functions and to offer such comments and facts as may be conducive to a workable knowledge of the Department.

The Department of Public Assistance was created by legislative enactment June 24, 1937. It displaced the then existing State Emergency Relief Board and local relief agencies. The Department supervises and administers relief through the Secretary and staff in Harrisburg and the 67 county boards. There are two arms of the Department, namely the State Board of Public Assistance and the State Employment Board.

The Secretary is appointed by the Governor with the confirmation of the Senate. He is a member of the Governor's cabinet and is responsible to him for the efficient administration of relief throughout the Commonwealth. Here is a member of the State Board of Public Assistance and has joint powers with the State Employment Board relating to salaries, classification of positions and qualifications of the Department's employes.

The State staff as of December 31, 1940 consisted of 7,060 employes.* The number of employes was considerably augmented by the requirements for the administration of the so-called Pierson Act and the Milk Order Law, more about which will be said later. Its various bureaus and field agencies are plainly indicated on Chart II, page 25.

The outstanding functions of the Department are:

(a) To allocate to the several assistance programs (OAA-ADC-AB and GA) funds as may be necessary from time to time to provide assistance as requisioned by the county boards.

(b) To establish with the approval of the State Board of Assistance rules and regulations as to eligibility for assistance and as to its nature and extent.

(c) To supervise local boards and establish for them rules, regulations and standards consistent with law.

For a complete statement of the powers and duties of the Department see page 6183 of the Appendix.

1. The cost of Old Age Assistance granted to persons who are 65 years of age or over is borne on a 50-50 basis by the state and the federal government.
2. The Aid to Dependent Children group includes children under 16 years of age (and those 16 to 18 who are regularly attending school) and any one relative (as specified by the Federal Social Security Board) with whom they are living. The state and federal government jointly on a 50-50 basis finance this program.[1]
3. Blind Pensions are provided for under the Constitution and the Public Assistance Law. A pension is a flat monthly sum granted without regard to need. This differs from assistance granted to other groups which are on a basis of need.[2]
4. General Assistance is assistance provided entirely from state funds for those needy persons who are not eligible for assistance in the other three above-named groups. This group includes not only employable persons who are out of work but also many persons and families without income who are unemployable. From a study made last October (1940) the Secretary of the Department of Public Assistance stated that approximately 49,000[3] or slightly over one-third of the cases on the general assistance rolls contained no members currently able to take employment.

Detailed information regarding the rules and regulations of the Department of Public Assistance relating to eligibility for assistance, which change from time to time, can be obtained from the County Board or from the Department of Public Assistance.

STATE EMPLOYMENT BOARD

The other arm of the Department of Public Assistance is the State Employment Board. This board appointed by the Governor with the consent of the Senate consists of three members. They receive per diem compensation not exceeding $25 per day and actual expenses incurred.

The duties of this board are confined exclusively to administering the civil service laws pertaining to employment in the Department of Public Assistance. Briefly sketched they are as follows:

(a) Prepare and conduct examinations for employment.

(b) Grade examinees and prepare eligibility lists of successful applicants.

(c) Make rules for fixing the order in which the names of successful applicants shall be placed on eligibility lists.

(d) Perform duties and in some cases establish rules and regulations regarding probation, transfers, suspensions, demotion and removal of department employes.

(e) Has joint powers with the Department of Public Assistance to:
   1. Classify employment positions
   2. Fix minimum and maximum salaries, and
   3. Establish qualifications for any class of employment.

(f) To make rules and regulations necessary to carry its prescribed duties into effect.

The following table gives the number of employes in the Department of Assistance as of May 31, 1939, and May 31, 1940, and December 31, 1940, respectively:

	5-31-39	5-31-40	12-31-40
Employment Board	65	131	108
State Headquarters*	859	996	921
County Boards	6831	7129	6031
	7755	8256	7060

TYPES OF ASSISTANCE ADMINISTERED

There are four general types of assistance administered by the Department of Public Assistance. They are:

(a) Old Age Assistance (OAA)

(b) Aid to Dependent Children (ADC)

*Auditor General's figures.

[1] The State is actually paying 61 per cent because in the number of recipients in A.D.C. is included one responsible relative. The Federal government participates on a 50-50 basis for the children only.

[2] The Federal government does not participate in this program.

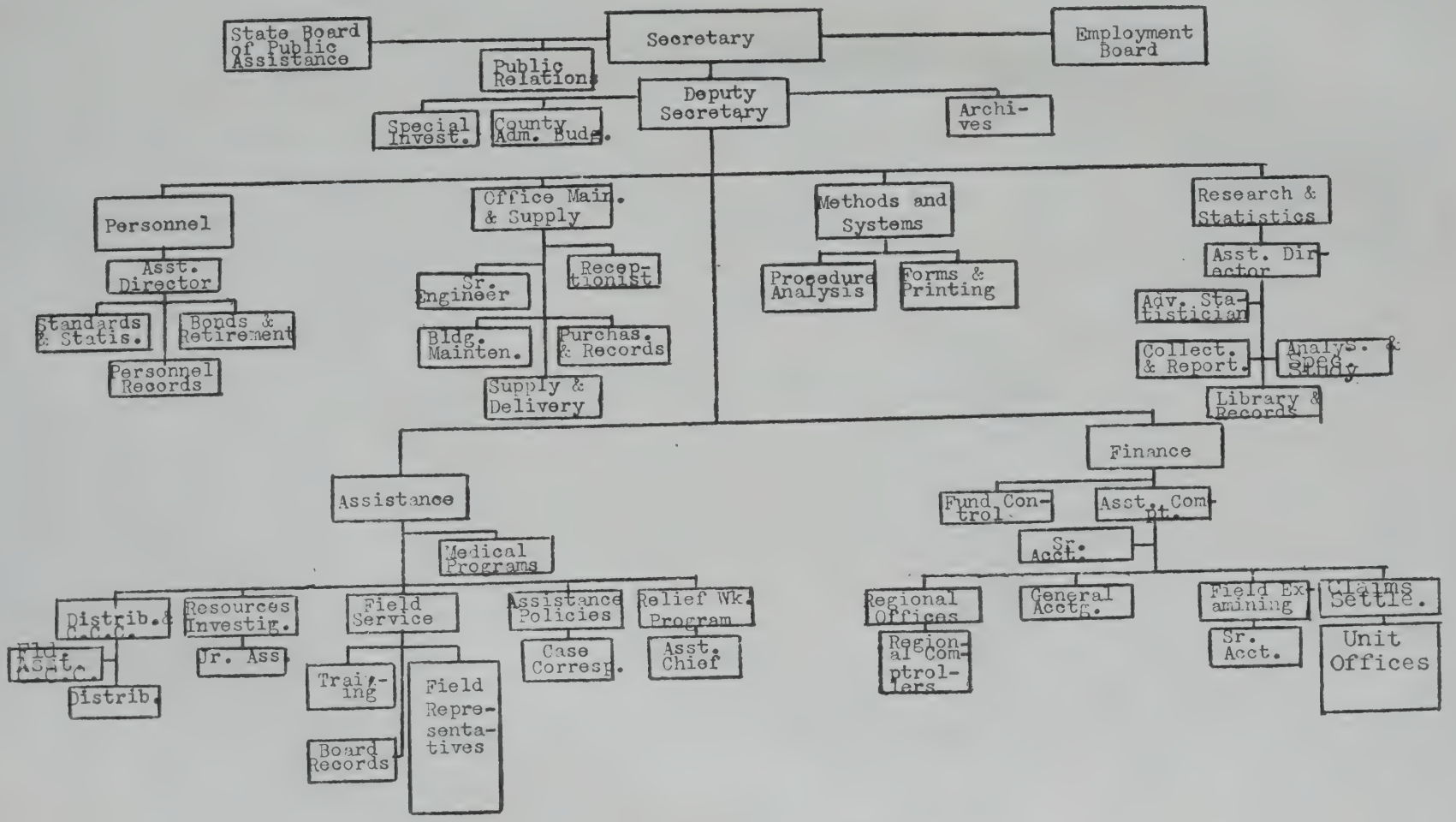
[3] See page 6163 Appendix.

*Includes regional, claims settlement and Federal Surplus Commodity personnel.

Commonwealth of Pennsylvania

DEPARTMENT OF PUBLIC ASSISTANCE
Organization Chart

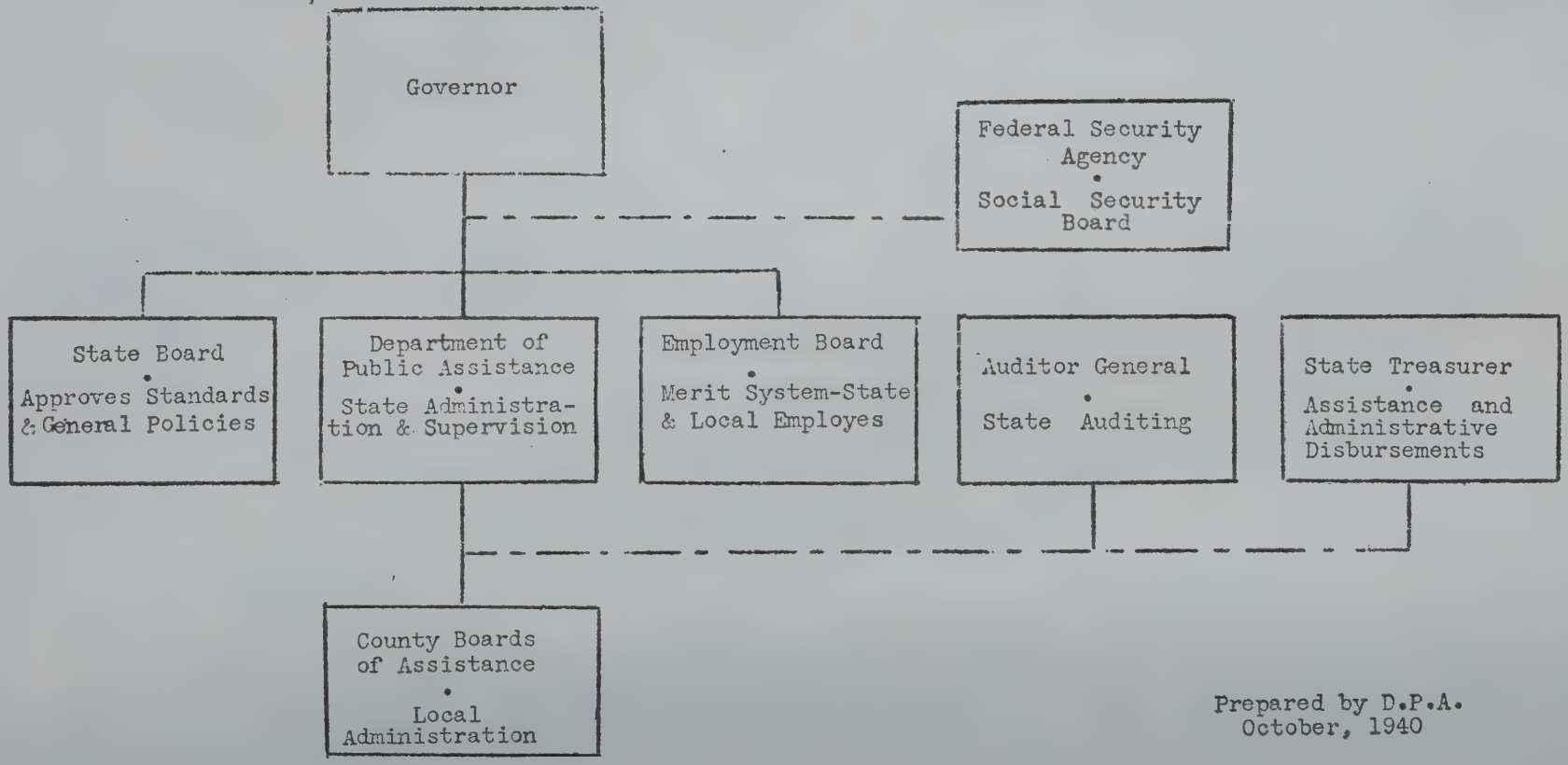
Chart No. 1



PENNSYLVANIA PUBLIC ASSISTANCE PROGRAM

GENERAL ORGANIZATION CHART

Chart No. 2


Governor
Federal Security Agency • Social Security Board
State Board • Approves Standards & General Policies
Department of Public Assistance • State Administration & Supervision
Employment Board • Merit System-State & Local Employes
Auditor General • State Auditing
State Treasurer • Assistance and Administrative Disbursements
County Boards of Assistance • Local Administration

Prepared by D.P.A.
October, 1940

(c) Assistance to the Blind (AB)
(d) General Assistance (GA)
(e) Special programs such as the medical program.

The first three above for convenience are referred to as "Categorical Assistance."

COUNTY BOARDS

There is one board for each county appointed by the Governor with the consent of the Senate. Members of the county boards shall not all belong to the same political party and they serve without pay but are allowed actual expenses. Each board consists of 7 members except in counties of the 1st and 2nd class where they have 11 members each.

The structural organization of county boards though alike in pattern, vary greatly according to population. Chart III page 6164 Appendix for example is typical of the organization of a populous county while Chart IV on the following page 6165 is typical of that of smaller counties.

The outstanding powers and duties of the county board are:

(a) To appoint, transfer, lay off, suspend and remove its employes in accordance with law which employes on behalf of the board and under the supervision of the County Executive Director shall provide assistance in the territory under its jurisdiction.
(b) By far, the most important duty of the Department of Assistance is that of determining who, according to law, is entitled to assistance and that grave responsibility, subject to supervision from the state office, rests with the county boards and their employes.

For a complete statement of the powers and duties of county boards as amended by the 1937 session of the legislature it is suggested the reader see pages 6181 and 6182 of the Appendix.

STATE BOARD OF PUBLIC ASSISTANCE

The State Board of Public Assistance consists of the State Treasurer, Attorney General and 7 other citizens of the Commonwealth, appointed by the Governor. The sole duties of the Board are as follows:

(a) To approve or disapprove and adopt rules, regulations and standards recommended by the Department of Assistance and local boards as to eligibility for assistance and as to its nature and extent. To establish for the Department and local boards rules and regulations concerning the administration of the Act.
(b) The study of work of the Department and to recommend changes in administrative policies to the Governor, and
(c) To take any other action authorized or required by law. P. L. 1937, page 2014.

RELIEF IN PENNSYLVANIA COMPARED TO TEN NEIGHBORING AND COMPETITIVE STATES*

Now let us consider the cost of relief in Pennsylvania as compared with the neighboring and competitive states, with some reference to the situation in the southern states. The following states were compared in a study[1] by the research staff of the Pennsylvania Economy League: Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, West Virginia, and Wisconsin.

Relief in all its forms is the largest single item of governmental expenditure in Pennsylvania. Few people realize its full magnitude[2] even after paying the bills for eight years. Looking at the expenditures of one relief agency, it is easy to lose sight of the expenditures being made simultaneously by other agencies.

The total cost, excluding some costs such as Federal administration, nonrelief labor and materials and supplies on work projects, amounted to $177,722,000 in 1934, rose to an all-time high of more than $350,000,000 in 1938, and decreased to $317,800,000 in 1939.

$25,000,000 A MONTH IN 1938 AND 1939[3]

In other words relief in Pennsylvania, State and Federal, cost more than $25,000,000 a month in each of the last two years. In 1938 relief expenditure of $350,775,000 amounted to $34.53 per capita or a cost of $41.26 for each of the 8,500,000 residents of Pennsylvania not receiving any form of relief. This means that approximately $165.00 had to be given up by each family of four persons not receiving relief for the support of the unemployed and unemployable. It is obvious that the localities could not have earned this tremendous cost.

Relief expenditures in 1939 in Pennsylvania amounted to 5.95 percent of the total income of the residents of the State in 1937, the latest year for which income figures are available.

Looking only at the State's share of the total relief expenditures, the picture is equally dark. In 1939 the State paid out over $10,000,000 a month for relief, including general assistance and special categories, and in the early months of 1940 paid out only slightly less. In the pre-preparedness era the cost was running at a rate which would have meant a total of $240,000,000 in the current biennium, or approximately 65 percent of the receipts of the general fund anticipated in the budget for this period.

Increased employment* in Pennsylvania resulting from the efforts of the State Job Mobilization Program,[4] war orders from Great Britain and France, and other activities, brought about some reduction in the combined relief rolls.

Since January, 1940, General Assistance grants have decreased from approximately $7,000,000 a month until today it is costing slightly more than $4,000,000 a month.

Special Categories at $2,451,000, and administration, including medical aid and special programs at slightly more than $1,000,000 a month respectively, bring the total cost of General Assistance and Special Categories to approximately $7,500,000 a month at the present time.

And while the National Defense Program has helped to alleviate the situation for the present, it can only be

* See pages 6166-6179, Appendix for table showing financial and administrative responsibility by States.

[1] See Appendix, page 6075, Relief in Pennsylvania and Ten Other States.
[2] See page 6179, Appendix.
[3] See page 6057, Appendix.
[4] See page 6179, Appendix.
[4] See pages 6179, Appendix.

termed "temporary" because the fundamental conditions which created the relief load have not been corrected and no preparation made for the time when another recession reduces the employment rolls.

GENERAL ASSISTANCE CASE LOAD HIGH

In relation to its population, Pennsylvania is not out of line with certain other states in the over-all number of cases receiving relief of various types, including W.P.A., as noted herein*. However, since the spring of 1938, Pennsylvania has had relatively more general assistance cases than any of the other ten industrial states, and its general assistance case load continued to grow throughout 1938 and the first nine months of 1939, while the general trend among the other states was slightly downward.

Pennsylvania and Maryland were the only two states which did not show a substantial decrease in cases per thousand on General Assistance. Several factors probably have influenced this, one being that throughout 1936 and 1937 Pennsylvania was high in relation to population in number of W.P.A. cases but in the early months of 1938, fell behind most of the other states, and since has had a relatively low number of W.P.A. cases. Also, Pennsylvania has had a relatively low number of cases receiving special types of assistance under the special categories. Whatever the cause of this high ratio of general assistance, it is these cases for which the State pays in Pennsylvania, and thus the State has been unduly burdened in relation to competitive states.

Grants[1] per case on general assistance and the special categories, and earnings of persons employed on Federal work programs, are all relatively high in Pennsylvania, but not excessively so, being generally less than in Massachusetts and New York and only slightly more than in most of the other comparable states.

Pennsylvania[2] varies between second and third place among the states compared in per capita expenditures for direct relief and in per capita state and local expenditures for all forms of relief.

ONLY STATE STUDIED CARRYING WHOLE BURDEN

Pennsylvania is the only one* of the states studied in which the state, as contrasted to local government, has assumed the whole burden of both direct relief and the special categories.

W.P.A. COSTS

The rapid rise in expenditures in relation to cases and persons in Pennsylvania can be attributed to the advent of W.P.A. which paid more than twice as much per case as general assistance after G.A. grants had been increased. W.P.A. is the "aristocracy of relief" when viewed solely as a relief program and without consideration of the value produced. Using the amount ($133,127,000)[1] paid by the Federal government to W.P.A. project employes in 1939, we find a figure of $61.91 a month for the average of 179,207 W.P.A. employes as compared with an average general assistance grant of $31.04 per case per month, and an average grant of $24.09 per month for categories.[2] Had the same number of cases been carried on public assistance at $31.04 a month per case, it would have cost $66,751,020, or $66,375,980 less than it did to support them on W.P.A.

With this great disparity in cost, it might be well to reconsider the efficacy of W.P.A. as a relief program and to consider other possible forms of Federal participation in relief.

EXPENDITURES FOR RELIEF

Relief expenditures (Federal, State and local) in Pennsylvania rose from six and one-half million dollars per month in the first quarter of 1933 to almost twenty-seven million in the last quarter of 1938, an increase of more than four times[3] the former. During this same period the number of cases rose from 395,746 to 615,704, an increase of only 55 percent. Both increases were more or less gradual and continuous. Persons relieved, on the other hand, rose only 44,403—from 1,814,700 to 1,859,103—and the rise was neither gradual nor continuous; the total amounted to 2,017,683 in the second quarter of 1933, declined to a low of 1,241,118 in the third quarter of 1937, and finally advanced rapidly to 1,888,084 in the first quarter of 1939.

629,000 CASES IN 1939

Cases did not reach their all time high until the first quarter of 1939 when an average of 629,000* cases received relief. In the last quarter of 1939 with approximately one thousand more cases receiving relief, costs had fallen to $18,664,000 a month, as compared to $23,093,000 a month for the second quarter of 1936 when relief payments reached their pre-recession high. This peculiar circumstance—that approximately the same number of cases should receive almost $4,500,000, or 19 percent, less in the last quarter of 1939 than in the second quarter of 1936—is explained by the larger number on General Assistance and Special Categories and smaller number on W.P.A. Here is illustrated the teeter-totter effect of W.P.A. As General Assistance rolls declined, due to increases of W.P.A., the total cost of relief increased, without any change in the number of cases or persons receiving relief.

One of the ill effects of the present Federal program is that there is no relation between the W.P.A. program and the needs of the States for relief; primarily because the W.P.A. program is controlled only by the allocations of the Federal Government of moneys and jobs and the sponsoring by local and State government of projects. There may, therefore, be no relation between the Federal Relief Program as evidenced by W.P.A. and the State program. Another defect of this plan is that it is difficult for the State to appropriate and budget its money for relief because it has no assurance as to the amount which W.P.A. will carry, as proven in Pennsylvania in 1939[1] at

* See page 6179, Appendix (Comparison with other States)

[1] See pages 6191-6192, Appendix (Charts 9-10-11 and Tables XII to XXXIII)

[2] See page 6097, Appendix (Chart 13, Table XXXV)

* See page , Appendix

[1] This does not include Pennsylvania's share to sponsor W.P.A. projects.

[2] Old Age $20.44 (single persons only); Aid to Dependent Children $32.34; Blind Pensions $29.92.

[3] See page 6078-6079, Appendix (Chart 1, Table 1).

* See Chart, page 6080-6081, Appendix (Chart 2, Table II)

[1] See page 6180, Appendixx.

a very decided effect upon the whole cost of relief to the State.

THREE SOUTHERN STATES STUDIED*

The one evident similarity between the three southern states and the northern states studied was found in W.P.A. cases per thousand population. The study showed that the southern states followed the general pattern very closely, but on a lower level.

Because of the extent and nature of the diversity of relief in the South as compared with the North, a supplemental study comparing relief in Alabama, North Carolina and Texas was also made.

The study showed that there was a greater variance between the Southern states and Pennsylvania in cases per thousand population than in over-all cases. This difference lies in the fact that only a small proportion of the cases are on General Assistance and the remainder are on W.P.A. and other categories.

The proportion[1] of General Assistance cases per thousand of population as compared to Pennsylvania is much lower than the proportion of categorical cases per thousand compared to Pennsylvania. This is occasioned apparently by the transfer of cases to the special categories, and particularly to Old Age Assistance. The number of cases receiving General Assistance in these three states never exceeded 2.6 after the third quarter of 1937, as compared with a range of from 14.76 to 31.35 cases per thousand population in Pennsylvania during the same period.

SPECIAL CATEGORIES

In Pennsylvania, Special Categories, including Old Age Assistance, Aid to Dependent Children, and Aid to Blind, have on the whole increased sharply[2] in the four years covered by the study. (1936-1939).

With the broadened eligibility for aid to dependent children which went into effect in September, 1938, and the change in age limit for Old Age Assistance eligibility from 70 to 65, which became effective in January, 1940, the number of cases receiving special types of relief rose. It is estimated that hereafter the State will occupy a median position among the states studied.

The practice of carrying as many cases as possible on special categories and as few as possible on General Assistance may have some merit from the point of view of holding down state costs. (Primarily because the Federal government pays one-half of Old Age Assistance and one-half of Aid to Dependent Children).

Special thought should be given to the granting of relief in kind, such as milk, medicine, etc., as the Federal government does not pay any share of such aid. With the State paying the full cost, naturally each relief case receiving milk grants will tend to increase the total cost of relief to the State.

During the month of October, 1940, 52% of Pennsylvania's total case load was on special categories and 48% was on General Assistance.

PER CENT OF TAXES FOR RELIEF[1]

Pennsylvania ranked first in percent of State and local taxes used for direct relief and ninth in per cent used for categories and W.P.A. in 1938, again emphasizing the fact that most of the other states have put proportionately greater emphasis on special categories and W.P.A. sponsorship than has Pennsylvania.

Pennsylvania has shown a consisent upward trend in total taxes used for all forms of relief except for the year 1937.

All of the states had in increase in per cent of total taxes used for direct relief, categories, and W.P.A. from 1933 to 1938—some at a greater rate than Pennsylvania, and others at a lesser rate. Pennsylvania, however, has never ranked lower than third and in all but one year ranked first or second.

It is apparent that since 1933 Pennsylvania has consistently spent a large and growing proportion of its total State and local tax receipts for direct relief[2] in spite of a rapid increase in taxes. Of the states studied, Pennsylvania ranked:

1933—second
1934—third
1935—second
1936—first
1937—second (tie with Illinois)
1938—first.

Nine of the eleven states spent a higher percentage of state and local taxes for direct relief in 1938 than they did in 1933.

Two states, Maryland and Massachusetts, showed an actual decline in per cent of taxes used for relief. In Massachusetts the drop was from first place at 11.8 per cent to fifth place at 8.3 per cent, and in Maryland from fourth place at 6.7 per cent to eleventh place at 2.9 per cent. In both states the reduction of per cent of taxes for direct relief is accompanied by a sharp curtailment of relief expenditures, rather than by any sudden change in tax receipts, although both states did have a steady increase of tax receipts throughout the period.

CENTRALIZATION INCREASED EXPENDITURES

The increased activity of Pennsylvania's State government and the creation, centralization and enlargement in its functions have generally increased its expenditures in recent years.

Development of the State relief program and of the unemployment compensation program, and a great emphasis on expenditures for social services, such as public health, welfare, and public education, mark recent years.

In the 1937-39 biennium, Pennsylvania's expenditures* for public health, welfare, public assistance from all state operating funds, plus unemployment benefit payments, represented more than 50 per cent of the state tax collections for the period, whereas in 1927-29, health, welfare, and the then existent forms of assistance amounted to only 12 per cent of the biennial taxes collected. With unemployment compensation receipts and payments eliminated from the totals for the year, public assistance costs represented over 40 per cent of 1939 tax collections. In the last year of the 1937-39 biennium public assistance alone, exclusive of Federal aid, disbursed by the State, amounted to $117,649,780.

*See page 6150, Appendix.

[1] See page 6150, Appendix.

[2] See page 6088-6090, Appendix (Chart 8, Table VIII).

[1] See page 6101, Appendix (Chart 17, Table XXXVII).

[2] See page 6103, Appendix.

* These figures were taken from a report prepared by the Pennsylvania Economy League for Governor James.

RELIEF COSTS COMPARED TO STATE GOVERNMENT

Thus the facts show the tremendous increase in the public assistance burden added to the backs of Pennsylvania taxpayers. They show that this one function of government during the 1937-39 biennium cost $207,000,000 or 50 per cent more than the $143,000,000 spent for the whole operating cost of Pennsylvania government during the 1927-29 biennium. This rapidly increasing cost of relief should be a warning flag, if no other data were available.

Contrasted with the cost of relief, educational expenditures by the State represented only 13 per cent of tax collections in the 1937-39 biennium as compared to 27 per cent of biennium tax collections in 1927-29 despite the increase of biennial school subsidies.

The comparison does not include Federal funds amounting to $63,000,000 disbursed for public assistance, education or highway operations.

And what is equally important to the individual taxpayer of the State, the annual tax bill (Federal, State and local) of Pennsylvania residents is $96.63 per person which exceeds the average bill of all residents of the United States by $6.14. Of this bill Pennsylvania residents pay a larger share of taxes to the State government than the resident of the average state. This means that a smaller proportionate total is paid to local governments.

The rate of tax increase has been greater in Pennsylvania in the last nine years than in a majority of states, and only Maryland and Illinois have shown a greater comparative increase in the total.

During the depression years the tax structure of state governments was subjected first to a period of severe strains when the yields of normal income sources dropped while the demand for relief expenditures increased.

TOTAL TAX COLLECTION INCREASED 38%.

While Pennsylvania's total tax bill in 1937 was not far above the average, it appears evident that the proportion of increase in this State during the depression years was considerably above the average. Coming up from its favorable low position in 1929, total tax collections in the State had increased 38.1 per cent by 1937 in contrast with an average increase throughout the country of 27.3 per cent. The per capita increase in Pennsylvania was $22.27 as against an average increase of only $14.91.

Again the taxes collected and used by the State government showed the greatest increase over the nine years. In Pennsylvania the rate of this increase was considerably above the average throughout the other states. Federal taxes increased at approximately the same average rate in Pennsylvania as in other states, and local taxes followed the same decreasing trend shown on the average by all states.

TAX INCREASE FOLLOWS NEW POLICY

The increase in state taxes in Pennsylvania has followed the policy pursued in this state whereby the new or increasing functions of government, particularly public assistance, were assumed and financed by the State. In many other states the cost of assistance has either been transferred to local governments, or shared by the state and local governments.

In some states, where the responsibility for handling all, or a large part of the relief problem was left with the local governments, the states have levied and collected taxes which were then returned to the local units to supplement local revenues in meeting increased expenditures. In Pennsylvania both the responsibility for these functions and the taxes to pay for them have been retained by the State government. This has resulted in the concentration of tax increases in the state tax system.

THE STATE JOB MOBIILIZATION COMMITTEE*

One of the urgent needs today is a more "local attitude" toward assistance in Pennsylvania and while the General Assistance case load has generally been showing reductions during the past few months, it is still an important function of the Department and the taxpayers of the state to find ways and means of taking recipients from the relief rolls and putting them to work on private payrolls. The first state-wide movement of this kind was initiated[1] in Pennsylvania and was originated by the Joint State Government Commission. In a few months, from November 1939 to May 1940, the program produced job opportunities in private business for probably 100,000 men and women along with savings of millions of tax dollars. It was estimated that this pioneer effort of the people stimulated business to millions of dollars of more business.

Approximately $100,000,000 in new construction and plant maintenance work was developed and millions of additional dollars in home modernization was encouraged. In many localities an aroused public succeeded in reopening mines and factories while others obtained new industries. Most important of all was the laying of ground work for the future retaining of displaced workers.

It is important to point out here that under this program the first emphasis of training and retraining on vocational education was voiced. From this has come the Federal training program put into effect in Pennsylvania and the nation.

It is significant that Pennsylvanians, generally, like people in other states, have been complacent in the ten years of the depression about supporting a large and increasing relief load, at an average cost of $371.28 a year per case, paid principally out of increased taxes. But when the problem was made local and approachable, Pennsylvanians not only produced the humane result of transferring thousands of families back to private payrolls but at a cost so low as to be surprising even to themselves. Jobs were produced for the unemployed, including both those on and off the relief rolls, at a maximum expense of $1 each.

TEN THOUSAND MEN AND WOMEN

Without detracting from the humanitarian purposes and accomplishments it is understandable that there was a commendable selfishness on the part of 10,000 men and women who were the spearhead of this movement from November 15, 1939, to May 1, 1940. These people—businessmen, labor leaders, members of veterans' and civic organizations, representatives of religious and educational forces and government officials in state, county and town—appreciated fully the economic value to all in relieving

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* See page 6179 Appendix for Recommendations of this Committee.

[1] See page 6052, this Report.

the unemployment situation, and in reversing and reducing the relief situation. Without denying the necessity of relief, these men and women concluded that a job in private business was the best possible relief. They realized that the only way to relieve the burden of taxation which had become oppressive and destructive was to reduce the relief rolls. For experience had shown that additional taxes would produce increased unemployment, thus causing increased relief needs and increased taxes again, in a cycle of increasing momentum.

Thus, this movement became a campaign "of the people, by the people, and for the people of Pennsylvania" in which every constructive force and thought was marshaled. An injustice would be done the many thousands who cooperated in various ways were it not stated that the recorded accomplishments are only a small measure of the real benefits obtained and that the seeds which had been planted will bear fruit for a long time to come. The fact that every constructive force in the Commonwealth joined hands in this voluntary, non-partisan program is in itself a major accomplishment probably unduplicated in a similar campaign.

The Job Mobilization Program had the broad effect of arousing the people of Pennsylvania to the vital necessity of thinking and acting realistically about the trinity of unemployment, relief and taxation and has moulded an American pattern for the future.

PURPOSES AND PLAN

When the program was launched, more than $1,700,000,000 had been spent in Pennsylvania for all relief needs since 1931. The relief costs to the state had risen from $7,500,000 for the 1931-32 fiscal year to $132,000,000 for the 1938-39 fiscal year. During this period taxes had been increased materially.

By mid-September of 1939, more than a million Pennsylvanians were unemployed; there were 273,129 cases, consisting of 828,195 persons on direct relief alone and it was costing $8,805,482 a month to sustain them.

That was the situation when the Joint State Government Commission came to the conclusion that the money remaining of the $120,940,000 relief appropriation for the biennium ending May 31, 1941, would carry the relief load only to March, 1940. They agreed upon the need for reducing the relief burden and also that increased employment was the soundest method.

The commission, Governor Arthur H. James, and members of his cabinet, went even further and agreed that the responsibility of any re-employment effort should rest upon those who were most familiar with employment and its factors, i. e., the businessmen of the State.

These major principles were the basis of the program:

1. That the "grass roots" methods be applied and the solution found in the local knowledge and responsibility of unemployment, relief and taxation.
2. That business be encouraged and stimulated in every proper way so as to create jobs in private business in contrast to temporary expedients such as "give-a-job" pleas or high-pressure ballyhoo.
3. That no one be misled into expecting a miracle, but that the campaign be an honest and hopeful effort to do as much good as possible, in view of the business recession and other handicaps.

Thus, the emphasis was upon re-employment in a broad sense rather than being restricted to employables on relief. The wisdom of these principles became apparent during the campaign. Available relief statistics were not clear as to the number that were adults, the number of persons that one "employable" represented, how many "non-employables" might be trained or aided by vocational education, etc.

THREE-PHASE PROGRAM

In the meantime, broad state-wide committees were set up. These were special groups concerned with special programs for industrial development, retail trade stimulus, religious and educational cooperation, women's cooperation, state business association cooperation, and for necessary finance and report activities.

As the program developed, it was seen to have three distinct phases—re-employment through efforts of business and individual employers, in which the industrial committee and State business association committee were principally active; the renovizing effort, which became the principal responsibility of the women's committees, and the necessity for occupational training and retraining to fill a long-term need.

One of the most significant developments was the fact that at a time when more than a million Pennsylvanians were unemployed, 12,000 job opportunities were lost from July to December, 1939, because no qualified person was available through the State Employment Service. In some districts this factor was responsible for as much as 74 per cent of all lost-job opportunities. The studies of the service indicated a definite shortage of competent workers in approximately 300 occupational classifications, most of them in the skilled trades.

STATISTICS

However, the fact that with such handicaps, a program, which was initiated purely on an experimental basis with the philosophy of doing as much good as possible under existing business and other conditions, produced case records of 48,513 additional jobs in private business, speaks convincingly for the success of the program. Based on an estimated unemployment total of 957,097 for November, 1939, the campaign resulted in a definite 6 per cent increase in employment, although this figure is not net. It is the judgment of those who were most closely in touch with the situation, and who therefore have the best informed opinion, that at least 100,000 jobs in private business resulted in the five and a half-month period of the Job Mobilization efforts.

The experience cannot properly be closed without the benefit of some conclusions, which will be found in the appendix.* Conclusions are especially desirable since this pioneer effort has been watched and studied by more than a dozen states, including New Jersey, Massachusetts, Oklahoma, Iowa, Ohio, New York, Georgia, Connecticut, Illinois, Kansas, California and Missouri.

The Committee on Relief feels that emphasis should be given to the fact that the extra outlay of State funds in obtaining the many benefits under Job Mobilization was only $42,656. Even though original estimates contemplated the loan of State employes and the use of privately-raised funds, the amount was far below expectations of

* See page 6179 Appendix.

officials. And not only are results far beyond those anticipated, but their worth and value to all people of Pennsylvania are many, many times the dollars and cents expended. All those who cooperated in this voluntary, nonpartisan effort deserve the thanks and appreciation of the Commonwealth as a whole.

ADMINISTRATIVE FACTORS BEARING ON RELIEF IN PENNSYLVANIA

In the preceding pages we have discussed the rise of relief, the acts under which the Department of Public Assistance was created, its organization, its functions, the increasing costs of assistance, effect of W.P.A., and the Job Mobilization Program, and now it is essential that we consider the administrative factors bearing on relief.

Those factors are important to the effective direction of assistance in Pennsylvania. They are not only important to the thousands who receive assistance but they are doubly important to the hundreds of thousands who pay the bill.

First, let us consider the Department itself.

THE DEPARTMENT

The program of assistance in Pennsylvania is directed by the Secretary of Public Assistance at Harrisburg, through the 67 County Boards.

The Committee on Relief believes that the Secretary of Public Assistance is sincerely and honestly trying to provide an efficient and a fair administration; but to do the job that is necessary in Pennsylvania, it is essential that the members of the Department be wholly in accord with the proper spirit as it affects the recipients and the taxpayers who provide the money.

Despite the intent of the act creating it, the Department since the beginning has turned toward an administration which seems still to be based on a casework philosophy rather than being concerned with investigating the applicant's actual need. Intentionally or unintentionally, many suggestions intended to increase the efficiency of the Department have been stalemated.

THE DEPARTMENT'S APPROACH

The Committee questions the approach of the Department to the method used in building case records. If eligibility for General Assistance and the categories depended upon social factors or social surroundings, or other characteristics in which persons or families live, then the building up of voluminous case records has its place. However, due to the provisions in our own law and in compliance with the Federal regulations or the Federal Act, eligibility is based upon need and upon need only. We simply require information as to family composition, income, expenses, and aid from relatives. Surely, then, tremendous case records are not necessary, but proper investigation to determine the need of the person based upon these factors is necessary.

The method of building case records is not only costly, but also takes up a great percentage of the visitor's working hours, thereby detracting from the efficiency of the Department. Unless changed the result will be that the people of the Commonwealth will continue to pay a staggering amount for relief.

There must be another approach to meeting the problem of assistance in Pennsylvania.

Thought should be given to programs designed to aid those on the assistance rolls, not only to relieve the financial burden, but to aid the morale of those men and women who would rather work than subsist on charity. There will always be some men and women who for one cause or another will have to depend upon some kind of assistance to exist, but that should be accepted as the exception and not the rule.

We have always had relief in one form or another but to open our arms and admit that we can do nothing about it will only serve to perpetuate the problem and remove what little "fight" remains to reduce the number of persons on the rolls. This is a challenge to our American way of thinking.

Recent figures released by the Department assume that we have as a permanent part of the General Assistance program nearly 50,000 cases of unemployables[1] in Pennsylvania.

If we accept $371 per case year (the recent average) as a basis for maintaining those men and women as unemployables, we assume immediately a minimum permanent general assistance cost of more than $18,550,000 yearly.

This is in addition to the necessary cost of assisting the blind, the aged and dependent mothers, which is averaging approximately $30,000,000 a year.

The philosophy which has been developed in the effort to keep step with the relief situation in the years of depression and human needs ignores the will of the people as expressed by the legislature and does not reflect local needs.

COUNTY BOARDS HAMSTRUNG

In theory the County Boards of Assistance are set up as the fountainhead from which means of solving the relief problem are to flow. That is provided in the Pennsylvania law.[1] In practice, however, this does not come about. The wishes of the county boards frequently are ignored by the Department. Frequently the boards are circumvented from bringing about remedial changes and more efficient procedure.

It should be recalled that these county boards are composed of volunteers, who are well known citizens, willingly giving time and effort to a civic purpose.

Men and women who serve on these boards must contend with an avalanche of rules and regulations handed down from the Department. In the making of these rules they have usually had no voice. Their advice is seldom sought. They become acquainted with the changes and new orders after their promulgation and not before. That is a definite discouragement to the type of citizen whose services are important to solution of the problem. There are others. One is that the volunteer citizens group is required to work with and through an Executive Director who must be a person acceptable to the Department.

The law[2] provides that the Executive Director shall be appointed by the County Board from those certified by the State Employment Board. The County Board has as one of its main prerogatives the right to remove a direc-

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[1] See page 6163, Appendix.
[1] See page 6181, Appendix.
[2] See page 6182, Appendix.

tor[2] but this right, when exercised, usually results in the Board rather than the Director going on trial. The result is that only in extreme cases do the Boards seek removal of directors, even though the whole relief problem might benefit. Members of County Boards feel that they have no direct control because the Executive Director receives his or her instructions, directions, rules and regulations and policies from the Department and not from them. This plan cannot but, in the first instance, make the Board feel that it has no power over or direction of the work. It, therefore, soon becomes discouraged in taking an active interest in the work of the Board. In the second place, it does not breed confidence and cooperation between the Boards and the Directors. Further discouragement comes from the fact that the Board's power to appoint a successor is restricted to a list of persons, supplied from the Department, who probably have been previously considered and found wanting. Thus the choice frequently is between the evil of putting up with an inefficient director or drawing a "pig in a poke." And the Executive Director's immediate supervisory assistants must be taken from civil service lists resulting from examinations in which ability to supervise has been subordinated to knowledge of social service history and practice.

COUNTY BUDGETS SHOULD BE ADJUSTED

Members of County Boards, testifying at hearings held by the Committee, have pointed out that waste and inefficiency result because of the methods of constructing the budget for relief administration. They say that there is not sufficient flexibility in the budgets. The present procedure prevents adjusting the budgets to rapidly changing conditions.

As an example one member of a County Board told the Committee that about two weeks time is taken up with preparing the monthly budget for administration purposes. Then the budget is surveyed carefully in the Department and often another two weeks elapses before the budget is put on an operating basis. As a result the budget usually is as much as four weeks behind the conditions in the field, so that either the board is forced to work with a larger staff of visitors than necessary or has an inadequate staff of visitors.

A chairman of another County Board said that if the Boards were allotted a definite sum for administration they would be able to organize their personnel in a way to produce the best results. He believed that the Boards should be restricted only by limits of expenditure and the amounts of the grants. This limitation should not be narrowed to one month but should cover a specific period of time so that it would not be necessary to have the organization in a constant state of flux by month to month changes due to minor fluctuations in the load.

The consensus of opinion seems to be that the Boards should have greater powers to administer the budget, which in turn should be set up to encompass a longer period than at present. Thus the Boards would have increased direction and control of the cost of personnel. Those who have had the experience with actual conditions as faced by the County Boards are of the opinion that in this way there would be brought about a more efficient approach to each local problem.

Members of Boards also have been emphatic in their complaints before Committee members over the fact that control over salaries rests entirely in Harrisburg. These Boards which are best qualified to determine the worth of an employe under their jurisdiction are entirely in the hands of officials in Harrisburg as concerns salary increases. For example, if the Board is convinced that one or more of its employes is deserving of an increase all it can do is to make a recommendation. And frequently that recommendation is not acceptable, although instances of gross discrimination were cited to the Committee. Some more equitable form of rewarding efficient and meritorious service seems highly desirable.

NO LOCAL CONSCIOUSNESS

Experiences of the County Boards are not conducive to developing more local consciousness of the problem, as has been the intent of the Legislature.

The conclusion must be drawn that with few exceptions the tendency has been to remove local consciousness, local consideration and local assistance from solving the problem of relief in Pennsylvania.

The result of removing local consciousness and local effort has been to aggravate the relief problem. It follows that an injustice has been done to those who could and would work and an injustice has been done to those who have been called on to pay a bill beyond what has been necessary. This is the price of bureaucratic folly.

The Committee finds that most everywhere the rank and file of taxpayers of the State generally are under the delusion that relief either is financed by "the other fellow" or that the State, by some secret power to create wealth out of nothing, takes care of the money needs. It is not necessary to mention that relief touches the pocketbook nerve of every person in the State, even to those who have been forced into idleness by excessive taxation and those who pay taxes indirectly on the food they eat, the clothes they wear and the homes in which they live. This divorcement of local recognition of the cost of relief removes a normal and natural pressure upon the alleviation and possible cure for the problem.

Before the centralization of relief administration in Harrisburg, persons were conscious of the process by which money for relief purposes was collected and expended. Since they realized the dollars and cents cost to themselves and could measure the good being done, those individuals were a restraining influence on chiseling, abuses and inefficiencies. Without this local consciousness today we have a paradoxical situation in which many of those who pay the bill seem to applaud, or at least apathetically countenance, their friends and even strangers putting something over on the relief administration.

Everything possible should be done to awaken* not only those who applaud and are apathetic, but also those who apply[1] for assistance, to the urgent need of reducing the cost.

This can only be done with the full cooperation of the taxpayers, the Department, the County Boards, the visitors and the relief applicant and recipient.

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* See page 6181, Appendix.

[1] In 1939 the Department disposed of 685,826 requests for all types of assistance and authorized assistance in 450,464 cases, or 65.6%. A breakdown is shown on page 6182, Appendix.

There should be more "local consciousness" of the cost of assistance, where the money comes from, and whom it affects.

EMPLOYMENT BOARD

The problem of holding the Civil Service examinations for the Department of Public Assistance has proved to be one of great magnitude. In one examination alone more than 73,000 persons reported to take tests for various kinds of employment in the Department, out of more than 97,000 applicants. In another examination there were over 50,000 examinations given for clerical positions.

The Employment Board follows the "rule of three" by certifying three members for each position, and allowing the employer to select any one of the three.

A research study made by the Employment Board showed that the median age of junior visitors, appointed by the local boards, was 26.88 years; that of those names submitted to the local boards, 51% were males and 49% females; that resultant appointments showed a slight preponderance of females over males; that among the junior visitors, the local boards made appointments of 49.42% of those who had college degrees and 50.58% of those who never had a degree conferred on them.

In general, the study showed a definite preferance by the local boards for those applicants previously employed in the Department. For the position of junior visitor two-thirds of the counties showed an 83.27% perferance for incumbents, as against non-incumbents.

However, the manner in which the Employment Board has classified the positions in the Department has greatly increased the number of individual examinations which have had to be given in addition to affecting adversely the administrative difficulties of the County Boards. These difficulties will be discussed later under the promotion problems. By breaking down the classifications so that there are a number of classifications of supervisors, the Employment Board has required that individuals to be eligible for each of the positions pass the examination for that position. It would have been possible to simplify the classification structure giving fewer examinations and making eligible for promotion two higher salary classifications dependent upon recommendation of the County Board on the basis of proficiency. This would have greatly reduced the cost of the operation of the Employment Board which in 1937-39[1] was $642,929.

Although the law[2] pertaining to the examination of visitors is clear and explicit, little attempt has been made by the Employment Board to cooperate with the spirit of the act governing such examinations.

Prior to the 1939 examinations for State personnel the "social service" angle was the accepted yardstick by which applicants were examined. Several attempts were made by members of the Commission to get the Board to make such changes in the examination questions which would result in the selection of the type of investigators needed to properly determine the eligibility of applicants for assistance.

Shortly before the 1939 examination was held a subcommittee of the Committee on Relief met with the members of the Employment Board again to insure that the questions in the examinations conformed to the legislative provisions.

After conferring on the questions proposed for use in the forthcoming examination, the Board agreed to prepare an examination containing questions based on the sub-committee's proposals.

And while the Board did make some changes in the questions, the examination as a whole did very little to change the "social service" angle.

It is important that we look at the picture objectively. The examinations given by the Employment Board are in effect our first bulwark against inefficient investigating of applicants for relief, and should be insurance against many of the present ills of granting assistance. It must be remembered that the foundation stone of the whole relief setup is investigation.

It is important that the Board follow the intent of the Legislature and prepare examinations which will certify only those persons for positions upon whose judgment the people of Pennsylvania can rely in determining who shall receive relief, how long they shall remain on the rolls, and how much assistance shall be paid them out of the public treasury.

If the examinations do not certify the proper type person all other precautions are an expensive waste of time and money.

Here then is one of the prime factors in the administration of assistance.

TYPE OF EXAMINATION GIVEN

The type of examination given to prospective employes of the Department is a permanent factor in the administration of assistance. The Committee on Relief found that the examinations given for visitors—the men and women who investigate the thousands of applicants for assistance in Pennsylvania—are so compiled and conducted that only those persons with a definite "social service" education or training have a chance for employment.

That may be a little strong. Others do have a chance but the odds are against them. For instance, if you have graduated from college with credits in psychology, or from a nursing school and have had five years experience as a case worker in a large industry, hospital, institution or public health nursing, you would rate 4 times 5, or a grade of 20 in experience.

But if you were a college graduate, had majored in business administration and you had five years of experience investigating credit ratings for small loans—and that means you would have to get out on the street and meet your clients—your rating would be 15, or three times five in experience. And the chances are about two-to-one you would be just the kind of investigator needed to fulfill the requirements as intended by the Legislature.

In other words, business experience and judgment are rated 25% below that of social service training, regardless of your grade in the written test.

The studies of the Committee show that many of those who have been certified and employed as visitors by the Department under the present system of examinations are not properly qualified for the work. There are, of

[1] See page 6182, Appendix.
[2] See page 6183, Appendix.

course, exceptions, but it is disturbing to know that hundreds of millions of taxpayers' dollars are being distributed annually by State employes, many of whom are immature, in age and judgment and who generally lack the experience, the background, and the point of view necessary for the job.

In the examinations for visitors given in October, 1939, an analysis of the 190 questions indicates that only 52, or 28 per cent, could be answered by persons with general knowledge qualifying them for investigations of the type needed. Seventy-four of the questions, or 39 per cent, definitely required social service training or experience. An additional 24 questions, or 13 per cent, required special education or knowledge, obtainable only through medical training or special courses usually given in social service schools. Thus over 50 per cent of the questions may definitely be considered to require special social service education. The remaining 39, or 20 per cent, concerned detailed provisions of public assistance laws and administrative rulings, which presumably any applicant could learn. However, previous experience in the Department would be invaluable in being able to answer those 39 questions.

Here we have an indication, bordering at least on evidence that an emergency activity to assist unfortunates toward self-dependency might have become a state-wide experiment in social economics.

The situation exists in spite of the definite provision in the law, enacted by the Legislature after long discussion, that no "special education" be required for these positions and that the examinations "shall relate to those matters directly bearing on and . . . . test the relative capacity . . . . to discharge the duties."

The Committee on Relief contends that examinations should not be "social service" in structure. Some investigators employed by the Committee could not pass the "social service" examination as prescribed by the Employment Board, yet they discovered that many of those certified for assistance by the Department's visitors were ineligible for assistance.

They found many other things that should have been obvious to the Department's visitors. Of that you shall hear later.

TYPE OF VISITOR QUALIFIED

As has been inferred before, the investigators, or as they are called in the Department, the visitors, are the crux of the whole assistance program.

True, there is the Secretary of the Department, the Department, the County Boards, the supervisors, the executive directors, the typists, the stenographers, the case readers and the janitors, but the hub around which the administration on one hand and the recipients, the taxpayers and the costs on the other, revolve, is the visitor.

Every effort should be made toward obtaining the type of personnel best fitted to determine the eligibility of the applicant for relief. They should be good investigators, mature in judgment and age. This necessitates an emphasis upon investigation of eligibility of the applicant for relief, rather than a study of the social problems involved.

The Committee feels that every effort should be made to rehabilitate those who are receiving assistance where such rehabilitation is necessary. Such social results are best accomplished by planned programs such as vocational training, retraining, job mobilization, and similar efforts, rather than attempting a rehabilitation by the social service workers.

NO PRACTICAL SYSTEM OF INVESTIGATION OR REINVESTIGATION OF CASES

The very fact that the examinations do not produce the "right type" of visitors is an important factor in the administration of assistance, yet there is another factor which must also be considered at the same time.

As the present administration operates the visitor is practically autonomous within his realm. Instead of a practical procedure being provided by which the visitor is guided in making his "investigations," he is left to his own devices which frequently provide a hit-or-miss type of investigation.

There is no absolute time for making re-checks on those persons he or she has certified. That is bad enough.

Instead of visitors being rotated in order that there would be a practical re-check on those persons certified for relief, the same visitor checks his previous decision. That is worse.

But worse than that, there is no definite time limit set on making rechecks on recipients. Of course, there are times when such a time limit would not be practicable. But the Committee's investigators found that in many cases some recipients had not been revisited for four and five months. And in many of these cases the recipients were no longer eligible for assistance.

One feature of the administration of assistance which should be considered is the manner of reinvestigating recipients.

Under the current setup the Department demands that all cases returned for investigation must be given to the original "visitor" for reinvestigation. This is neither efficient nor practical from the Committee's viewpoint. And as investigations in the Allegheny County office[1] proved, it cannot be assumed that the original "visitor" is going to re-check a recipient for relief and constantly find he has made an error. In some cases this might be possible, but that is the exception and not the rule.

Attempts by County Boards, as in the case of the Philadelphia Board,[2] to develop a special investigating unit within its own staff, are generally rebuffed. The Committee fails to understand how the Department can expect to properly administer relief with such an attitude.

MORE CONTROL OF VISITORS NEEDED

The Committee's investigation showed that there is no definite control of visitors to see that a definite number of cases are covered daily. However, a mechanical check is made in district offices once a month to ascertain those cases which have not been visited.

A few D.P.A. case records which were checked indicate that at times the visitor, upon making a revisit, merely again recorded the same information reported on 6069, this report.

[1] See Allegheny County Investigations in Findings, page ———, this report.

[2] See Philadelphia County Investigations in Findings, page 6068, this report.

a previous visit. Many of those cases were the same ones in which the investigating group easily found facts justifying either a downward change in grant or the closing of the case.

It is possible that the amount of paper work which visitors must handle makes it difficult to accomplish as much in the field as they should.

SUPERVISION LAX

A great part of this neglect falls upon the supervisors whose job it is to check the work of the "visitors."

A supervisor, by the very nature of his job, should endeavor to help the visitors perform their work as efficiently as possible.

Instead, supervisors, by lack of attention to the way the work is done, a general fraternizing with the visitors, and in specific cases by telling the "visitors" they were covering too much ground, have not generally helped to alleviate the situation.

In some cases they manage to take up a great share of the "visitors'" time by holding meaningless table conferences, and by individual conferences, when the very thing the "visitor" needs is able and intelligent direction in the field.

In some cases, "visitors" have complained that too much of their time is taken up with "talking over" the case histories with supervisors.

Regardless of the caliber of the "visitors," their work can only be reflected through the help and direction of the supervisors.

Tracing the situation back to the beginning—even though examinations are not right, and the visitors qualified are not the proper type and their attitude is not conducive to obtaining the best results in keeping with the intent of the Legislature, the one hope for the taxpayers should be the supervisors.

Unfortunately, the Committee learned in its investigations that instead of guiding the visitors many supervisors only serve to add more confusion to the already muddled channel of investigation.

UTILIZATION OF VISITORS' TIME

As stated, an important item to consider in the total cost of assistance and which is also definitely related to the administration of relief, is the useless misuse of a greater part of the "visitors'" time.

The general procedure for a "visitor" is to make his visit, write his notes and then after working in the field, return to the office, attend conferences with the supervisor and write up his reports.

Add to this the constant change and rechange in the material needed to complete the forms and you have a "visitor" who spends more than two-thirds of his time in conference and writing reports and a variety of other things beside investigating the cases on his calendar.

Let's take a closer look at the picture.

This is what happens. It prevents the visitor from making the normal amount of visits he should make. In turn this allows many cases that should be discontinued each month to continue on the rolls which naturally results in the spending of many thousands of dollars that otherwise could be saved.

If the percentage of time utilized for office work could be reduced to 25 percent or less, the visitor presumably could do twice as effective work in visiting, and, in some cases, the number of visitors could be reduced.

CHANGE OF VISITING HOURS

Proper coverage of cases cannot be accomplished in a working day as at present defined. There are many cases where members of a family unit might have night jobs. The only way to prove such employment is by contacting the recipient in the evening. Where it is found that an employable member is not home, tactful inquiry should be made in the neighborhood to find out whether such member is employed and where. A contact should then be made with the employer to verify the employment.

As set up now, a person who works at night is usually at home when the visitor calls in the daytime and can and does give the impression, by his very presence, that he is unemployed.

EXPERIENCED INVESTIGATORS

Investigators engaged by the Committee to unearth the facts on the eligibility of those receiving General Assistance in Pennsylvania were selected because of general experience in business or special aptitude for investigating work.

In most cases the minimum wage paid the Committee's investigators was as much or more than the maximum amount paid workers in the Department of Public Assistance.[1]

Their investigations were based on the relief requirements as set up by the General Assembly.[2]

Not content with sampling one locality, the Committee directed its investigators to sample and resample each locality and then checked the work of each investigator by assigning investigators to a different territory.

One pertinent fact we should weigh carefully is that projected by the Committee regarding investigators. In the following pages (under Findings) bear in mind that the facts presented were learned by men who could not pass the Employment Board's examinations for D.P.A. employment.

PROMOTION PLAN

One point the Legislature should consider seriously is the need for providing incentives for employes to render their best service. No plan of systematic promotion or better pay has been initiated for the $90 a month visitor. Nor is there any effective plan of promotion, whereby the capable and efficient enjoy advantages over the inefficient or the indifferent visitor. This has recently caused the County Boards much difficulty with the employment opportunities which are opening up because of the National Defense program.

Reference has been made to the classification instituted by the Employment Board whereby visitors are grouped in original examinations into three classifications; namely, junior visitor, visitor and senior visitor. The work done

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[1] Investigators used by the Commission were selected to perform a specific type of work on a temporary basis, and were paid a higher compensation than regular investigators known as "visitors" in the Department of Public Assistance.

[2] See pages 6183-6186, Appendix.

by each of these classes of visitors in practice is essentially the same, and yet in order to secure a promotion a junior visitor who has done good work on the job must have passed the examination for visitor and be sufficiently high on the eligibles to merit appointment. Not only would the cost of examination be far less if these three classifications of visitors were consolidated, but there would be a real opportunity for promotion on the basis of proved proficiency. Salaries for the consolidated grade would cover a wider range and the visitor coming into the Department could look for more frequent pay increases, with ultimate higher salary, if these grades were consolidated and promotion made upon recommendation of the County Board. This would help eliminate the rapid turnover now being experienced.

Here again the advisability of the Department giving the County Boards an over-all budget can be discussed.

It is natural to assume that it would be better to have three able investigators on a Board staff and pay them good wages, rather than have five visitors who not only aren't worth what they are paid, but in addition cost the taxpayers money by their indiscriminate certifying of cases for assistance.

In one specific instance a county board suggested certain salary increases, and the Department took the stand that the Board was not judging the "visitors" on the right basis, and set up certain rules to be followed and suggested "if you have any (visitors) which fall in this category . . . we shall be glad to consider them, although I can give you no indication as to what the final action will be in regard to your recommendations."

Surely the Board should be allowed to exercise its judgment concerning salary adjustments with the established scale.

It should be pointed out here that the Employment Board has not followed the recognized policy of the State in reference to the departments under the Administrative Code.

Section 709, (a) and (1) states, "(a) In establishing such standards the Board (Executive Board) may: (1) Take into consideration the location of the work and the conditions under which the service is to be rendered . . ."

UNION OF DEPARTMENTAL EMPLOYES

The personnel of a number of the County Boards have affiliated themselves with labor unions. This is the case particularly in Philadelphia. These unions have not proved conducive to effective operation of the offices, and they have endeavored to take unto themselves the prerogatives of the County Boards and executive directors in policy determination. They have obstructed the orderly processes of administration, their representatives endeavoring to direct the Employment Board in the kind of examinations which should be written; the executive directors in the administrative instructions which they issue; the supervisors in the direction which they give to the visitors; and the visitors in the method of carrying on their work.

Supervisors who must control and rate the work of visitors have been found to be members of the same union as the visitors and, therefore, subject to improper pressure in their relationships to their subordinates. Executive directors, who should have confidential relationships with their board members on problems of administration must dictate comments on their problem with employes' unions to secretaries who are members of the unions.

The introduction of each administrative improvement must not only be "sold" to a representative group of all the employes, but to a special group of union members. Officials have been regularly assailed by publications of the Philadelphia union, in which the members not only made demands but picketed the homes and places of employment of the non-paid board members, in order to achieve their ends.

While we believe that the employes subject to civil service have a right to form any organization which they desire within their own department, we are opposed to the affiliation of such groups with labor unions as they are commonly termed. Civil Service provides their protection.

WORKER'S ALLIANCE

One of the important problems investigated by the Committee was that projected by the union of relief recipients known as the Worker's Alliance.

This organization was formed primarily for the purpose of aiding applicants and recipients of relief. (Many of the leaders of this organization are considered to be Communistic.)

The Committee found that in some cases they have become so powerful that some Boards have set aside a day and time when they hear cases argued by representatives of the Alliance. At these meetings members argue for applicants who have not been certified, and for recipients who feel that they are entitled to additional assistance.

Members of various Boards say they feel that setting aside a special day is the best way to meet this problem. Unfortunately, it only increases the grief later on as it tends to impress applicants that the easiest and quickest way to get on relief is to join the Alliance. And that is what happened in some cases.

This is only another indication of how important "attitude" is in handling the relief problem. It might be significant to point out that to date no such organization has been set up by the recipients to help them get off of relief rolls and on to payrolls.

A REPORT OF THE FINDINGS OF THE COMMITTEE

In the preceding sections the Committee has presented a general picture of various factors which are a part of the administration of relief in Pennsylvania. We still need to know more about the people on relief—the people who receive the benefits of relief spending.

The Committee on Relief made a number of samplings of those on General Assistance rolls. An independent investigation which was concerned with but one thing—FACTS. This sampling and re-sampling was the major topic of conversation in 35 meetings held by the Committee; and unbiased investigations of more than 1,000 cases made in several parts of the State under the Committee's direction provided the FACTS.

Field surveys of the administration of public assistance were made in the offices of eleven representative * county assistance boards. Hundreds of men and women have

* Montgomery, Berks, Franklin, Dauphin, Erie, Fayette, Clearfie'd, Somerset, Butler, Venango and Lackawanna Counties.

testified and recounted information dealing with every important phase of the relief problem in Pennsylvania.

"CHISELING", ONE OF THE ILLS

These thousands upon thousands of words have been tainted with one word which has left its stain on assistance in Pennsylvania. That word is "chiseling." As the assistance rolls increased the talk about chiseling also increased.

Nothing could be farther from the truth to imply that most persons receiving assistance are "chiselers." Nothing could do a greater injustice to those people who have no other means of sustenance.

Nor is it wise to assume that in such a gigantic undertaking that administration and investigation can be 100 per cent perfect, since so much control of the situation is in the hands of the visitor.

The Committee decided that an independent and impartial study of relief cases was imperative. Obviously every case could not be put under the microscope by a limited staff of investigators and with limited funds. But even so, these investigators, with no previous experience in social service work (but with years of business experience) by interviewing recipients, talking with businessmen who were acquainted with the recipients and tapping other available sources of information (the same sources which were available to the Department's "visitors,") developed startling facts. In addition they followed up letters of complaint written by citizens to the Department of Public Assistance and letters from relief recipients themselves.

THE PHILADELPHIA STORY *

What did they find? That 17 per cent, or approximately 150 out of 777 cases taken at random from the files of the Philadelphia Public Assistance office or from letters of complaint from October 23, 1939 to January 27, 1940, which seemed to be ineligible for relief.

And the facts indicate plainly that the State employes might have discovered the same facts, if the visitors had approached the job as the people in Pennsylvania want it done.

Here is what the Committee's investigators found.

One man had been steadily employed since 1935, while his wife was receiving $64 monthly for aid to dependent children. The investigators found another with a checking account of $1,000 in a bank yet he was receiving a general assistance grant of $6.20 a week. There was one case of a man who was certified to receive $19.70 a week of taxpayers' money on a general assistance grant, while earning 52 cents an hour in private employment. Four months after leaving the rolls, one couple purchased a house, making a $1,000 down payment.

These are but samples of what the Committee's investigations found in examining cases certified for relief by the "visitors" of the Department.

Look at the case of "D. N." in Philadelphia. He has what is popularly known as a "snow ball" business. He runs his business from a small push cart. An investigator found that he bought a house in June, 1938, paying $400 down, while receiving $12.10 a week on relief. Yet in July his regular** visitor allowed him an increase in general assistance to $14.10. A few months later, when it was definitely established that he had an income, his case was closed by the visitor. But in March, 1939, his case was re-opened, although he was able to pay his tax bill in advance for a discount benefit.

The investigators "checked" on a private colored school in Philadelphia. The report of the investigator shows that the school was within four blocks of two new city schools, recently erected by the Board of Education. The private school charged for tuition. Text books and school supplies and other essentials had to be provided by the pupils. Yet families on active assistance rolls, who were receiving General Assistance and aid to dependent children, had children enrolled in the private school. The weekly general assistance grant to parents sending children to this school totaled $330.86 and the monthly aid to dependent children in the same circumstances was $748.75. It should be noted that there is no provision in the Department's manual covering such abuses.

Look at the case of "Mrs. G. and M. H." They led the Department's "visitors" a merry chase. But the Committee's investigators found without much trouble that "G." was working at the R. C. A. Company in Camden, N. J., and had been working steadily since 1935, and had missed but one month's work since May, 1938. During the first three quarters of 1939 he had earned nearly $900. And his wife was receiving an A. D. C. grant of $64 a month. He told his employer he was living with his sister. His sister said he had not lived there for two years. Yet neighbors verified that "G." was living with his wife. Naturally his wife denied it.

Some of the "chiselers" use aliases to hide their identity. The "visitors" didn't seem to be able to trace them. But the Committee's investigators did. In the case of two sisters, "L. and C. W.," they found L. working on W. P. A. and C. employed under an alias at the Philadelphia General Hospital. She was earning $47 a month and had been steadily employed during the period she was receiving assistance.

Take the case of Mr. and Mrs. "C.". They first went on relief in 1932. Yet five years later they bought a proper[illegible] for a cash consideration of $1,160, and one week later they were certified for assistance. During the time they were spending more than a $1,000, they were also applying for assistance. He received more than $330 Workmen's Compensation during the time he was receiving General Assistance.

For another example let's take Mr. and Mrs. "A. C." of Philadelphia. It was found that he was selling pretzels during the time he was receiving relief. His income ranged from $25 to $30 weekly. The case was closed and restitution was set-up for entire relief period, June 3, 1935, to June 5, 1939.

Here is one for the books. Take a look at "M. and C. F." He was employed and had Christmas club savings under the name of a club. Restitution in amount of $889.42 for period September, 1936, to September, 1939, covering unreported earnings and $66.22 received as an insurance payment in May, 1939.

Those are just a few of the "chiseling" cases in Philadelphia,* but they are fairly representative of the cases investigated.

Now let's see what happens. The next step was to make

* See page 6184 Appendix.

** The visitor who had originally certified "D. N." for assistance.

* Others are included in the Appendix page 6184.

the information obtained available to members of the County Board and the Executive Director. Accordingly the facts were made available on February 7, 1940.

The Executive Director in Philadelphia has consistently shown the greatest possible interest in the results of the investigation, and has cooperated completely. Without indicating to his staff his reasons, he turned the cases found to be ineligible over to the staff through regular channels for re-investigation. As previously stated the established procedure of the Department is for the same visitor, who has approved the need for assistance, to investigate any complaints as to the eligibility of the person receiving assistance.

The Executive Director in Philadelphia turned the results of those investigations over to be handled in the regular manner.

The reports which he received indicated that the staff did not find any facts different than those they had previously found when they declared the cases eligible.

In May the Executive Director turned the cases over to a special investigating unit which he had formed, the personnel of which was taken from his regular staff by reason of refusal of the Department to approve any different personnel. By August he had not received a complete report from this unit. A preliminary report, however, indicated that, in many cases, they were merely following the procedure the visitors previously utilized and had not been able to develop the facts that were readily ascertained by the Committee's investigators some months previously.

The Executive Director then asked for a more complete and prompt investigation of these cases by this special unit. The final result of this investigation was not completed until December. Manifestly the intervening period of approximately one year made exact check of the results of the local Board's investigation against the Commission's difficult. The re-check indicated some differences based on information available to the Board's staff from its files, which was not available to the Commission's investigators.

However, the results of the Commission's investigation were definitely upheld by this re-check, which indicated that as a direct result of the Joint State Government Commission's investigation 44 cases were closed and grants to 18 cases were reduced. 39 cases had been closed prior to receipt of the information from the Commission, and in 49 cases the information from the Commission had been previously known to the Board but, according to the rules of the Department, all that could be done was to reduce the grants rather than eliminate the cases.

The total of these cases equals 150, out of 691 cases rechecked by the Board, 373 of which had been reported by the Commission's investigators as clearly eligible. In addition to this 150, the Board's investigators classified the cases in which children were attending private school as eligible because the Board feels that the payment of tuition to private schools does not make the relief recipient ineligible under present statutes. This latter situation we feel is one that calls for attention on the part of the Legislature.

"CHISELING" IN PITTSBURGH*

A field investigation was made in Pittsburgh of 283 cases receiving General Assistance. These cases were taken at random from various areas to ascertain whether persons receiving assistance were eligible for such aid. This study was made from February 21, 1940 to April 8, 1940. The investigations revealed a lack of sincere effort on the part of visitors to find the real facts. As an instance, take the case of A. A. His landlady reported to special investigators of the Committee that A. A. had a private income, wore expensive clothes, and had recently purchased a new radio.

The Pittsburgh office insisted that the man wore clothes given to him by friends and that he had borrowed the radio from a friend. How did they obtain their information? They asked the man in question. Is it logical to expect the recipient to give information that would be detrimental to himself?

And there is the case of Mrs. M. P. The investigator's report indicated she had an income and savings in a Pittsburgh bank. What did the Pittsburgh office of the Department of Public Assistance find? They did 't find anything new because they made no attempt to check with the bank. But it was later brought out that the woman in question was taking $66 a month from roomers, and buying a house with the money. Yet she was receiving a General Assistance grant of $3.50 a week. The visitor hadn't checked on Mrs. P. for five months.

And widow "A. D." applied for assistance and mentioned receiving $1,500 in insurance at the time of her husband's death. Yet the Committee's investigator dug around and found that she had received over $2,500. And she had received almost $ 00 just a month before she applied for relief on the 29th of May, 1939.

To cite another instance. "Miss" M. H. was receiving A. D. C. and G. A. while her husband was employed and receiving room and board in addition to a weekly salary.

One of the most unusual instances occurred when one of the investigators checking on "M. C." found her working in a Chinese laundry four or five days a week at $2 per day. Miss "C" told the visitor she was merely doing her own wash at the laundry. The investigator witnessed the laundry operator paying "M C." her salary. She had been employed in the laundry for two years during which time she had been receiving General Assistance.

And "A. J." tried to force his "luck" just a bit too far. He applied for and received Unemployment Compensation and Public Assistance while being employed. He was using his stepfather's truck for hauling coal. He admitted his employment after the facts had been presented.

REACTION OF ALLEGHENY COUNTY STAFF*

In Pittsburgh the staff knew the source of information relative to the cases investigated and, instead of willingly checking their cases, they prepared a defensive rebuttal, which was forwarded by the Executive Director to representatives of the Committee under date of June 20, 1940. On July 18 and 19 a representative of the Committee revisited the Executive Director and the person who prepared the rebuttal, at which time it became evident that many of the cases in Pittsburgh had not been re-investigated after the facts had been given to them by the Committee's investigators, but that the visitor in each case

* See page 6185, Appendix.

* See page 6185, Appendix.

had merely been consulted and a reiteration made of his previous judgment given with the original granting of assistance. A recapitulation[1] of the cases determined as ineligible in Pittsburgh, with the original comments of the Pittsburgh Office thereon, and the later comments based on a further conversation held with the Executive Director, are attached. (There may be a few borderline cases in which there is a difference of opinion as to eligibility.)

RESULTS OF ALLEGHENY COUNTY INVESTIGATION

The Committee's investigators found that 13.8 per cent of those contacted were ineligible for relief, and a follow-up of complaint letters showed that 40 per cent of those cases were ineligible.

And while "chiseling" in its direct effect upon relief costs is staggering, there still remains specific incidents of "chiseling," which are both shocking and degrading; yet these conditions are in effect countenanced by the Department.

SAME CONDITIONS EXIST IN OTHER COUNTIES[2]

And what is true in Philadelphia and Allegheny Counties is just as true in Erie, Fayette, or Montgomery and many other counties. The old story of the rotten apple tainting the barrel is doubly true as it concerns "chiseling" in Pennsylvania.

First of all let's take Montgomery County.

Recipient "C. W." received a supplemental grant for a "part-time" job. But when the Committee's investigators began to ask questions, his own children advised them that their father was regularly employed and they had two roomers, who paid them $25 a month, while a man and his wife paid them $8.00 monthly for an apartment. And to make the story complete, "W" had a boarder who was bringing home the "bacon" in the shape of food staples.

And here is another in Montgomery County. It is the case (an appeal case, by the way) of "R. C." Case history shows that the sons failed to report for work on a W.P.A. job. His wife was accused of selling W.P.A. clothing and other commodities. His son was said to be caddying and selling magazines. The notation on the case as of June 4, 1940, states—"Grant Assistance."

In Fayette County the investigators checked on "P. R." He had been on relief since 1932 and that is about as long as you can be on relief in Pennsylvania. His only reason for not working was "hemorrhoids." And although the "visitors" discussed his condition on many occasions "R." was "agin" having an operation.

In Erie County "J. C." just about covers relief "chiseling" in all its aspects. Since 1932 the State had been supplying him with groceries, clothing, bedding, fuel and cash grants, the sum and total varying as sons and daughters were added to the household. In 1934 it was indicated that a son for whom A. D. C. was paid, was employed. "C." won't work. The mother leaves to live with relatives as soon as she is eligible for Old Age Assistance. A daughter and a child are included in the assistance grant even though she refuses to be helped by her husband. She was getting a divorce which was being financed by a "boy friend." It was later learned that a friend of the family was holding a $1,000 Endowment Policy.

DRUNKENNESS*

One of the most flagrant abuses of relief in Pennsylvania is the purchase of liquor by recipients instead of useing their relief grant for the necessities for which it was provided.

Take for instance the case of "J. B." in Fayette County. He went on relief in 1933, but drinking wasn't mentioned until 1936. In 1937 he got a job, but was fired because of constant drinking. J. B. went back on assistance and a few months later the visitor called to check on him and found him in a drunken stupor. Did the visitor report him? No; he discontinued his interview but continued assistance. And, the next time the visitor called J. B. was again in a drunken stupor and could not answer questions.

Let's look at Erie County and the case of "S. L." In 1932 a vistor wrote that "S. L." will sell his groceries for liquor. Yet "S. L." got assistance and three years later his roommate complained that "S. L." was drunk continuously. He was barred by the Salvation Army. The Employment office sent him on a job but he was too drunk to go to work. His own brother labeled him as "useless." He wouldn't take a cure for his chronic habit. He panhandled his meals and did odd jobs while on the rolls. He isn't a citizen. Finally, in January, 1940, the visitor closed the case, but it was reopened immediately by another interviewer. Why?

And there is the case of "A. D." in Pittsburgh. He worked on W.P.A. for a while, and then began to operate a rooming house principally for men on relief. Even though he has no liquor license, "A. D." sold liquor to his roomers, and then when their relief checks came in he made them sign them and gives them what is left after deducting room rent and bill for liquor.

And at one home in Venango County the Committee's investigator found that four recipients "drank up" their relief grants. In fact, they had been spending all their money for liquor. One had never attempted to get his citizenship papers, another had tried and was refused; yet the State was keeping them in "high spirits."

EXTRA MARITAL RELATIONS*

While cases of habitual drunkenness are frequent and are a flagrant abuse of assistance in Pennsylvania, a shocking situation was uncovered by the Committee's investigators.

They found outright evidence[1] of men and women living together without regard to marital status. Some of these cases must have been sanctioned by the visitors as only a preliminary investigation by the Committee's staff revealed immoral abuses of assistance.

Take the case of Mrs. "M. B." in Philadelphia. It was found that she was receiving $50 a month for Aid to Dependent Children while living with the brother of her husband. Each brother was employed and earning

[1] See page 6187, Appendix.

[2] See page 6191, Appendix.

* See pages 6192, Appendix.

* See page 6193, Appendix.

[1] It is the stated policy of the Department that visitors shall disregard the question of legality of relationship.

$25 a week. Restitution was set up for period December 22, 1938, to February 2, 1940.

In Erie the investigators found that "F. L." was unmarried and had an illegitimate child. The Welfare Bureau there advised the Department of Public Assistance that she admitted she was living with a "boy friend." He was receiving his assistance check at her home. Assistance was discontinued for "F. L." but she was included in the "boy friend's" grant. Shortly afterwards he complained that she had left him for another man. Yet, despite complaints regarding men visitors, parties, women boarding and frequent changes in address, the final notation on the case shows that the visitor in May, 1940, recommended that assistance be continued in the maximum amount.

In Allegheny County the Committee's investigators found the case of "R. L." His niece came North while pregnant. In due course of time she became pregnant by L. They wanted to set up housekeeping so the "visitor" obliged by certifying them for assistance.

The niece then had "L." arrested. "L." was advised to plead guilty. Department of Public Assistance drew in legal aid and the plea was changed to not guilty. "L." went to jail. While there his niece forged his signature on his assistance check. When "L." got out he notified the Board that he was living with his niece again and one month after getting out of jail his grant was increased to include a family of four.

These are only a few of the case histories which amazed and shocked the Committee on Relief.

DELAWARE COUNTY SURVEY*

The survey in Delaware County was based on a different premise than those conducted in Philadelphia and Allegheny Counties, the difference being that in Philadelphia and Allegheny Counties the recipients investigated were on the active lists of the Department of Public Assistance, whereas those in Delaware County have been removed from the lists or refused assistance by authorization of the Delaware County Board of Public Assistance prior to investigations.

The purpose of the Delaware County study was to ascertain how these persons, deprived of assistance, were living without State aid. The period in which this study was made was from February 27, 1940 to April 8, 1940. It should be pointed out that this period embraced one of the most severe winters in recent years.

In all cases interviewed, there was apparently sufficient food, clothing, fuel and housing, and in general, the individuals seemed to be living roughly in accordance with their own long-time standards.

ELIGIBILITY STANDARDS

Since these cases were eliminated from the rolls of the Local Board, despite eligibility as defined by the State Department of Public Assistance, and in spite of pressure of recipients, the indication is that State eligibility standards should be materially changed and the proof should rest on the individual who applies for assistance.

The investigation was made of 105 cases in Delaware County, all of which had been removed from the relief rolls. Eighty-seven of the cases were found to be either employed on regular jobs, engaged in private enterprise, living with relatives and friends, or had moved from the locality. Several of the latter had moved from the State. There were 16 doubtful cases, nine of which had moved and left no forwarding address. Six were neither known nor could be located and one had been receiving relief in another county when application for relief was made in Delaware County.

Of the 105 cases only two actually needed relief which had been given by other agencies.

DELAWARE COUNTY BOARD SETS EXAMPLE*

If other county boards throughout the State would follow the example of Delaware County and make a test by discontinuing aid to those felt to have been on too long, and not to have made an honest effort to get into industry, a very healthy beginning might be made toward solving this phase of the problem.

The investigation of a group of 74 of these 105 discontinued cases, (which were supposedly cases of single recipients between the ages of 18 and 25) provided many interesting facts.

Seven supposedly single men were married and admittedly living with their wives. Eleven were married but divorced or separated. There were, in addition, nine cases of illicit relations.

Four were unknown at addresses given in the Board's case records.

In the remaining group, six were found to have failed to complete their citizenship requirements. There were six cases of conviction for law violations of which four seemed to be of the criminal type and two of the casual violations of law.

EXAMPLES OF CASE STANDARDS

Picking out a few of the 105 cases at random the reports show:

S. K.—Has car, now regularly employed. Earned $10 a week.

G. K.—Wife working steadily. Came from New Jersey in November. Relatives in Alabama.

J. R.—Steadily employed. Living with family who have been on relief for seven years. Buys food and fuel in lieu of rent payments.

M. K.—Mother of applicant advises he has been steadily employed for over two years.

W. C.—Employed by Sinclair Oil Company steadily for 12 years.

E. A.—Now employed. Work only long enough to save some money, then quits.

E. M.—Working for and living with . . . Operates a second-hand furniture store and a rooming house.

The results of these surveys seem to prove that better investigation of assistance cases requires persons of maturity and intelligence who are able to cope with the many intricate situations which arise that require initiative and fast thinking. They should be rotated in assignments.

UNUSUAL CASE RECORD OF MRS. "O" *

One of the most amazing cases in the files of the Department is that of Mrs. "O" of Philadelphia.

* See pages 6193, Appendix.

* See page 6193, Appendix.

* This case history was taken from the files of the Philadelphia County Board.

Her story began on the 9th day of September 1932, when she first applied for assistance. She brought to the Department a letter of introduction from a City Councilman. And from that time until late in August 1940 (last notation on record) Mrs. "O's" record covers some 20 pages of testimony, charges, counter-charges, decisions and appeals, during which time she was "on and off" the assistance rolls so many times that it was difficult to determine her exact status at a given moment.

In order to bring pressure upon the County Board she contacted an imposing array of business and professional men and women in November, after being rejected as a non-resident a well-known jurist called on her behalf and she was granted assistance on the basis that Pennsylvania had accepted her residence here and had permitted her to file suit against her husband for support.

Two months later assistance was discontinued when it was found that she was not living at the address to which her check was being mailed. In fact she had never lived there. (This shows inefficient investigation and follow-up).

During the next two years she drifted to Washington and the south, but applied again in 1935, and again she was granted assistance while her case was being investigated. During this investigation and while she was receiving assistance it was learned that she was approaching ministers for help. She was also treated at a Philadelphia hospital and was later offered a job in the Social Service Department but refused it.

Her case was closed in April 1936, when she obtained work on W.P.A. One year later she was laid off the project, applied for assistance which was granted. But it was difficult to find her. When they finally caught up with her, she wanted two relief checks at one time—so she could take a trip to Washington.

Assistance was again discontinued in November 1937 and in February 1938 she again applied and again she was put on the rolls while being investigated. Before they could complete the investigation she moved, and the visitor finally learned that she had gone to Washington and her mail was being forwarded to her there. Assistance was again discontinued. Mrs. "O" wrote to the visitor complaining about the discontinuance of assistance.

She also wrote to a supervisor asking her to have things "lined-up" so she wouldn't have to wait for her money. She didn't apply but the State heard from her in New York where she had gone and was stranded. In August 1938, she came "home" and again applied and again she was granted assistance. Her first check was sent to an address which proved to be a vacant house. Another address was received but it was later learned that this was just a mailing address. In September 1938, the case was again closed because they could not contact the recipient. But she immediately re-applied stating she had been assigned to a WPA project and needed money until she got her pay. She then was laid off and went again to Washington, returning in April 1939 and applied for aid which was granted, but before the first check could reach her she had re-moved to another address and when the visitor attempted to check her residence at the latter address it was found that she had gone to New York and had instructed the landlady to forward her mail. Assistance was discontinued.

In July 1939 it was decided that should she again apply for assistance a very thorough and careful investigation of her eligibility must be made. (This was nearly seven years after she first received assistance.)

Four months later she re-applied. Application was rejected. Less than one month later her application was accepted and then rejected, after it was learned that she had been in Philadelphia for more than a month before applying for assistance.

She appealed the dicision. The Staff review committee heard the appeal and stamped her case "ineligible." She was advised and immediately applied for Old Age Assistance. No application was taken. She then appealed to the County Board of Assistance. The County Board heard her appeal and while studying her case it was learned that she had applied to the Salvation Army for help to get to Harrisburg to see Secretary of the Department of Public Assistance. A letter was then mailed to the Department advising that the County Board had decided to deny assistance. She then requested a State Board hearing. They also rejected her appeal. But they said she could be considered for Old Age Assistance, on the basis of income and need.

After the passing of many letters and decisions she again re-applied for General Assistance and Old Age Assistance. She presented a letter from the Secretary of the Department saying that her "application might be considered." Temporary General Assistance was granted. In June of this year she received an Old Age Assistance Grant of $30. She then decided to go to Washington and when advised that she would have to ask for permission to leave, requirements for such permission were not met—namely, she did not "show that discontinuance of our grant would cause hardship."

There is more, such as writing to Governor James, and refusing to answer questions, but the above is a review of the amazing story of one woman and how she flaunted the will of the Legislature.

AUDITOR GENERAL SURVEYS

Other spot surveys of relief recipients confirm the general situation revealed by the Committee's investigators in Philadelphia and Allegheny counties.

During 1939 and 1940 the Auditor General developed a special auditing crew to check on relief recipients. This crew visited several counties and the recipients were asked to come in and get their relief checks from a representative of the Auditor General.

This procedure replaced mailing checks to addresses provided by the recipients. And this simple reversal of the accepted manner revealed that from eight to fifteen percent of those who were called in either did not come or sent word that they no longer required relief.

Arguments were advanced that the Auditor General's findings were of little value, because those who did not come in would have been dropped from the rolls.

That may be, yet the fact remains they were on relief when the auditing crew conducted their check-up.

SUPPLEMENTAL ASSISTANCE IGNORED

The fact was established that private agencies sometimes issue supplemental assistance in addition to that granted by the Department of Public Assistance and no cognizance taken of it in the recipient's grant.

There are cases where income from insurance policies

has been withheld from D. P. A. in direct violation of the law.

THE MEDICAL PROGRAM*

Under the act anyone on relief, or included in a family on A. D. C. and G. A. grants is entitled to medical care without an offset to the budget.

Visitors are not permitted to recommend any particular professional person or institution, but are allowed to mention those doctors and others who are already sending invoices to the various county boards.

Important to the efficient carrying out of the program is the checking of signatures on bills for professional services with the signature on the original grant.

Yet in one County Board office in one month 37 invoices were returned for signatures of recipients, because patients were not included in grants, cases were not active at time of treatment and other reasons. Nearly one-third of the charges for medical care were incurred by persons who requested and received treatment to which they were not entitled.

The Committee's investigators also found that in this same office 18% of the physicians, dentists, nurses, etc., were treating 68% of the patients.

And in South Philadelphia the Committee found that two physicians were feeding all prescriptions to one pharmacist who was turning in invoices which totaled over $500 a month for five successive months.

Many of the patients lived miles from the pharmacy. More revealing was the fact that in some cases six to ten items were charged to a single patient in one month.

It should be pointed out that expenditures under this program have exceeded expectations and the Legislature should give thought to providing the facilities of state-aided hospital and clinical services, whenever practicable.

UNEMPLOYMENT COMPENSATION—RELIEF *

In a survey of several hundred cases which reached the relief rolls from the Unemployment Compensation rolls, the Committee found evidence of persons who are employed seasonally, yet fail to lay aside money for slack times. Instead they spend their money in full, go on Unemployment Compensation until that runs out, and then apply for relief.

Local offices of the Department of Public Assistance in Allegheny, Philadelphia, Schuylkill, Dauphin and Luzerne Counties submitted lists of approximately fifty names each taken at random from cases on their relief rolls which had recently come on relief from Unemployment Compensation.

Out of a total of 210 names submitted, it was found, after checking, that 94, or 45%, represented cases where earnings in a single calendar year had been $800 or more; thus, 55% of all cases were relatively low wage earners during the period when they were employed.

Of the 45% earning $800 or more, 43% received relief during a quarter year immediately following a quarter with earnings of $200 or more, suggesting lack of thrift. Extreme cases showed earnings up to $800 during the preceding quarter.

37% received relief during a quarter when earnings were $200 or more, suggesting high earnings during some part of the quarter with unemployment Compensation and immediate destitution before or after high earnings, or chiseling, or faulty work on the part of the case investigator.

20% received relief prior to unemployment compensation when eligible for the latter suggesting that unemployment compensation waiting period is too long, or that the Department of Public Assistance functions more rapidly than the Bureau of Unemployment Compensation.

50% received unemployment compensation during two benefit years and were granted relief during the interim.

FEDERAL AUTHORITY

The relationship between the Federal Government and the State permits the Social Security Board, which controls the distribution of Federal funds for categories, to influence to a considerable degree the thinking and the actions of the Pennsylvania Department of Public Assistance. Consideration should be given to ways in which to preserve the autonomy of the State and to forestall any further centralization.

CO-ORDINATION OF STATE BUREAUS

The studies by the Committee also have indicated a woeful need for an exchange of information between departments and bureaus in the State government dealing with various phases of the relief problem, such as the Department of Public Assistance, Bureau of Unemployment Compensation and State Employment Office. Frequently, information required by one office as a prerequisite to its operations, such as payroll information, is not shared with others, so that chiseling and abuse which thus might become prima facie is left to chance discovery.

MILK ORDERS

The cost of the milk program should also be considered by the Legislature.

Under the existing law and regulations which require that every child under 16 for which State aid is provided receive a pint of milk per day, the State's monthly milk bill amounts to approximately $375,000.

There are other factors that also should be considered. Members of County Boards complain that in some cases the granting of milk has become nothing more than a "milk grab" by some companies. It was also shown that many recipients of milk trade or sell the milk for other commodities or money. However, in thousands of cases the result of the operation of this law has been to build healthier children.

This is an important factor as the Federal government pays no part of the cost of milk grants, whereas similar grants in cash would be borne by both the State and the Federal government on all A. D. C. cases, thereby reducing in some measure Pennsylvania's over-all cost for relief.

PIERSON WORK RELIEF ACT *

Considerable evidence has been presented to the Committee which shows that the tangible results obtained through the Pierson Work Relief Act have been very valuable.

It has been especially effective in keeping track of recipients who might otherwise be working and report their employment.

* See page 6199, Appendix.

* See page 6200 Appendix (Includes charts on individual cases.

* See page 6205, Appendix.

Less than 1% of the number of assignees called upon to report for work under the Act failed to report, and more than 150,000 persons have been called since the law went into effect. (August 1939).

While some Boards are having difficulty in finding enough projects for the personnel, other Boards have more projects than available employables.

One of the deterrents to the program as a whole was for a time the workmen's compensation rates charged for the work. This situation has since been adjusted to some extent by a substantial cut in the rates.

The program in effect under the Act is beneficial because:

1. It keeps relief recipients in the habit of work.
2. It is an indirect method of checking on the recipients who might otherwise be employed.

GENERAL COMMENT

In reviewing the facts in this report, it is important that we look at both sides of the situation which confronts Pennsylvania.

Since human welfare obviously should not be political or a prejudicial question, the area of fairness to all concerned should be thoroughly explored. This area is bounded on one side by fairness to those who pay the taxes and upon the other by the human necessities of the situation.

It is obvious that the problem has gotten out of bounds in recent years. It has reached the proportions where the taxpayers are contributing an excessive amount for the benefit accomplished and those upon relief are being frozen into an uneconomical and un-American status.

It is obvious that the relief problem has grown until today it is far greater and far more serious in its many ramifications than anyone could imagine in the beginning. This, unquestionably, is due to the pressure of the situation from year to year, necessitating concentration upon ways and means of obtaining the money to keep the machinery running.

No legislature has had a similar opportunity to take a constructive, practical view of the situation that has developed in the State since 1932.

We have the opportunity today of removing our thoughts from the money-raising problem and centering them on administrative factors. The relief rolls are at a new low. More and more unemployed are marching back to work in private industry. The emphasis upon the emotional side is less than at any previous time. The way is open for practical adjustments.

However, there is a danger in the new situation. The danger is that the people of the State and the members of the Legislature will fall into the false belief that the relief problem has been solved by present re-employment under the Defense program. Such a conclusion would be a tragic mistake. What is going to happen when the Defense program is completed? Unless met constructively now, when we have the opportunity the relief problem may go back on our doorstep in a month, a year, or some other indefinite time. And it may be larger than it ever has been if we are remiss now.

In any approach to constructive action it is necessary to separate the so-called relief problem into its two component parts. One phase has to do with the blind, dependent children, and aged. Those have been accepted as permanent types of relief. In size and scope this phase is little different than it has been in the past. The difference is that now it is being dealt with on a State basis whereas formerly it was taken care of locally.

We must recognize that there is little latitude for change in this field, except only as administrative functions may be improved. Under the present arrangement whereby the Federal government shares in determining policy and returns tax money to the State treasury the control is practically frozen.

The second phase relates to the problem of unemployment. This is entirely a State controlled, State financed and State operated function. Remember that this is practically a brand new function of the State, within the last nine or ten years. In this phase of the broad problem considerable improvement can be brought about, where savings to taxpayers can be effected and where administration can be made more efficient and more in keeping with the intentions of the people as expressed through the Legislature.

It is here that the Legislature can concentrate most of its attention with the brightest prospects of measurable and important accomplishments.

Almost from the beginning of the administration of relief in Pennsylvania, legislative investigating committees and other investigating committees have pointed out the need for a complete change of emphasis in the administration of unemployment relief. This Commission has been no exception. Those who are entitled to assistance should receive it and those who are not entitled to assistance should not receive it.

To secure the proper expenditure of assistance funds, real investigation of applicants and real reinvestigation of cases are needed. To secure this, real investigators are needed. In investigation, all viewpoints must be subordinated to the basic questions of whether there is need, under the meaning of the law, and whether the applicant for assistance, or the person receiving assistance, has presented the full story of his resources or employment. There is much chiseling, as this report has shown. There are cases receiving assistance in which low standards of morality have been found to be actually encouraged by the manner in which assistance has been granted, as this report has shown. There are many cases in which the unemployed have lived too long upon the county of the State, when other means of livelihood were open had they desired to use them, as this report has shown. However, all these conditions, and many others, are but by-products of one basic condition. Investigation in the Department of Public Assistance is not investigation but visiting. Most of the problems relating to the administration of assistance in Pennsylvania will be solved if investigation becomes real.

The criticisms which the Commission has made of the administration of relief in Pennsylvania should not be allowed to obscure one important fact that is on the credit side of the ledger, which cannot be underestimated in importance. That is the complete absence of politics in the administration of relief. That this condition exists was borne out in many discussions with scores of persons throughout the State. It is to be hoped that this condition will continue. It is important to every person within the Commonwealth.

APPENDIX

RELIEF IN PENNSYLVANIA AND TEN OTHER STATES

With Supplement on

RELIEF IN THREE SOUTHERN STATES

Prepared by

THE JOINT STATE GOVERNMENT COMMISSION

of the

GENERAL ASSEMBLY

With the Assistance of

THE PENNSYLVANIA ECONOMY LEAGUE

RELIEF IN PENNSYLVANIA AND TEN OTHER STATES

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RELIEF IN PENNSYLVANIA AND TEN OTHER STATES

INTRODUCTION. AND SUMMARY

Relief (in all its forms) is the largest single item of governmental expenditure in Pennsylvania. Few people realize its full magnitude. Looking at the expenditures of one relief agency it is easy to lose sight of the expenditures being made simultaneously by other agencies. The following brief tabulation will perhaps convey some idea of the gross size of relief costs:

	1934	1936	1938	1939
State Funds	$34,335,000	$85,309,000	$109,654,000	$130,330,000
County Funds ..	5,746,000	7,842,000	.....	.....
Federal Funds [1] ..	131,998,000	205,371,000	208,312,000	157,056,000
Sponsor's Share of Fed. Work Programs [2]	5,643,000	12,204,000	32,809,000	30,000,000 [3]
TOTAL	$177,722,000	$310,726,000	$350,775,000	$317,386,000 [2]

[1] Includes only Federal share of special categories and earnings of relief employes on Federal Work programs—does not include other costs such as administration, non-relief labor and materials and supplies on work projects.

[2] There may be some slight duplication in this figure because some projects are sponsored by the state and their share is included under state funds but the main bulk of sponsor's share is provided by units of local government.

[3] 1939 sponsor's share not available. Judging from new W.P.A. regulations requiring sponsors to provide 25% of project cost, this item would probably approximate $30,000,000.

In other words relief in Pensylvania has cost more than $25,000,000 a month in each of the last two years. In 1938 relief expenditures of $350,775,000 amount to $34.53 per capita and to $41.26 for each of the 8,500,000 residents of Pennsylvania not receiving relief. This means that for each family of four persons not on relief approximately $165.00 had to be given up for the support of the unemployed and unemployable.

Relief expenditures in 1938 in Pennsylvania amounted to 5.95% of the total income of residents of Pennsylvania in 1937, the latest year for which income figures are available.

Looking only at the state's share of the total relief expenditures, the picture is equally dark. In 1939 the state paid out over $10,000,000 a month for relief and in the early months of 1940 has paid out only slightly less. If present indications materialize, relief will cost the state of Pennsylvania over $240,000,000 in the current fiscal biennium (June 1939-May 1941), or approximately sixty-five per cent of the receipts of the general fund anticipated in the budget for this period.

COMPARISON OF PENNSYLVANIA WITH OTHER STATES

This study of relief in Pennsylvania and in ten other states was undertaken in order to determine whether the relief problem in Pennsylvania differs materially from that in other states and, if so, whether such differences give any clue as to how the staggering burden of relief in Pennsylvania can be reduced.

In relation to its population, Pennsylvania is not out of line with the other states in the over-all number of cases receiving relief, never ranking higher than third nor lower than seventh. Since the spring of 1938, Pennsylvania has had relatively more general assistance cases than any of the other ten states and its general assistance case load grew throughout 1938 and the first nine months of 1939, while the general trend among the other states was slightly downward. Throughout 1936 and 1937 Pennsylvania was high in relation to population in number of W.P.A. cases, but in the early months of 1938 fell behind most of the states. Since the middle of 1938 Pennsylvania has had a relatively low number of W.P.A. cases—accounting in part for the relatively high number of general assistance cases. The other factor accounting for the high number of general assistance cases, while the over-all case load is relatively not high, is that Pennsylvania had a relatively low number of cases receiving special types of assistance under the special categories, namely, old age assistance, aid to dependent children, and aid to the blind.

Grants per case on general assistance and the special categories and earnings of persons employed on Federal work programs are all relatively high in Pennsylvania, but not excessively so, being generally less than in Massa-

chusetts and New York and only slightly more than in most of the other comparable states.

Pennsylvania varies between second and third place among the states compared in per-capita expenditures for direct relief and in per-capita state and local expenditures for all forms of relief. In per cent of state and local taxes used for direct relief and for all forms of relief Pennsylvania holds a still higher rank, reaching first place in both 1936 and 1938 (the last year for which complete figures are available.)

Pennsylvania is the only one of the states studied in which the state, as contrasted to local government, has assumed the whole burden of both direct relief and the special categories. There appears, however, to be little or no correlation between per-capita costs and the degree of state participation in the cost in the other states.

The sponsorship of Federal work projects is an important part of the total relief expenditures of state and local governments, ranging in 1938 from 21% to 50% of the total. In West Virginia it is such an important factor that the state and local governments pay in sponsor's share of W.P.A. projects more per case employed than they pay per case in general assistance grants.

Viewed solely as a relief program and without any consideration of the values produced W.P.A. provides an extremely expensive form of relief, in the cost of which the state and local governments participate substantially. Pennsylvania provided $32,809,000 as sponsors share of W.P.A. projects in 1938 and the Federal government paid $180,238,000 to project employes. These two items together amounted to $72.50 per month for the average of 244,894 W.P.A. employes as compared with an average general assistance grant of less than $30.00 per case per month. Had the same number of cases been carried on general assistance at $30.00 a month per case, it would have cost $88,-162,000, or $124,885,000 less than it did to support them on W.P.A. With this great disparity in cost, it might be well to reconsider the efficacy of W.P.A. as a relief program and to consider other possible forms of Federal participation in relief.

OTHER STATES STUDIED

The ten states used for comparison with Pennsylvania were selected for one of two reasons; first, that they were in some degree similar to Pennsylvania in industrial development or secondly that they were physically contiguous to Pennsylvania. The states used are:

Illinois	Massachusetts	Ohio
Indiana	Michigan	West Virginia
Maryland	New Jersey	Wisconsin
	New York	

Five of these states border on Pennsylvania and only one state, Delaware, which borders on Pennsylvania is omitted. Of the remaining five states, three, Illinois, Massachusetts and Michigan, are highly industrialized; while two, Indiana and Wisconsin are not so highly industrialized but are included here largely because they were included in a recent study of state tax systems made for the Joint State Government Commission.

This group of ten states, however, includes eight of the first twelve states in order of population (excluding Pennsylvania). Among the first twelve, the four states excluded are California, Texas, Missouri and North Carolina. These four states are not as nearly comparable to Pennsylvania as those used here both because of physical remoteness and because of the different nature of their economic resources which cause them to compete less with Pennsylvania than the states used. The two states included in this study, which are not among the first twelve in population, Maryland and West Virginia, are contiguous to Pennsylvania and Maryland is fairly comparable in per cent of urban population.

Six of the ten states used had as great or greater percentage of urban population than Pennsylvania as shown in the following tabulation:

State	% Urban (1930 Census)	State	% Urban (1930 Census)
Massachusetts	90.2	Pennsylvania	67.8
New York	83.6	Maryland	59.8
New Jersey	82.6	Indiana	55.5
Illinois	73.9	Wisconsin	52.9
Michigan	68.2	West Virginia	28.4
Ohio	67.8		

TREATMENT OF RELIEF STATISTICS

In the past there has been considerable loose thinking and loose talk about relief in one state as compared with another, frequently based on arbitrary spot comparisons of isolated factors. Here for the first time an attempt is made to make interstate comparisons over a longer period of time and with all three major factors in the relief setup[1] considered together as well as separately.

Various state and federal agencies treat different relief factors differently in their statistics. For instance, in its charts and tables the Social Security Board includes in the following order:

1. Special types of public assistance (OAA, ADC & AB)
2. General Relief
3. Relief under Special Programs of F.E.R.A.
4. Subsistence payments certified by the Farm Security Administration
5. Civilian Conservation Corps
6. National Youth Administration—Student Aid
7. National Youth Administration—Work Projects
8. Work Progress Administration—Projects operated by W.P.A.
9. Works Projects Administration—Projects operated by other Federal agencies
10. Other Federal Work and Construction Projects
11. Civil Work Administration

The Pennsylvania Department of Public Assistance drops out of its figures some of the items included by the Social Security Board. Items 3, 4, 6 and 10 are dropped by D.P.A. since eligibility for aid under them is not determined on the basis of need in the same sense that eligibility for general relief (general assistance) is determined. Items 8 and 9 are combined by D.P.A. but under the combined headings D.P.A. includes only wages paid to persons certified as in need of relief, whereas the Social Security Board includes non-relief wages. Under item 11 D.P.A. includes only one-third of the amount reported by the Social Security Board since sample studies indicated that only one-third of the Civil Works employes were taken from relief rolls.

[1] The three major factors in relief are: General Assistance, Federal Work programs (C.W.A. and W.P.A.), and special categories (Old Age Assistance, Aid to Dependent Children and aid to the blind).

In making interstate comparisons in this study, in addition to the items omitted by D.P.A., Civilian Conservation Corps and National Youth Administration expenditures and case aided have been omitted, except in charts 1, 2, and 3, because of the difficulty of getting comparable figures by states. This report, therefore, deals with only the three primary factors in relief—General Assistance (including local and F.E.R.A. work programs), Federal Work Programs (C.W.A. and W.P.A.), and Special Categories (O.A.A., A.D.C. and A.B.)[1] The omission from this study of certain kinds of relief and of some non-relief programs related to relief does not materially affect the relief picture since the omissions are relatively small in amount.

PART I

RELIEF IN PENNSYLVANIA

In the first three charts the history of relief in Pennsylvania is presented from the beginning of 1933 through 1939.

Relief expenditures in Pennsylvania rose from six and one-half million dollars per month in the first quarter of 1933 to almost twenty-seven million in the last quarter of 1938, the latter expenditure being more than four times the former. During this same period the number of cases rose from 395,746 to 615,704, an increase of only 55%. Both increases were more or less gradual and continuous. Persons relieved, on the other hand, rose only 44,403—from 1,814,700 to 1,859,103—and the rise was neither gradual nor continuous; the total mounted to 2,017,683 in the second quarter of 1933, declined to a low of 1,241,118 in the third quarter of 1937 and finally advanced rapidly to 1,888,084 in the first quarter of 1939.

The rapid rise in expenditures in relation to cases and persons in Pennsylvania can be attributed only partially to the increased general assistance grants. To a much greater extent the rise is due to the advent of W.P.A. which paid more than twice as much per case as general assistance even after general assistance grants had been increased. A third factor in the rising costs in relation to persons has been inauguration and continuous expansion of old age assistance and blind pensions where the grant for single person cases is only slightly less than the average grant for general assistance cases which average 2.92 persons per case.

The fourth factor in the increase of relief payments in relation to cases has been the steady reduction in the size of cases. At the beginning of the relief program in Pennsylvania there was a considerable doubling up of families and a proportionate increase in the number of younger members who, finding no work, stayed at home. As the result of these tendencies the average size of case was 4.6 persons in the first quarter of 1933. As the relief grant was increased to include rent and other items in addition to food, the tendency toward unnatural doubling up of families was reversed; also older members appeared as single persons on old age assistance, so that the average size of case has steadily shrunk until it reached 3.29 persons in the last quarter of 1939 (including both general assistance and W.P.A. cases). This trend toward smaller cases causes an increase in relief payments it costs more per person to support single persons or groups of two or three than it does to support larger groups living in one household.

Similar influences were at work in the other states so that in a rough way the composite picture of relief in Pennsylvania presented in these three charts would serve as a picture of the trends and of the relative importance of the various kinds of relief in most of the other states.

RELIEF EXPENDITURES IN PENNSYLVANIA
(Chart 1—Table I)

Relief expenditures in Pennsylvania as shown in this chart divide themselves readily into five periods: the first includes 1933, 1934 and the first three quarters of 1935 and covers what might be called the "emergency relief period"; the second includes the last quarter of 1935 and the first two quarters of 1936 which is a transitional period marked by the introduction and rapid expansion of W.P.A.; the third includes the third quarter of 1936 through the fourth quarter of 1937 and might be called the "recovery period"; the fourth, which might be called the "recession period" coincides with the year 1938; and the fifth or "post-recession recovery period" coincides with the year 1939.

Starting at approximately $6,500,000 a month in the first quarter of 1933 relief in dollars to recipients[a] in Pennsylvania rose to almost $19,000,000 a month in the first quarter of 1935 when the work program of the State Emergency Board was at its height. As the work program was curtailed in the second and third quarters of 1935, general assistance continued to rise, reaching its all time high of $13,752,000 a month in the third quarter of 1935. At the same time, however, the overall relief payments had been reduced $1,500,000 a month and stood at $17,506,000 a month in the third quarter of 1935.

The fourth quarter of 1935 marks the entrance of W.P.A. into the relief scene, pushing the total relief payment over $18,000,000 a month but at the same time reducing general assistance by $2,800,000. In the first and second quarters of 1936 W.P.A. expanded rapidly, reducing general assistance by $5,500,000 a month but pushing up the overall relief payments by $5,000,000 and absorbing a $500,000 shrinkage in C.C.C. and N.Y.A.

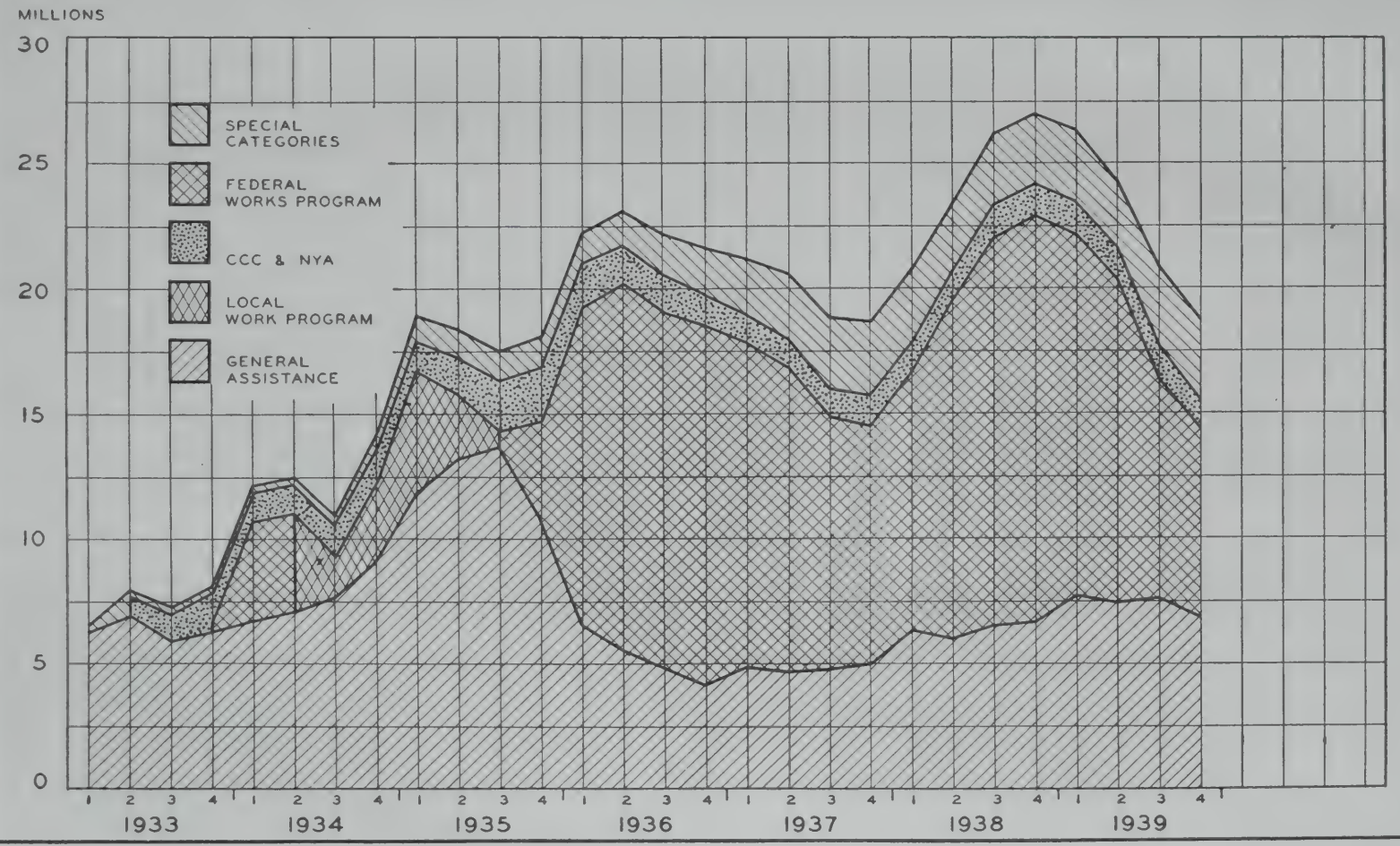
Starting with the third quarter of 1936 and continuing through 1937, there was a constant reduction in overall relief payments which dropped from $23,093,000 a month in the second quarter of 1936 to $18,680,000 a month in the fourth quarter of 1937. General assistance, however, reached its low point of $4,206,000 a month in the fourth quarter of 1936 and then ran through 1937, varying between $4,677,000 and $4,996,000 a month. W.P.A. dropped from $14,705,000 in the second quarter of 1936 to $9,457,000 a month in the fourth quarter of 1937. C.C.C. and N.Y.A. payments were also reduced in this period by some $300,000, leaving the special categories as the only relief programs which were not curtailed in this eighteen months period. Special categories moved against the general trend and more than doubled from the second quarter of 1936 at $1,380,000 a month to $2,987,000 in the fourth quarter of 1937.

Overall relief payments rose rapidly throughout 1938. General assistance moved up to $6,306,000 a month in the first quarter of 1938 and held approximately this level

[1] For a detailed statement of sources of data used, see Appendix II.

[a] Excludes cost of administration, special programs, non-relief labor and materials.

PENNSYLVANIA
RELIEF IN DOLLARS TO RECIPIENTS BY CATEGORIES
(MONTHLY AVERAGE)



SOURCE OF DATA:
FROM FIGURES SUPPLIED BY
DEPARTMENT OF PUBLIC ASSISTANCE
BUREAU OF RESEARCH & STATISTICS

PREPARED FOR THE JOINT STATE
GOVERNMENT COMMISSION BY THE
PENNSYLVANIA ECONOMY LEAGUE
AND THE STATE PLANNING BOARD

throughout the rest of 1938, ending at $6,582,000 a month. At least a part of this increase is accounted for by the taking over of 11,000 outdoor relief cases of the poor boards by the Department of Public Assistance under legislation for this purpose effective January 1, 1938. W.P.A. expanded greatly during 1938 with relief wages rising from $10,339,000 a month in the first quarter to $16,228,000 in the fourth quarter. C.C.C. and N.Y.A. increased their payments slightly. Perversely the special, catagories which increased in 1937 when all other programs were receding, were slightly reduced in 1938 from $2,999,000 a month in the first quarter to $2,841,000 in the last quarter. The overall relief payments reached their all time high in the fourth quarter of 1938 at $26,976,000 a month and both the second and third quarters produced monthly averages higher than in any quarter which preceded them.

In 1939 the decrease in overall relief payments was just as precipitate as the increase in 1938 and in the last quarter overall relief payments averaged $18,664,000 a month almost exactly the same figure as the low point in the second and third quarters of 1937 and the lowest since the inauguration of the W.P.A. program in 1935. In spite of the sharp decrease in overall payments, general assistance payments were higher in each quarter of 1939 than in any quarter of 1936, 1937 or 1938.

CASES RECEIVING RELIEF IN PENNSYLVANIA (Chart 2—Table II)

The overall relief case load shows no such advance as the overall relief expenditures. After reaching an early peak of 465,000 in the second quarter of 1933, the overall case load fell below 400,000 where it stayed until the fourth quarter of 1934, when it turned sharply upward, reaching 515,00 in the second quarter of 1935. In the first quarter of 1936, after a slight drop, the case load reached 519,000 but it will be noted that relief payments per month rose from $18,350,000 for 515,000 cases in the second quarter of 1935 to $2,266,000 for 519,000 cases in the first quarter of 1936. In the second quarter of 1936, with only 492,000 cases, overall relief payments reached their pre-recession peak. (See Chart 1.) The overall case load declined steadily from the first quarter of 1936 through the third quarter of 1937 and then turned very slightly upward in the fourth quarter of 1937, when there were 443,000 cases receiving some form of relief.

It should be noted that the advent of W.P.A. in the fourth quarter of 1935 caused no such upsurge in cases as it did in relief payments. It should also be noted that W.P.A. does not carry nearly as large a proportion of the case load as it does of relief payments, because the average earnings of project employes is more than twice the average general assistance grant. Special Categories on the other hand comprise a much larger proportion of the case load than of payments or persons because of the large number of single person cases receiving old age assistance and blind pensions.

Like the overall relief payments, the overall number of cases increased rapidly during 1938. Unlike the relief payments, however, cases did not reach their all time high until the first quarter of 1939 when an average of 629,000 cases received relief. Also, unlike relief payments, the number of cases relieved—while it did decline—not only did not decline to the lowest point since 1935 but rather was higher in the last quarter of 1939 (493,000 cases) than in any quarter of 1937 and the last three quarters of 1936. In the last quarter of 1939 there were approximately one thousand more cases receiving relief than there were in the second quarter of 1936 when relief payments reached their pre-recession high of $23,093,000 a month, despite the fact that relief payments in 1939 had fallen to $18,664,000 a month. This peculiar circumstance—that approximately the same number of cases should receive almost $4,500,000, or 19% less in the last quarter of 1939 than in the second quarter of 1936—is explained by the different internal composition of the case load which in percentages was:

	2d Quarter 1936	4th Quarter 1939	Change
General Assistance ...	36.0	45.8	+ 9.8
W.P.A.	49.0	26.5	—22.5
C.C.C. & N.Y.A.	3.8	3.0	— .8
Special Categories	11.2	24.7	+13.5
	100.0	100.0	.0

In other words, W.P.A., C.C.C. and N.Y.A., each of which pays a high amount per case, were sharply reduced, almost one fourth of the total case load having been moved from these programs to general assistance and special categories where the grant per case is approximately one-half to one-third as much.

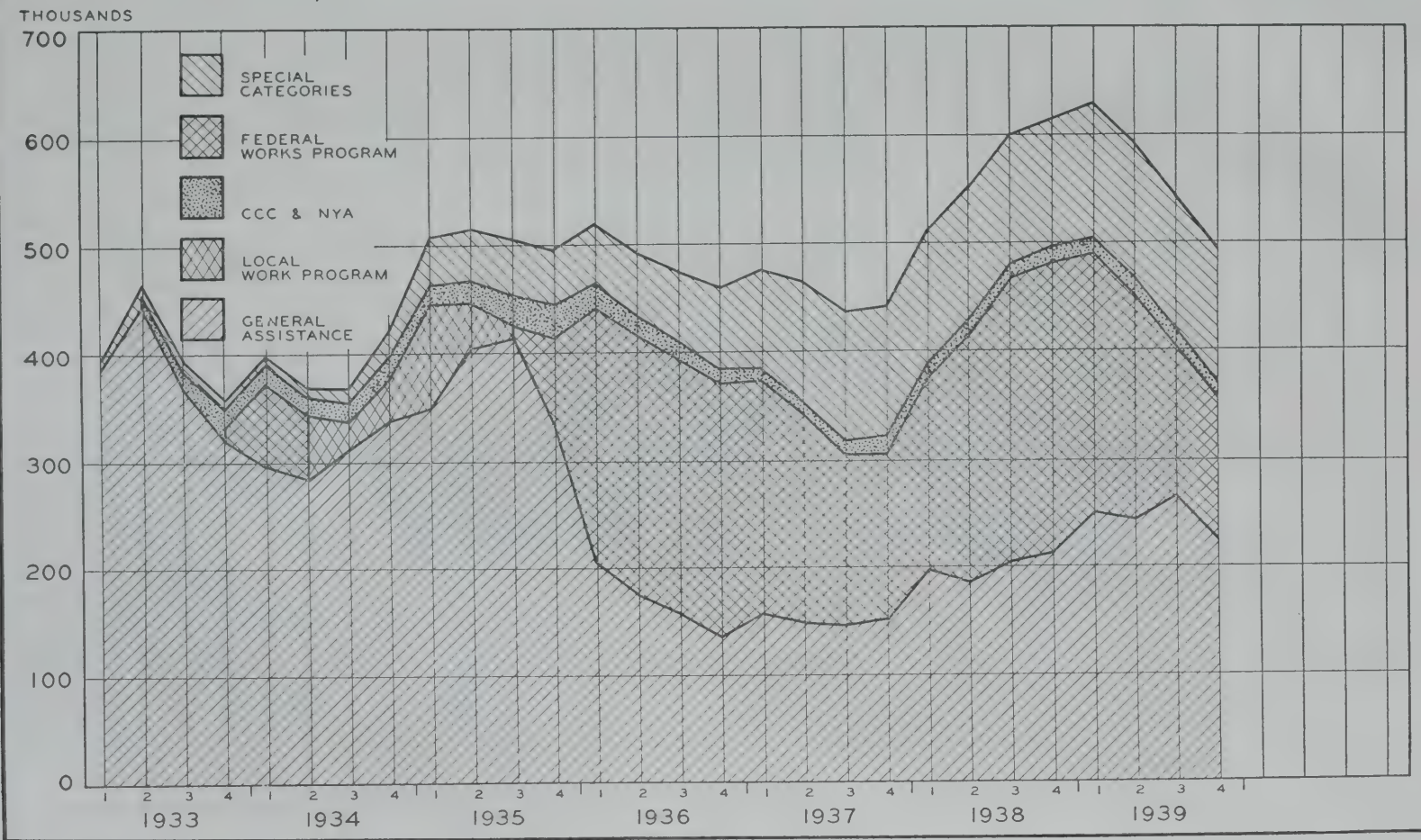
General assistance cases were high in relation to general assistance relief payments in the early period since relief grants were small and almost the whole case load was on general assistance. After the third quarter of 1935, general assistance cases follow approximately the same curve as general assistance relief payments. Cases receiving general assistance drop sharply in 1936, reflecting the expansion of W.P.A., and reaching the lowest point in the seven year period covered, at 137,603 cases, in the fourth quarter of 1936. Throughout 1937 general assistance cases remained fairly constant, ranging from 147,000 to 158,000 and standing at 151,821 in the fourth quarter. In the first quarter of 1938 general assistance cases advanced sharply both because of the increased need due to the recession and because of the taking over of some 11,000 cases previously cared for by the local poor boards. During the rest of 1938 general assistance cases grew gradually to 212,000.

With the curtailment of W.P.A., which dropped from 269,000 cases in the fourth quarter of 1938 to 130,000 in the fourth quarter of 1939, general assistance cases turned sharply upward in the first quarter of 1939 and then dropped slightly in the second quarter. In the third quarter of 1939 general assistance cases reached the highest point since 1935 at 265,535 cases. Business recovery began to catch up with the W.P.A. lay-offs in the fourth quarter of 1939 and general assistance was able to drop an average of 40,000 cases in the fourth quarter to stand at 25,889 cases which is still higher than in any quarter of 1936, 1937 or 1938.

PERSONS ON RELIEF IN PENNSYLVANIA (Chart 3—Table III)

The average number of persons supported by some form of public relief reached its all time high in the second quarter of 1933 when 2,017,683 persons were relieved or approximately 20% of the population. Like cases, the persons relieved fell off in the last two quarters of 1933

PENNSYLVANIA
AVERAGE NUMBER OF CASES ON RELIEF BY CATEGORIES



SOURCE OF DATA:
FROM FIGURES SUPPLIED BY
DEPARTMENT OF PUBLIC ASSISTANCE
BUREAU OF RESEARCH & STATISTICS

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

PENNSYLVANIA
AVERAGE NUMBER OF PERSONS ON RELIEF BY CATEGORIES

SOURCE OF DATA:
FROM FIGURES SUPPLIED BY
DEPARTMENT OF PUBLIC ASSISTANCE
BUREAU OF RESEARCH & STATISTICS

PREPARED FOR THE JOINT STATE
GOVERNMENT COMMISSION BY THE
PENNSYLVANIA ECONOMY LEAGUE
AND THE STATE PLANNING BOARD

and then stayed fairly constant until the last quarter of 1934 when they began a sharp increase, which reached its peak at 1,797,000 persons in the first quarter of 1935. From the first quarter of 1935 through the third quarter of 1937 there was a constant decrease in the persons relieved—interrupted only momentarily by slight seasonal increases in the first quarters of 1936 and 1937—which carried the number of persons relieved down to 1,241,000. From this low point persons relieved climbed rapidly reaching a high of 1,888,000 in the first quarter of 1939 and then falling off with equal rapidity to 1,380,000 in the fourth quarter of 1939.

Both W.P.A. and general assistance bulk relatively larger in persons relieved than in cases because they carry roughly 3.5 and 3.0 persons per case, respectively, whereas special categories and C.C.C. include for the most part single person cases.

The curve of persons receiving general assistance follows rather closely the pattern of cases receiving general assistance except that the early part of the persons curve is relatively higher because of the large size of cases (4.6 persons per case) during the early part of the program, which size has gradually diminished throughout the whole period covered here.

As was pointed out earlier the decreasing size of case, the advent of W.P.A. with its larger grant per case, the expansion of the special categories, particularly old age assistance and blind pensions with single person cases, and the increase in assistance grants per case to include rent allowances and to meet increasing food prices have all played a part in creating the anomalous situation in which the number of persons supported by public relief programs in the last quarter of 1939 (1,380,000 persons) is only 68.4% of the number supported at the peak in the second quarter of 1933 (2,017,000 persons) while the monthly relief payments in the last quarter of 1939 ($18,664,000) are 2.34 times as much as in the second quarter of 1933 ($7,971,000). In other words relief payments per person have grown from $3.95 a month in 1933 to $13.52, or 3.42 times the 1933 figure.

PART II

MONTHLY COMPARISON OF CASES AND GRANTS ON THREE MAJOR RELIEF PROGRAMS IN PENNSYLVANIA AND TEN OTHER STATES

CASES PER THOUSAND POPULATION

In order to facilitate comparison of case loads in states of different size, case figures have been reduced to the number of cases for each one thousand inhabitants. Both the cases per thousand population (Tables IV to VIII) and the actual case load for each state (Tables XXIII to XXXIII) by relief programs are presented in Appendix I and a statement of the sources of data used in the tables appears in Appendix II. The tables cover the period from July, 1933 through December, 1939, but in order to make the charts readable, it was necessary to present only the 1936-1939 data in the charts.

On the basis of the combined case load of general assistance, federal work programs and special categories (Chart 3), Pennsylvania has, since January, 1936, maintained an almost median position among the states—never ranking higher than third nor lower than seventh. The relief load in Pennsylvania has, however, been differently distributed among the major relief programs than in most of the other states—particularly during the last half of 1938 and all of 1939. In this eighteen month period Pennsylvania has been relatively high in cases per thousand population receiving general assistance and relatively low in cases per thousand population on the other two major programs, federal work programs and special categories.

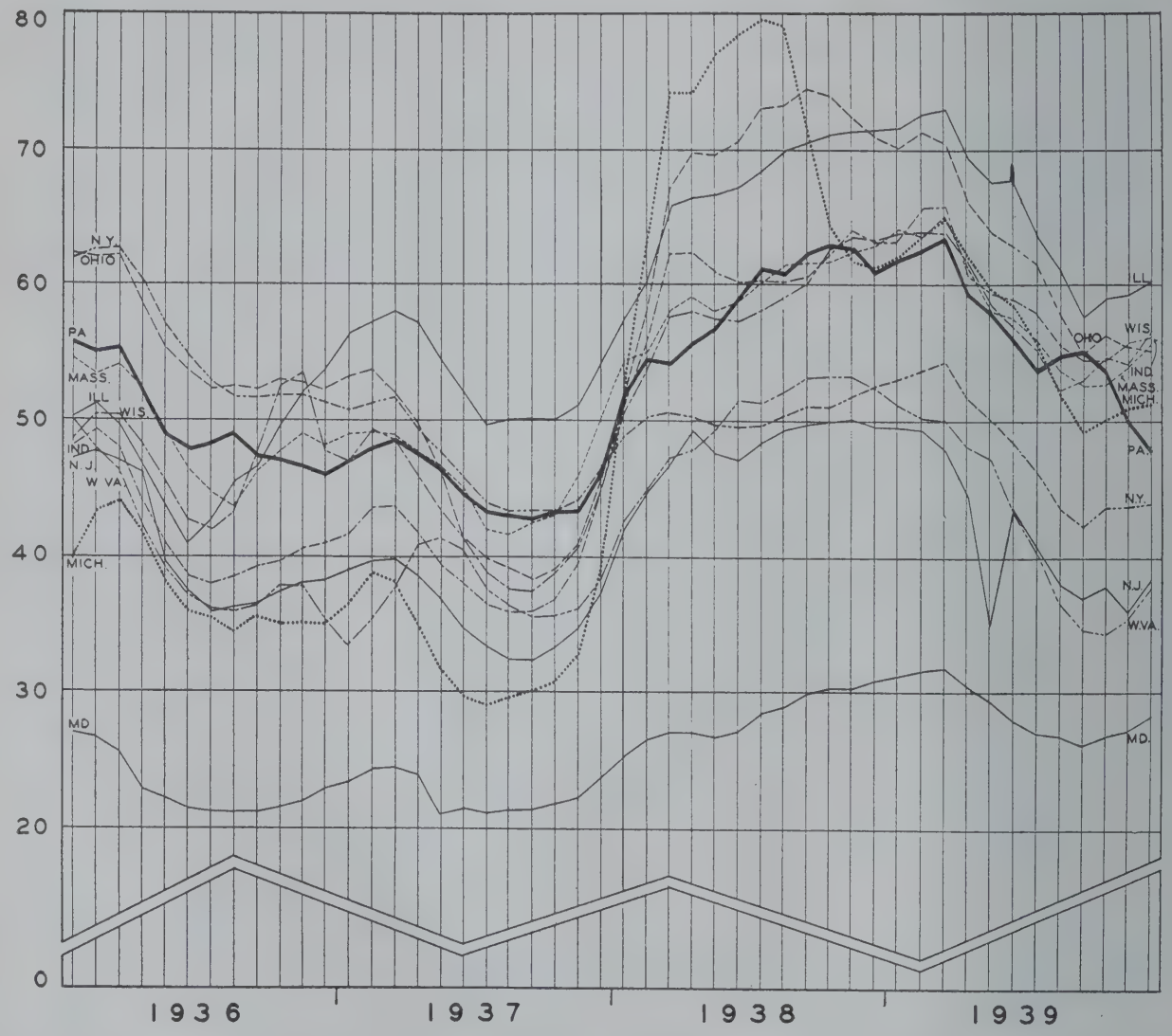
ALL TYPES OF RELIEF (Chart 4—Table IV)

Perhaps the most surprising, if not the most important, finding of this study is the high degree of conformity of the general trends in the over-all case load in Pennsylvania with most of the other states. This general pattern to which Pennsylvania conforms so closely during the years 1936 to 1939 breaks itself roughly into four periods.

The first period covers 1936 and the first ten months of 1937, during which the number of cases receiving relief decreased in every state except Illinois. The number of cases per thousand population in Pennsylvania fell from 55.76 to 43.20 or almost one-fourth. In rank Pennsylvania fell from third place 1.16 cases ahead of Massachusetts to fourth place, .18 cases behind New York. In this period Illinois started to follow the general pattern but in the months from July, 1936 through March, 1937 it moved up rapidy from sixth place to first place and then proceeded to follow the general pattern not only for the rest of this period but throughout 1928 and 1939 as well. Wisconsin had an upward surge in over-all cases which carried it from sixth place in August, 1936 to first place in November, but by December, 1936 it was back to fifth place.

The second period extends from November, 1937 through March, 1939 and covers the "recession" increase in relief. During the early months of this period relief cases increased very rapidly in almost every state. Pennsylvania, New York and Maryland, although showing increases, did not increase at as rapid a rate as most of the other states, so that New York, which had been first and second place in the preceding period, was in eighth place by January, 1938, and Pennsylvania, which had been in third and fourth place fell to seventh place by March, 1938. Pennsylvania and New York ended this period in seventh and eighth place, respectively, in March, 1939. Pennsylvania, however, was separated from third place by less than 2.5 cases per thousand population, having 63.42 cases per thousand, while Indiana had only 65.87 to gain third place in March, 1939. Michigan had a heavy increase in cases in the early part of this period, rising from tenth place in November, 1939 to first place by February and reaching a peak in July, 1938 with 79.51 cases per thousand, which was almost two and a half times the November 1938 number. Ohio also showed a disproportionate increase in this period, but Ohio stayed high throughout the remainder of this and subsequent periods while Michigan, after reaching its peak in July 1938, fell back into a close group with Indiana, Massachusetts, Pennsylvania and Wisconsin. In both Ohio and Michigan the disproportionate rise in relief was apparently caused by reduced employment in

ALL TYPES OF RELIEF
CASES PER THOUSAND POPULATION



SOURCE OF DATA:
FROM FIGURES SUPPLIED BY
DIVISION OF STATISTICS-WPA
DIVISION OF PUBLIC ASSISTANCE RESEARCH—
SOCIAL SECURITY BOARD

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

the automobile, parts and accessories industries, which are located there.

Six of the eleven states, including Pennsylvania, reached their all time high[1] in case load in March 1939. In only one state, New York, was the March 1939 case load less than the high point in 1936. Three other states, Michigan, New Jersey and Ohio, reached their highest case load in this period but prior to March 1939.

In the third period, from April through September 1939, the over-all case load declined in every state at a very rapid rate. There was very little change in the rank of the states in this period except for Pennsylvania, which in the last two months of the period had a slight rise in cases per thousand population, while all the other states continued to drop except Wisconsin, which had a slight rise in the last month of the period. Pennsylvania ended this period in second place instead of seventh where it started, but was only a fraction of a case ahead of Ohio and Indiana.

In the fourth period, comprising only the last three months of 1939, there was a general upward movement of cases per thousand population in all states, except Pennsylvania which experienced a sharp drop, thus returning it to seventh place among the states. This contra-seasonal drop in Pennsylvania was occasioned in part by the large pickup of employment in the heavy industries coincident with the current war in Europe and in part must be considered a delayed realization of the drop in relief cases experienced in other states in the last two months of the preceding period. Though not included in this study, the case load in Pennsylvania is known to have increased in the early months of 1940 which further supports the contention that the contrary action of the Pennsylvania case load from August to December 1939 results from a slight difference of timing and that over a longer period the Pennsylvania case load will be found much more nearly in conformity with the general pattern.

Attention should be called to the case load in Maryland, which, while it conforms to the general pattern insofar as trends are concerned, is one half as large in relation to population as is the Pennsylvania case load. Explanations for this striking difference, include the recent great industrial growth near Baltimore and a slightly different basic approach to relief problems. However, any adequate explanation of the differences between one state and another in case load, or for that matter any adequate justification of the striking similarity between the states would involve a study of the detailed history of the social and economic environment of the inhabitants of each state of such proportions as to be practically impossible. Explanations of differences between states in this study have, therefore, been confined for the most part to the interaction of relief programs, known differences in eligibility requirements, or similar definite factors.

GENERAL ASSISTANCE (Chart 5—Table V)

The general assistance case load in relation to population which is shown in Chart 5 is subject to two major influences: first, the extent of unemployment; and second, the extent to which other forms of relief carried the load. The general downward trend of general assistance cases in all states during 1936 represents both an improvement in general employment, and a fairly constant employment on W.P.A. which commenced on August 1935 and continued to expand into March 1936 and then, after a dropping off in April and May, held fairly constant throughout the rest of 1936. The levelling off of general assistance cases from July through October 1937 represents improving employment offset by a reduction in the W.P.A. case load through September 1937. When the "recession" set in, unemployment started going up at a faster rate than W.P.A. expanded, so that general assistance cases increased sharply from November 1937 through March 1938. By March 1938 W.P.A. had gained momentum and general assistance cases dropped in most states, except in Pennsylvania, until October 1938. W.P.A. continued to increase its rolls reaching a peak in different states from August to November with the majority in November 1938. With the downward turn of W.P.A. in the fall of 1938 general assistance cases rose until February or March 1939 and then started down again. The downward movement continued through July 1939 when general assistance cases started upward to an unseasonal peak in September which coincides with the low point in W.P.A. cases. In the last three months of 1939, general assistance cases fell back to about the July 1939 level as W.P.A. cases went up again to about their July level.

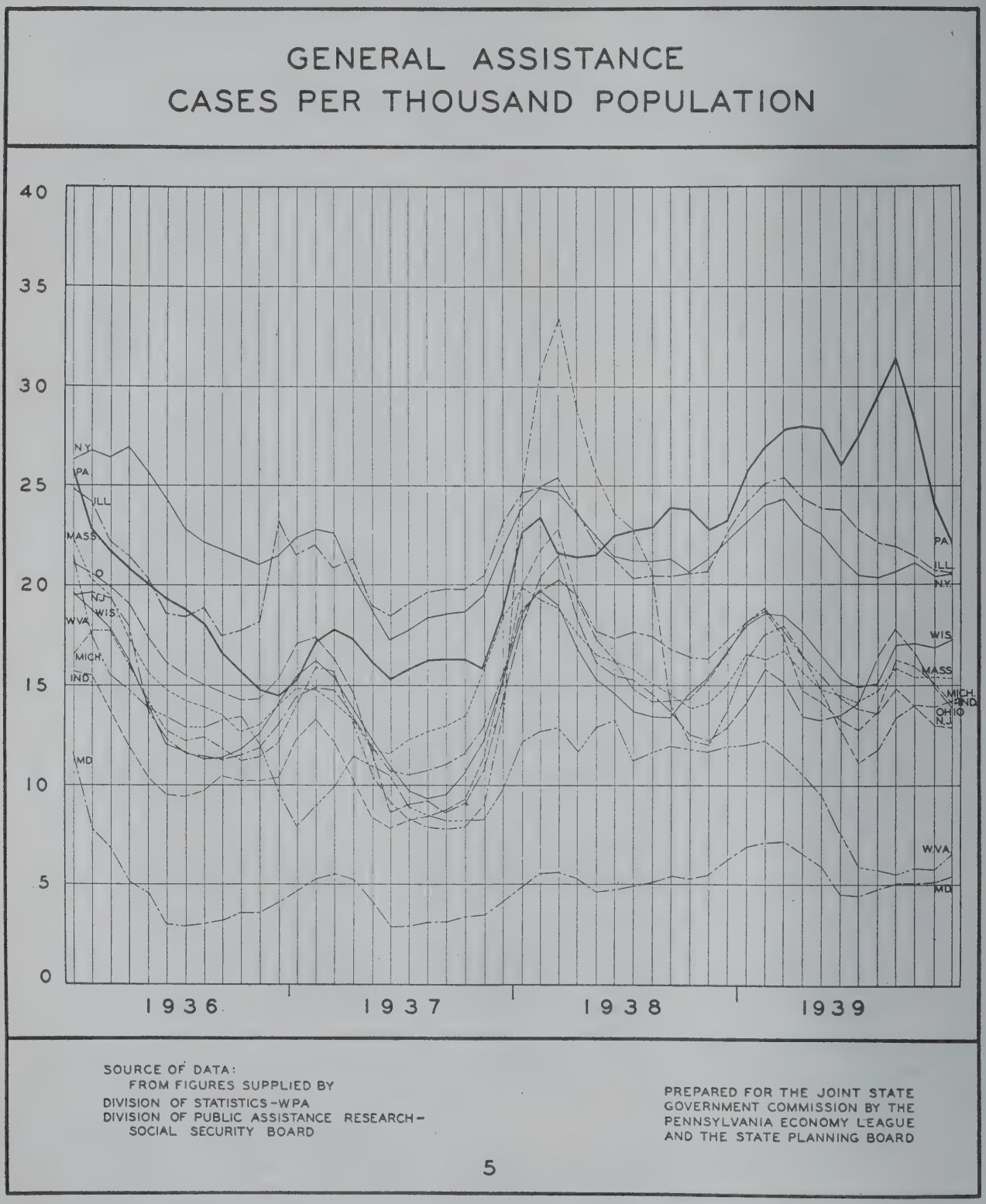
It is interesting to note that there was a very definite winter peak in general assistance cases occuring in every state in each of the three winters of 1936-37, 1937-38 and 1938-39, save only West Virginia, which showed a decided dip in general assistance cases in the winter months of 1936-37. Looking back at the chart of over-all case loads (Chart 4) there is an indication of such a winter peak in the winter of 1935-36, and the increases in the number of cases in the last two or three months of 1939 have set the stage for a similar peak in the winter of 1939-40. On the chart of general assistance case loads these latter two peaks—those of 35-36 and 39-40 are obscured by the sudden upward movement of W.P.A. cases in both periods which absorbed a large number of general assistance cases.

Pennsylvania held roughly to third place among the states in general assistance cases per thousand population, running behind New York and Illinois from January 1936 to March 1938. During this period general assistance cases in Pennsylvania followed rather closely the general trend in the other states.

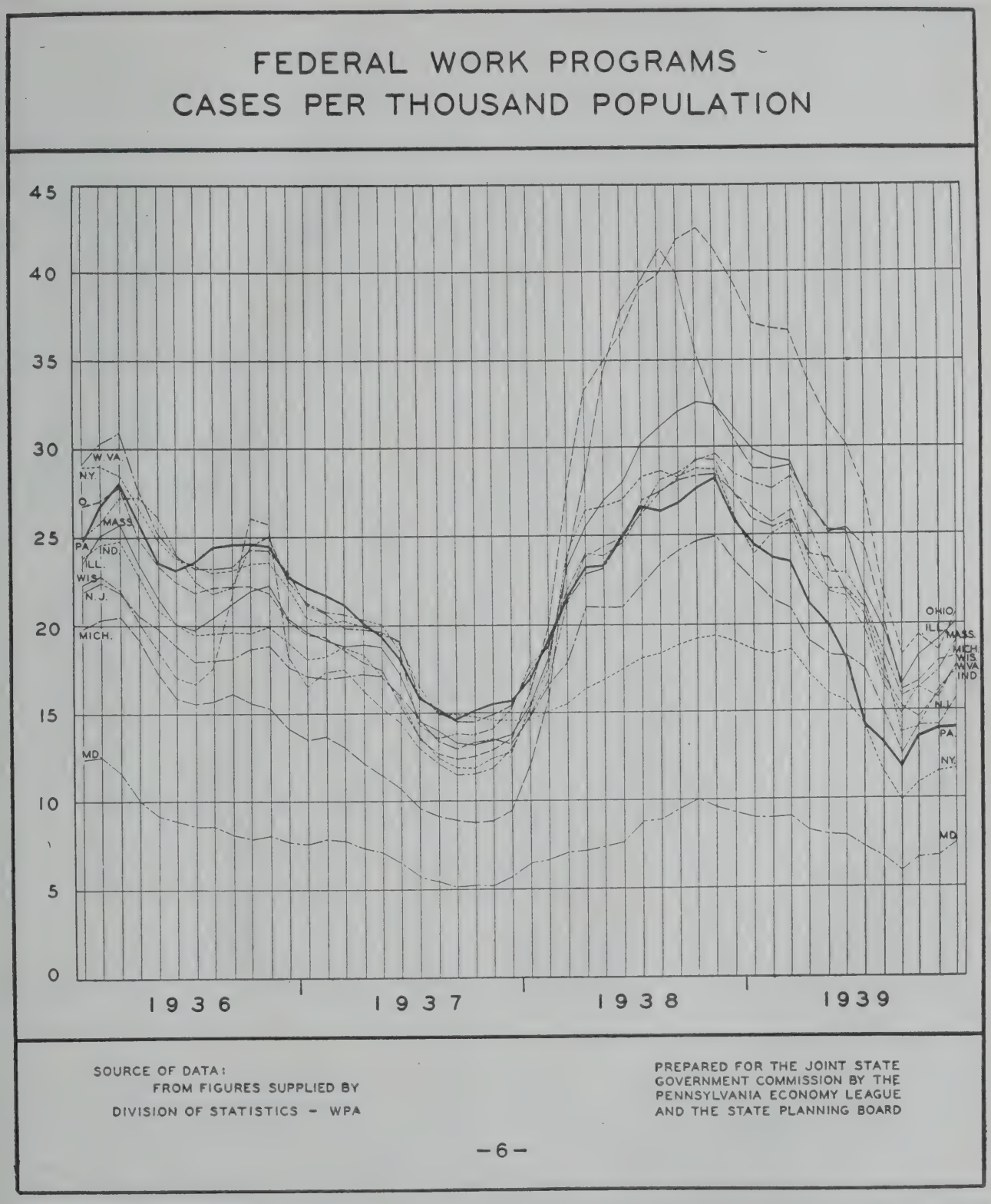
After March 1938, however, Pennsylvania departed from the general trend of the other states and moved rapidly into first place in general assistance cases per thousand population—a position which it had not relinquished through December 1939. In the six month period from April through October 1938, general assistance cases were reduced in every state except Pennsylvania, largely as a result of increased W.P.A. activity. In Pennsylvania, however, general assistance cases continued to increase in this six month period.

Most of the other states, starting from October 1938, had a seasonal increase in general assistance cases, reaching its peak in February or March 1939 and then falling off again to approximately the October 1938 level by June or July

[1] In some states the case load in the early months of 1934 was higher because of large C.W.A. employment but, as was pointed out in the introduction, sample studies indicate that only one-third to one-half of C.W.A. employes were taken from relief rolls so that for practical purposes the full number of C.W.A. cases should not be included in the case load.



1939. Pennsylvania experienced a similar seasonal increase in general assistance cases which reached its peak in March 1939 but unlike the other states it did not fall back to the October 1938 level. After a slight drop in April, May and June, general assistance cases in Pennsylvania increased rapidly to a peak of 31.35 cases per thousand population in September 1939. This peak was approximately 50% higher than the 21.34 cases per thousand in April 1938, when Pennsylvania's general assistance case load first departed from the general trend in other states. A number of the other states experienced an unseasonal rise in general assistance cases from July



to September 1939, as pointed out earlier, which resulted from the very rapid reduction of W.P.A. cases in these months. In the other states, however, the unseasonal peak in September 1939 is substantially below the April 1938 level.

In the last three months of 1939 the number of general assistance cases in Pennsylvania dropped rapidly and at a much faster rate than in any other state some few of which even had slight increases. This reduction in general assistance cases results in part from the increased employment in Pennsylvania's heavy industries coincident with the European war and in part from increased W.P.A.

employment in the 50 months. In Pennsylvania W.P.A. employment returned to the July 1939 level while in no other state was this the case (see Table V).

While the high position of Pennsylvania in general assistance cases can be laid, in part, to its low position in W.P.A. cases after the spring of 1938, one additional factor contributed to that position—namely, the relatively low position of Pennsylvania in cases per thousand population on the special categories, resulting chiefly from the relatively high eligibility age (70 years) for old age assistance then in effect. Had Pennsylvania expanded its old age assistance as did many of the other states—to the point where the cases per thousand population on special categories would have been twenty or more, instead of eleven to twelve—there would have been a substantial reduction in general assistance cases. A reduction of only three or four cases per thousand population on general assistance would have served to bring Pennsylvania below both New York and Illinois in general assistance cases per thousand population throughout most of the period after the spring of 1938. In other words, Pennsylvania would have maintained through 1938 and 1939 the same relative assistance cases that it held throughout 1936 and 1937, despite its relatively low position in W.P.A. cases per thousand population. Since the federal government pays one-half of old age assistance grants this change would have probably saved some money for the state.

FEDERAL WORK PROGRAMS (Chart 6—Table VI)

In number of federal work program cases per thousand population, Pennsylvania, starting in a median position, moved rapidly into a leading position but still not far ahead of the other states and held this position through December 1937. With the general sharp upward movement of W.P.A. employment starting at that time, Pennsylvania began to fall behind and by August 1938 had fallen into a relatively low position which it has held since that time. Only three states have been relatively lower than Pennsylvania in W.P.A. employment since August 1938, namely: Maryland, which is low throughout all four years; New York, which had until late in 1937 vied with Pennsylvania for a leading position; and New Jersey which had been in a low position, ninth of eleve states, for almost the entire four year period.

The most startling fact shown up this chart is that all of the eleven states follow so uniform a pattern in cases per thousand population throughout 1936 and 1937 with nine of the states rather closely bunched—the lowest of the nine being not more than 20% below the highest. While still following a similar general trend throughout 1938 and 1939 these same nine states show a variation of over 50% (from 19.23 cases per thousand in New York to 42.52 cases per thousand in Ohio) in October 1938 and a variation of over 50% in December 1939 (from 11.64 cases per thousand in New York to 20.62 cases per thousand in Ohio).

It should be noted that the change in the relative position of Pennsylvania on W.P.A. cases per thousand population, which takes place with the rapid expansion of W.P.A. employment in the early months of 1938, is the reverse of the change of position in Pennsylvania general assistance cases per thousand which took place at this same time—Pennsylvania having moved into first place in general assistance cases and from first to eighth place in W.P.A. cases despite its very substantial increase in W.P.A. cases.

Pennsylvania, which had more W.P.A. cases per thousand population in October-December 1937 than any other state compared here, had fewer in December 1939 than all save Maryland and New York. This shift appears to be more important when it is noted that Ohio, which received more than twice the W.P.A. aid received by New York from April 1938 through 1939, had only 60 odd per cent as many general assistance cases per thousand population as New York in the same period. The Michigan curve represents another peculiar situation, in that Michigan received relatively less W.P.A. aid than other states save Maryland through January 1938 and by April 1938 had moved to second place and thence to first place for June, July and August 1938 thereafter varying between second and third place with Illinois. It should be noted, however, that on geenral assistance case per thousand Michigan moved from tenth place in October 1937 to first place in January 1938, which it continued to hold until July, thence falling rapidly to tenth place again in October and November 1938. This extreme movement in both Ohio and Michigan no doubt results from the unsettled condition of the automobile and parts business and in the case of Michigan the large W.P.A. case load is perhaps justified by the high general assistance case load but in the case of Ohio, which never rose above sixth place in general assistance cases, there is less apparent justification for the high W.P.A. case load.

PER CENT OF CASES ON FEDERAL WORK PROGRAMS (Chart 7—Table VII)

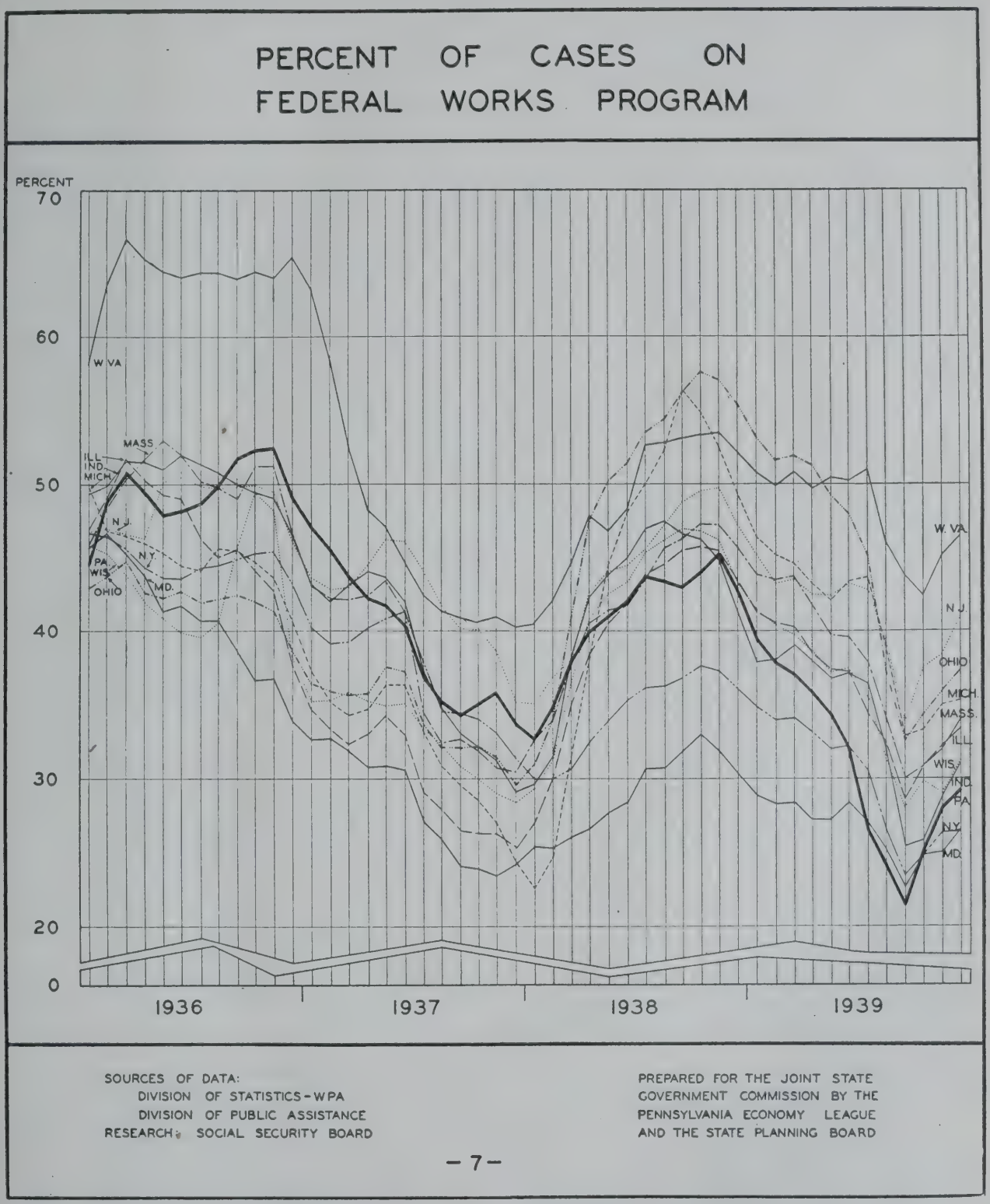
In per cent of the over-all case load carried on federal work programs the story for Pennsylvania is, with minor changes, the same as that in federal work program cases per thousand. Pennsylvania holds a relatively high place in per cent of federal work programs cases through 1936 and 1937, slips back in the early months of 1938 and thereafter holds a relatively low position, falling into eleventh or bottom place in July, August and September 1939 but regaining seventh place in December 1939.

With the exception of West Virginia and New Jersey, which hold a considerable higher rank in per cent of cases on federal work programs than on federal work programs cases per thousand, the states vary very little in either rank or trend on this chart from that shown in the federal work program cases per thousand.

In the period following November 1938 the per cent of cases on federal work programs dropped more rapidly in Pennsylvania than in any other state by a small margin and then recovered more rapidly in the last three months of 1939.

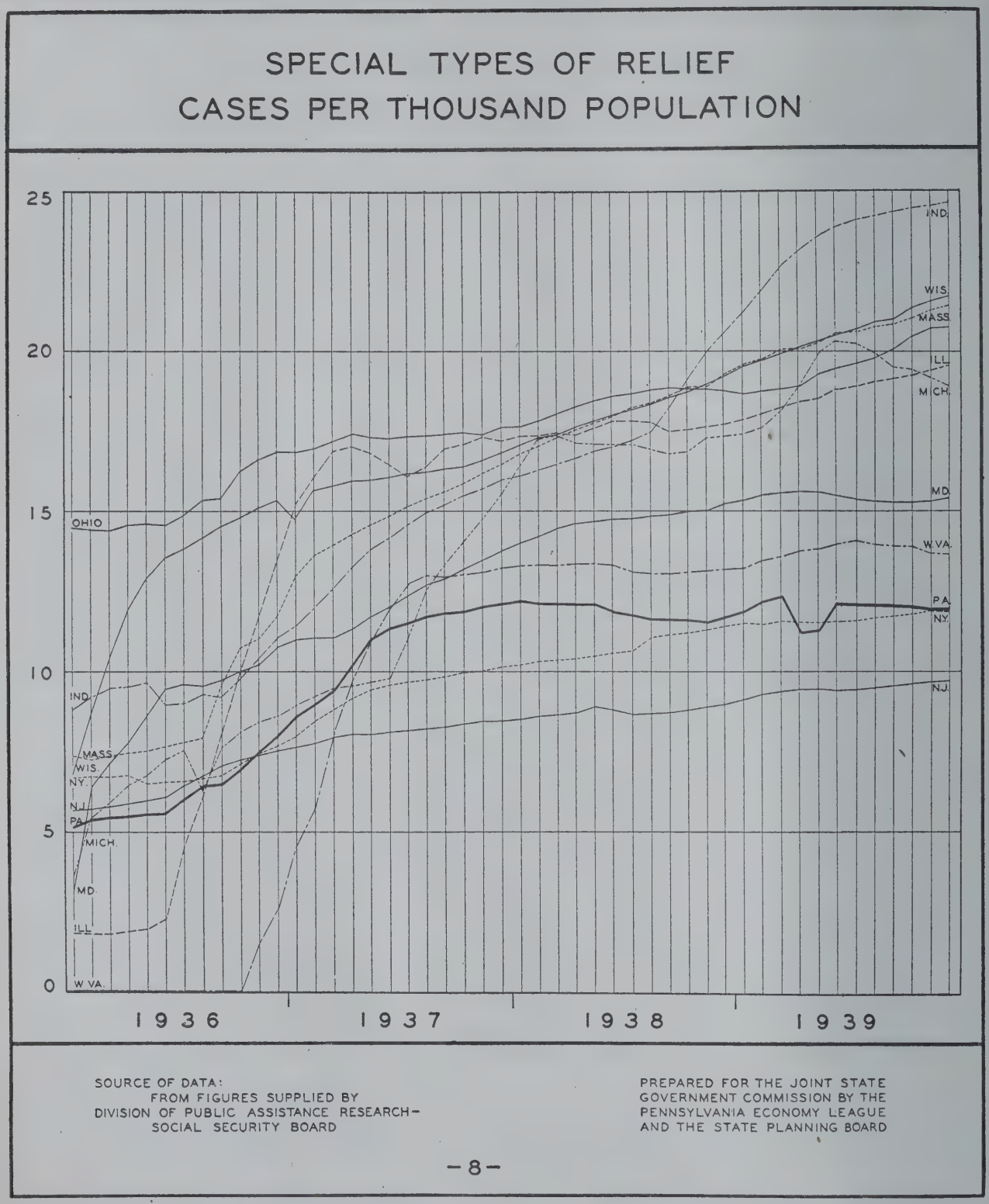
SPECIAL CATEGORIES (Chart 8—Table VIII)

Special categories—old age assistance, aid to dependent children and aid to the blind—have on the whole increased rather markedly in the four years covered by Chart 8. In Pennsylvania the number of cases more than doubled in this period and at the close of the period are about one-half of the general assistance case load and two-thirds of the federal work case load. In spite of this, however, only three states had less actual increase in these forms of relief than Pennsylvania and of these three Ohio started with almost three times the relative case load of Pennsylvania. With the change in age limit for old age assistance, eligibility from 70 to 65 years and a broadened elig-



ibility for aid to dependent children, which went into effect January 1, 1940 and September 1, 1938, respectively, the number of cases receiving special types of relief in Pennsylvania will rise rather sharply both from new cases taken on and from the transfer of some 25,000 cases from general assistance to one of the special types of relief. If the other states continue their present trend when the full adjustment in the Pennsylvania case load is made sometime in 1940, the Pennsylvania case load will approach that of Maryland and will occupy a median position among the states.

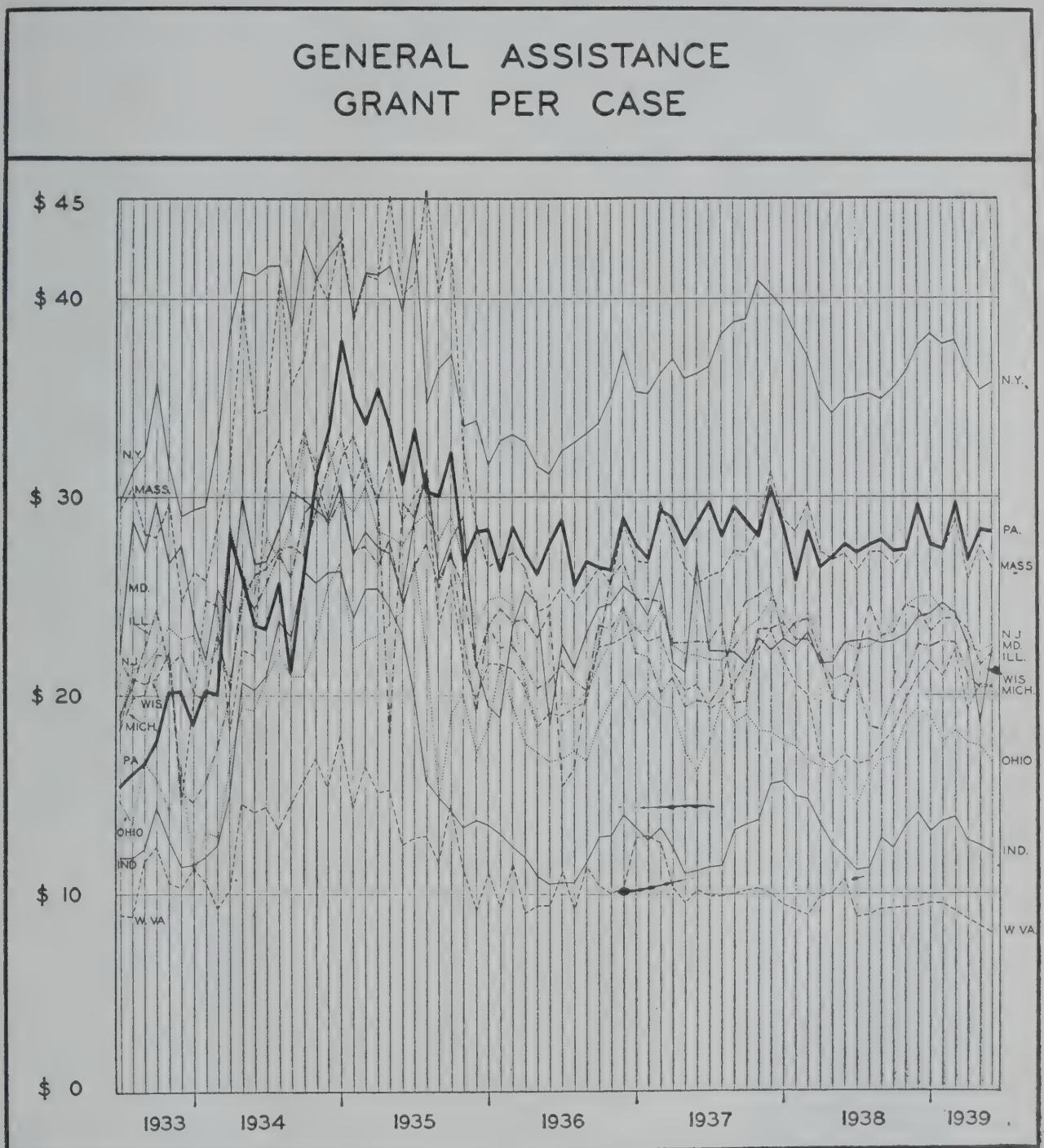
Since the Federal government pays one-half of old



age assistance and aid to the blind[1] and one-third of aid to dependent children,[2] the practice in some states of carrying as many cases as possible on special categories and as few as possible on general assistance may have some merit from the point of view of holding down state costs. In Indiana for instance 41% of the total case load is on special categories and only 20% is on general assistance as compared with Pennsylvania with 21% on special categories and 47% on general assistance.

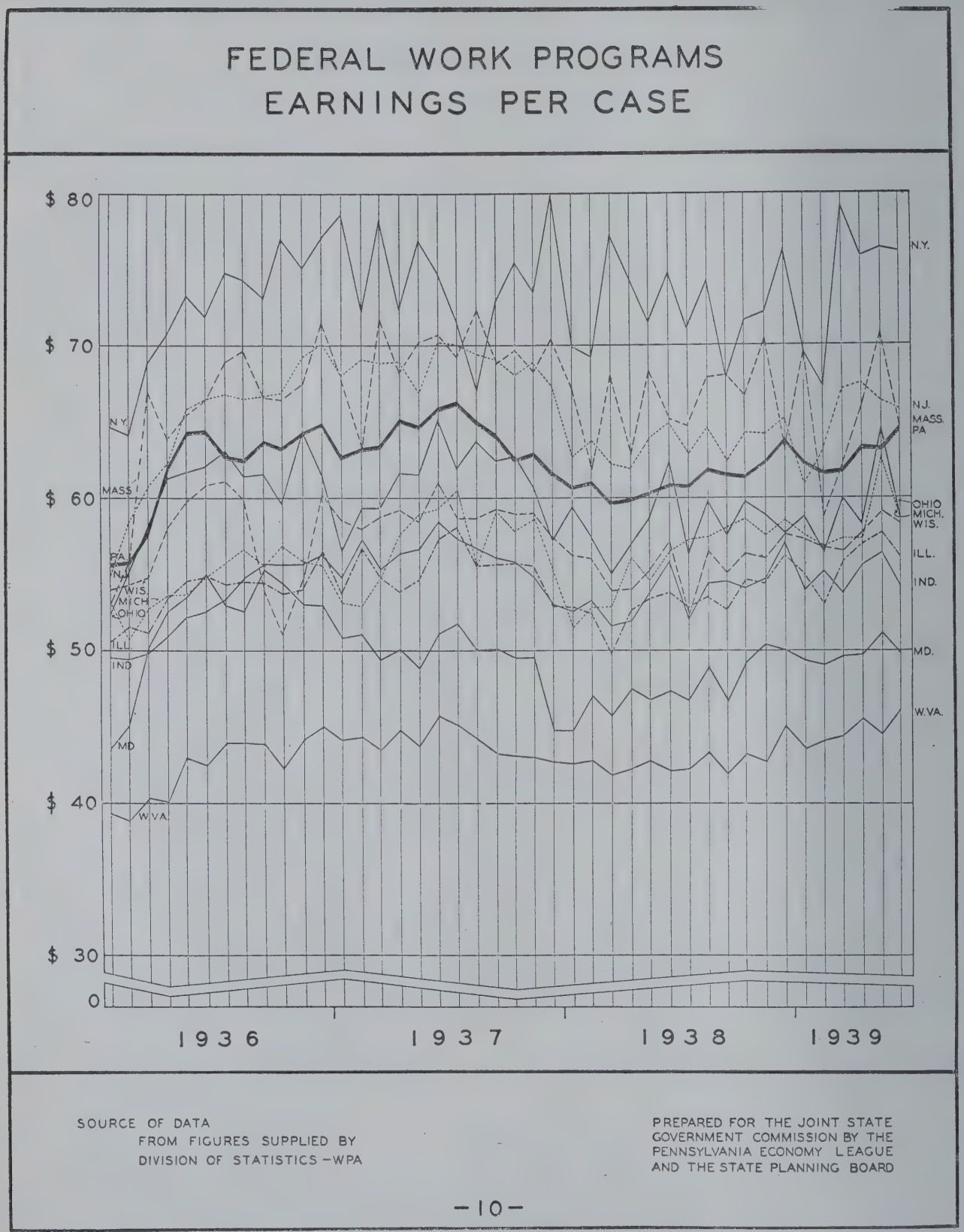
[1] In Pennsylvania aid to the blind is not given on a need basis and the federal government does not pay any share of the cost.

[2] Increased to one-half as of January 1, 1940.



GRANT PER CASE

The grant per case figures shown in charts 9, 10, and 11 have been computed from the case and expenditure figures reported in tables XII to XXXIII. As explained in Appendix II the case count figures available are somewhat overstated and fluctuate with the rate of turnover of cases,



particularly on the general assistance program which accounts for the oscilating nature of the lines in Chart 9. The grant per case charts and the tables from which they are plotted cannot, therefore, be used as an accurate determination of the grant per case, but rather as an indication of the relative grants from state to state and from time to time.

GENERAL ASSISTANCE GRANTS (Chart 9—Table IX)

The trend of general assistance grants per case in these states, as shown in Chart 9, is upward in 1933 and 1934, slightly downward in 1935 and practically constant thereafter. Pennsylvania follows this general pattern but the upward movement in 1933 and 1934 is sharper than in most states. Pennsylvania moved from eighth place to third place by January 1935 and, since that time, has varied between second and third place with Massachusetts.

Starting with a food allowance only in 1932 relief grants in Pennsylvania were increased from time to time during 1933 and 1934 by the inclusion of allowances for shoes, clothing, fuel, rent and public utility services. In addition there was in increase resulting in two peaks, the first coinciding with the taking over of the federal C.W.A. work projects by the local works division of S.E.R.B., followed by a slight drop as the work program was curtailed, and the second coinciding with the starting of the work relief program of S.E.R.B. which entailed a twenty per cent bonus over the ordinary relief grant for those who worked. With the advent of W.P.A. in the fall of 1935, local work relief stopped and the general assistance grant was stabilized at approximately its present level. At the end of 1939 New York was high in grant per case on general assistance at approximately $36.00 a month per case, with Pennsylvania and Massachusetts well behind at from $27.00 to $28.00 a month per case. Five states are closely bunched between $20.00 and $24.00 a month per case, while Ohio, Indiana and West Virginia are far behind.

Two items should be mentioned, which have had a share in increasing the general assistance grants in Pennsylvania and in many of the other states. First, rent has come to be recognized as a relief need and a rent allowance has been included in the relief grant, which was not included in the early months of 1933 in most states. Prior to the inclusion of rent allowances landlords to a large extent absorbed the rent loss and in a sense were thereby specially taxed for the support of relief clients. The second item contributing to the large increase in general assistance grant per case has been the expansion of old age assistance and aid to the blind which removed substantial numbers of single person cases from the general assistance rolls, leaving the larger and higher grant cases on general assistance.

FEDERAL WORK PROGRAM EARNINGS (Chart 10—Table X)

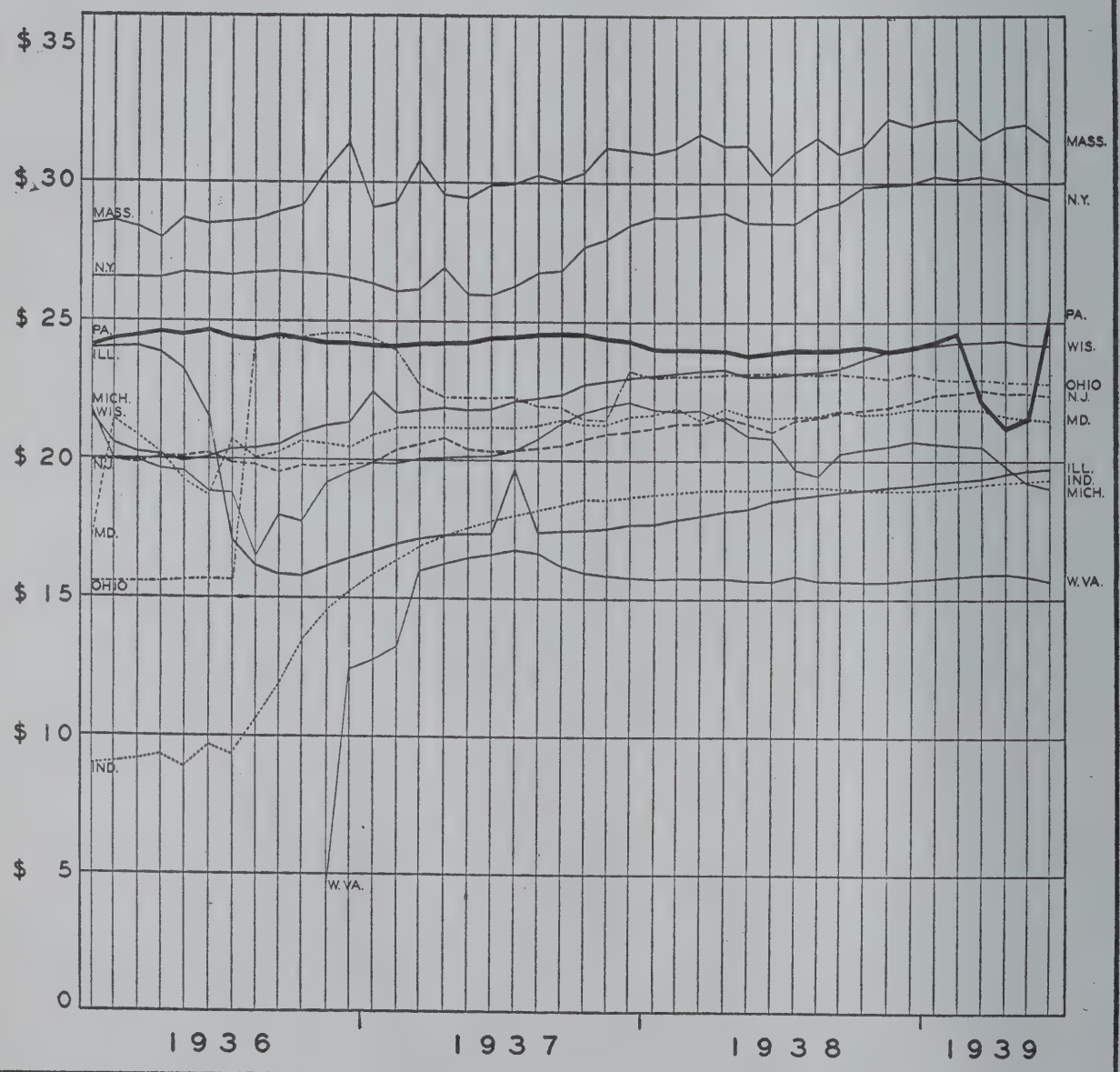
The earnings per case on federal work programs are of little interest except to show that the rank of the states is approximately the same as in general assistance grants and that the earnings are on the whole more than twice as much as the general assistance grant per case while the average size of case is only slightly greater. It should also be noted that federal work program earnings bear no relation to the size of case so that single persons receive just as much as five and six person cases on this relief program.

Pennsylvania ranks roughly fourth in federal work program earnings per case as compared with second or third in general assistance grants and third in grant per case on the special categories.

SPECIAL CATEGORY GRANTS (Chart 11—Table XI)

In average grant to cases on the three special categories Pennsylvania ranks third, behind New York and Massachusetts, but is not so far ahead of the states immediately below it on this score as it is ahead of these same states in general assistance grants. Only two states have an average grant of over $25.00 a month per case on the special categories while six, including Pennsylvania, have an average grant between $20.00 and $25.00 per month. The decrease in Pennsylvania for a few months during 1939 was due to changes in the state's payment procedure made during those months and does not represent any real change in the amount of grants to individual cases.

SPECIAL TYPES OF RELIEF
GRANT PER CASE



SOURCE OF DATA:
FROM FIGURES SUPPLIED BY
DIVISION OF PUBLIC ASSISTANCE RESEARCH—
SOCIAL SECURITY BOARD

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

PART III

COMPARISON OF ANNUAL STATE AND LOCAL EXPENDITURES FOR RELIEF IN PENNSYLVANIA AND TEN OTHER STATES

In the following charts an attempt has been made to compare the state and local expenditures for direct relief (including administration, special programs, materials and supplies, non-relief labor and other costs of the emergency relief program) for participation in the special categories and for federal work programs by years from 1933 through 1938. Comparable figures are unfortunately not yet available for 1939.

STATE AND LOCAL EXPENDITURES FOR ALL FORMS OF RELIEF (Chart 12—Table XXXIV)

State and local relief activities, including state and local share of expense for direct relief, special categories and sponsorship of federal work programs, cost $4.09 for each man, woman and child in Pennsylvania in 1933. This cost has risen constantly since that time; it was $4.62 in 1934; $5.31 in 1935; $9.35 in 1936; $10.30 in 1937; and $13.40 in 1938. In this calculation the cost of special categories has been excluded in the year 1933, 1934 and 1935, since comparable data is not available for the other states, but even had it been included there would still have been a sharp increase throughout the period. High as this cost may appear—and rapid as has been the rise—Pennsylvania has never ranked higher than third among the eleven states compared in this report in per capita state and local expenditures for all forms of relief. New York has throughout the period had a per capita expenditure from two to six dollars per annum higher than Pennsylvania. Massachusetts had higher per capita expenditures in five of the six years shown and, over the whole period, averaged two dollars per capita more. Illinois has had higher per capita expenditures in three of the six years. In 1938 five states spent more than $13.00 per capita, two being higher than Pennsylvania and two, only slightly less. The upward trend of the per-capita expense in Pennsylvania is followed rather closely by all but four states, one of which is Massachusetts, which began far above Pennsylvania, the other three being Maryland, West Virginia and Indiana—probably the three states least comparable to Pennsylvania in industrial development.

STATE AND LOCAL EXPENDITURES FOR DIRECT RELIEF (Chart 13—Table XXXV)

In per-capita state and local expense for direct relief alone, Pennsylvania ranks relatively higher, indicating chiefly that the other states spent a relatively larger share of their total relief funds for special categories and sponsorshop of federal work programs. This indication is also borne out by the earlier consideration of cases per thousand population on various types of relief. Pennsylvania never approaches New York in state and local direct relief expenditures per capita and was exceeded in three years by Massachusetts and in two years by Illinois.

For all the states the increase in direct relief expenditures per capita has been at a much less rapid rate than the increase in state-local expenditures for all form of relief. This result reflects the growing importance of the special categories (considered permanent) in the relief field and the growing proportion of state and local funds for relief which have gone into the sponsorship of federal works program.

Viewed solely as a relief program—and taking no account of the value of the work done—federal work relief is not the free gift to the states and municipalities which it is so often considered. Of the $798,489,000 state-local expenditure for all forms of relief during 1938 in the eleven states covered by this report, $230,462,000 or 28.8% was spent for the sponsorship of W.P.A. projects. The percentage of total state-local funds spent for W.P.A. sponsorship in the various states was:

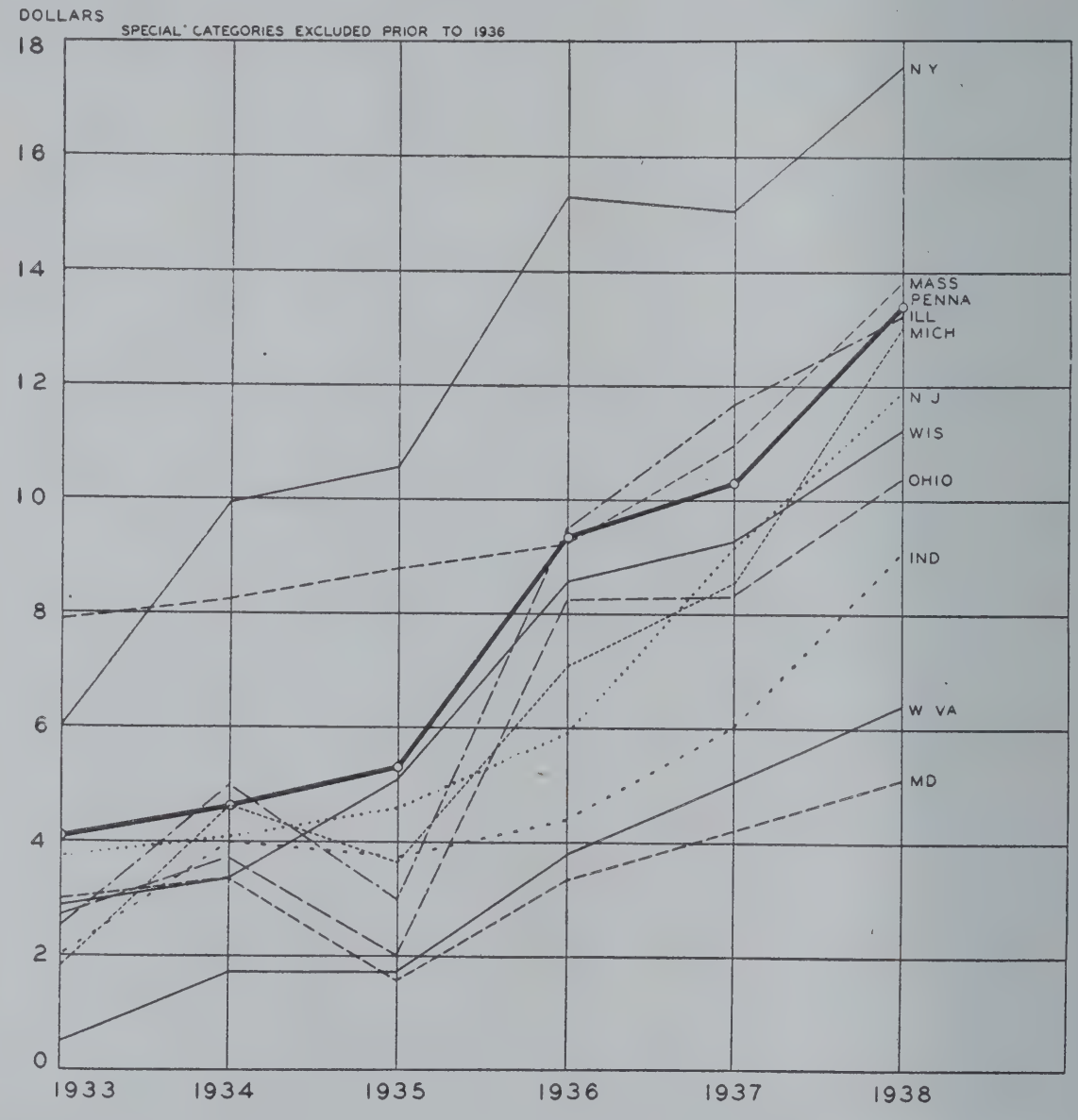
Illinois	32.0	New Jersey	43.1
Indiana	42.8	New York	21.0
Maryland	28.1	Ohio	36.5
Massachusetts ...	27.1	West Virginia ...	50.4
Michigan	29.9	Wisconsin	34.9

PENNSYLVANIA.... 24.1

It cost either the state or local governments $11.16 per month for each case receiving federal work relief in Pennsylvania during 1938 as compared with an average general assistance grant of approximately $28.00 or roughly it cost the state or local governments forty cents for each dollar of general assistance saving effected by placing cases on federal work relief. In the states with considerably lower general assistance grants per case the situation becomes more and more apparent until the final absurdity is reached in West Virginia where the state and local governments pay $10.89 per month for each W.P.A. case and give an average grant of only $9.50 per month to cases on general assistance. With the eleven states covered by this report spending from 21 to 50% of the funds available for relief in the sponsorship of federal work relief, it seems that the time is ripe for a reconsideration of the afficacy of federal work relief as a relief program and that the state as an entity—as well as the federal government—has a vital interest in the conclusions reached. Such a reconsideration should include: (a) the social, economic or moral justification for giving those fortunate enough to get on the federal works programs from two to five times as much relief as is given to similar cases on general assistance; (b) a study of the value of physical assets produced by federal works programs to determine whether the value produced justifies the excess of cost over a reasonable general assistance program; and (c) even though the values produced justify the increased expenditures for work programs in the abstract, whether those values are present necessities or are luxuries that could be done without for the present in order to pay the butcher, the baker and candlestick maker. It should be made clear, however, that there is in this report no attempt at such a reconsideration nor has such data as appears in this report bearing on the subject been carefully analyzed in respect to any possible use in such a reconsideration. A subsequent memorandum on some of the financial aspects of a choice between general assistance and W.P.A. will be presented.

On further consideration, of particular importance in Pennsylvania where the state pays the whole cost of general assistance, is that the sponsor's share of federal works program is for the most part provided by units of local government. With 24% of the total state local relief expenditure going for sponsorship it is probable that the local units are through such sponsorship providing at least 20% of the total state-local relief expenditure rather than none as is widely believed.

STATE AND LOCAL EXPENDITURES PER CAPITA FOR ALL FORMS OF RELIEF



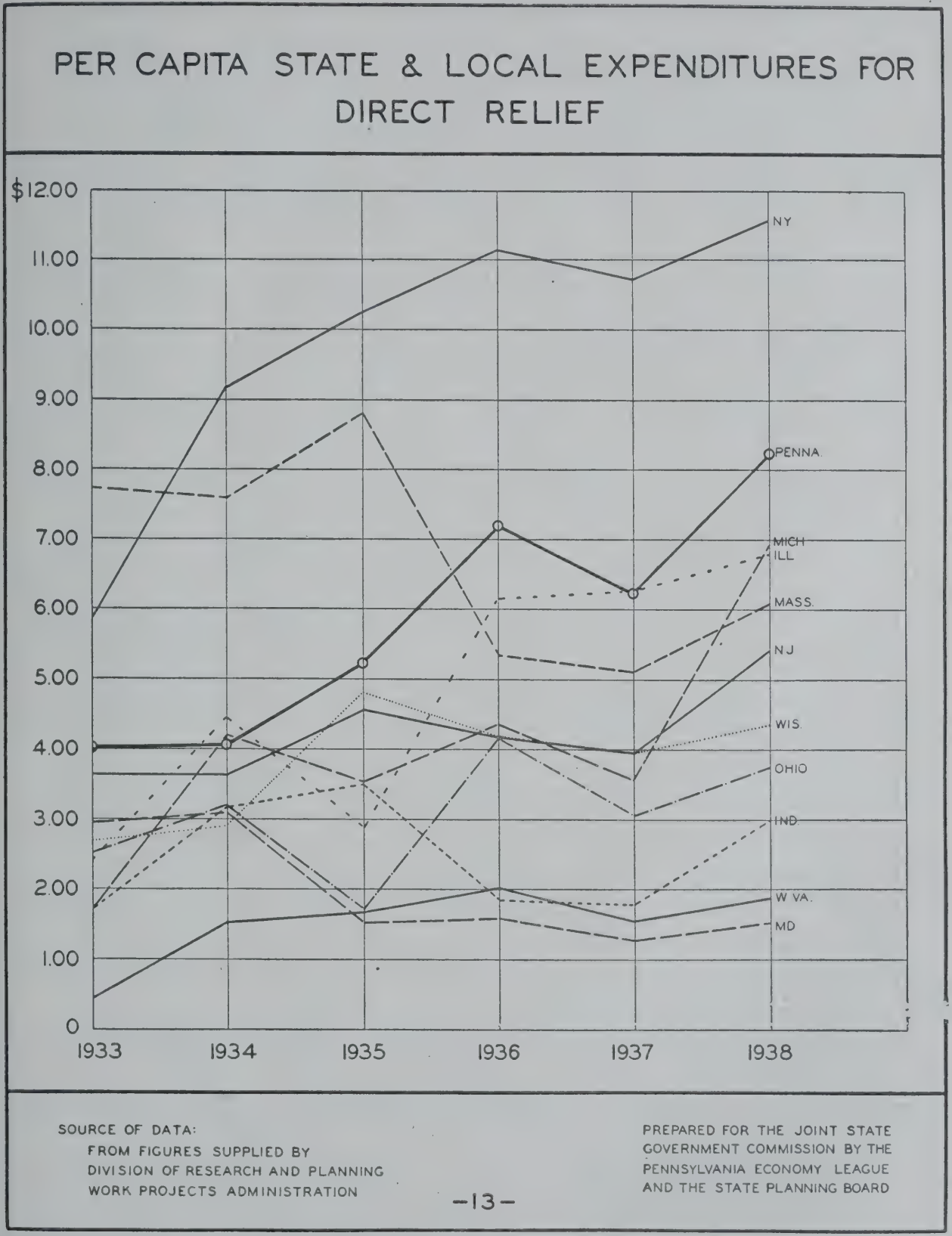
SOURCE OF DATA
DIRECT RELIEF FIGURES FROM WPA
SPECIAL TYPES OF PUBLIC ASSISTANCE FIGURES FROM SOCIAL SECURITY BOARD
SPONSORSHIP OF FEDERAL WORKS PROJECTS FROM WPA

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

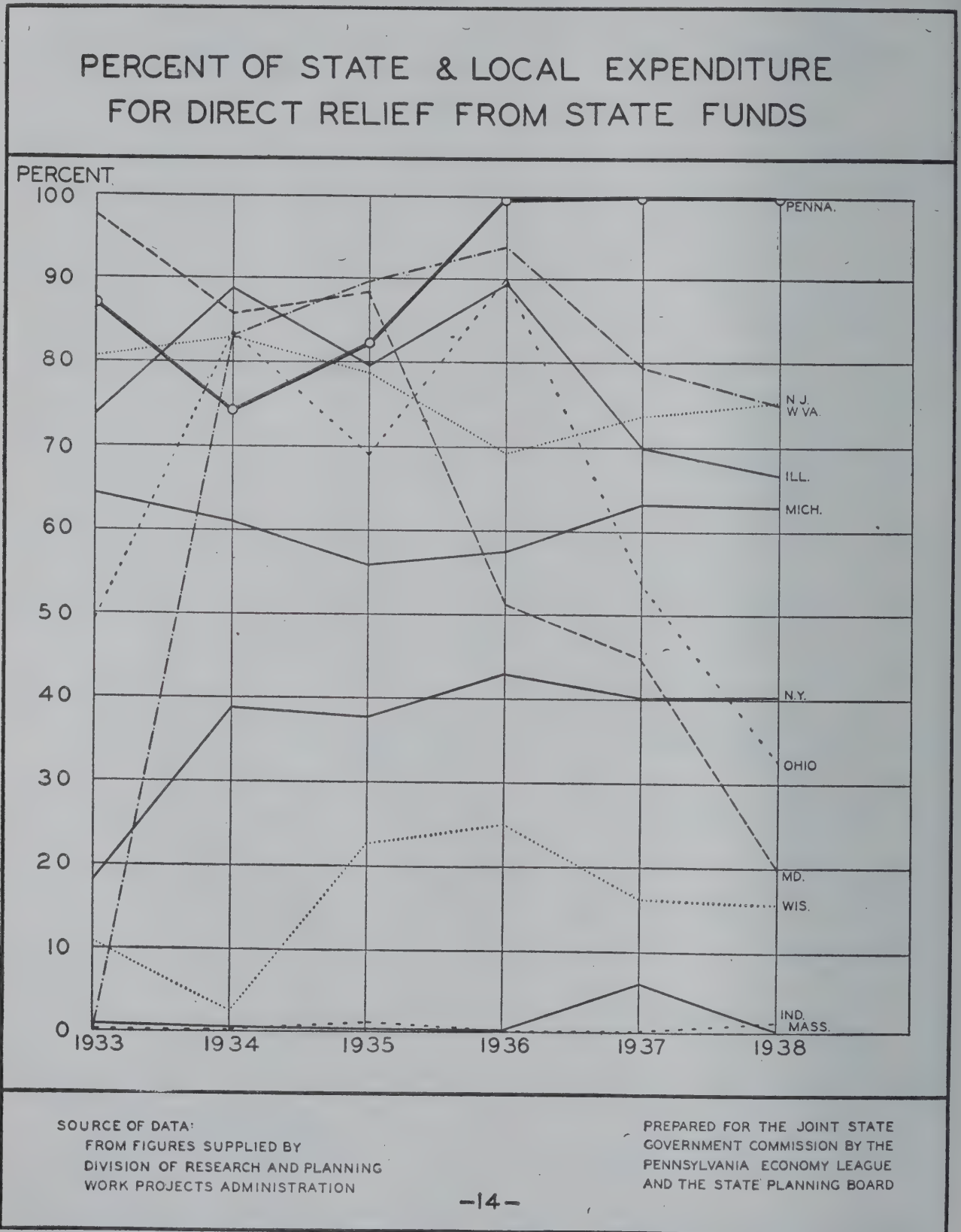
-12-

PER CENT OF STATE AND LOCAL EXPENDITURE FOR DIRECT RELIEF FROM STATE FUNDS (Chart 14—Table XXXV)

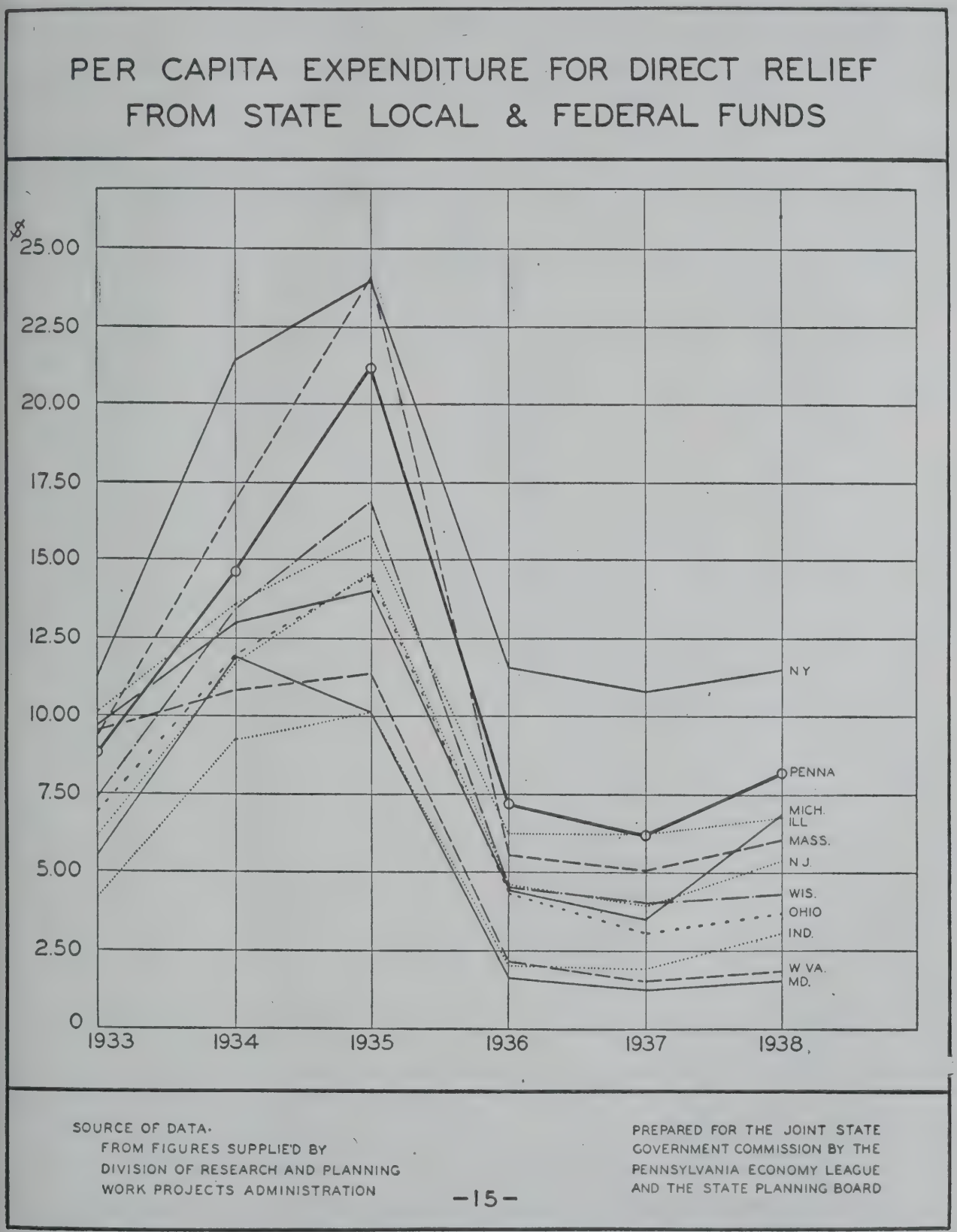
Pennsylvania is the only one of the states compared which has assumed the whole state and local cost of direct relief. It is not entirely safe, however, to attempt to draw



accurate comparisons between the states as to the division of direct relief costs between state and local governments from the date available because of the effect on the data of relatively unimportant changes of policy from state to state and from time to time. For instance, Massachusetts, which appears on the chart to have placed the

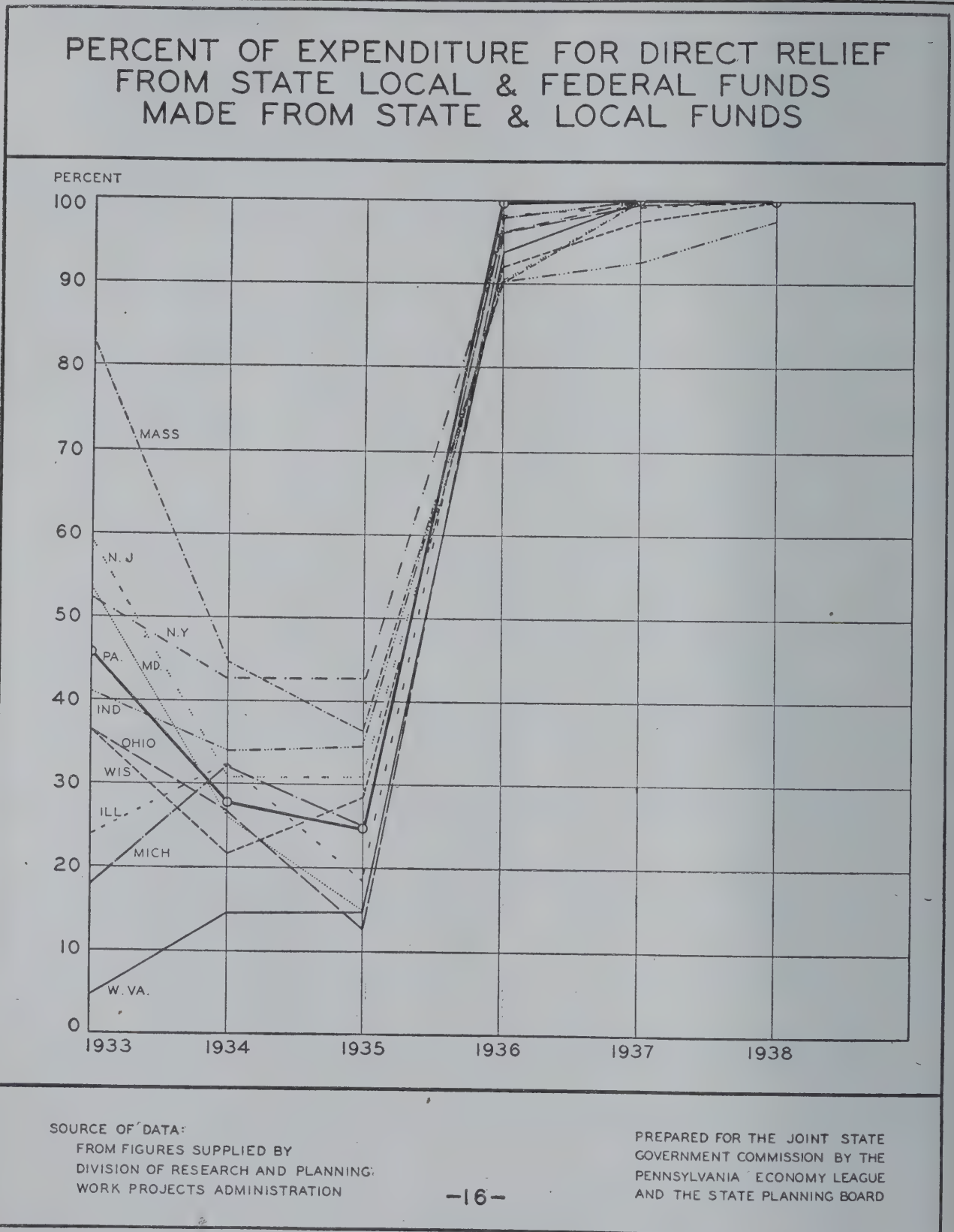


whole burden of relief on the municipalities, has in fact carried a large share of the burden through a state income tax, the proceeds of which are returned to the municipalities. Similarly in Ohio the state has reduced the proportion of direct relief paid from state subsidies but has at the same time greatly increased both the amount and pro-



portion of state taxes which are returned to local governments.

This chart does not reflect the degree of state control of direct relief. In New York where the state pays roughly 40% of the cost, relief is locally administered but under very strict state supervision as to eligibility of recipients,



amount of grant per case, et cetera, under pain of losing the state reimbursement. In Ohio, on the other hand, where the state has paid much more than 40% of the cost, the degree of state control over eligibility and grants appears to be negligible.

There is no apparent correlation between the state share and the per capita state and local expenditure for direct relief. Never less than five, and during most of this period,

seven states paid a greater share of state and local cost than did New York, which had the highest per-capita cost. Pennsylvania, however, which ranks high in state share, also ranks high in per-capita, but Massachusetts, which on the whole has a higher per-capita expenditure than Pennsylvania, ranks very low in state share of expenditure.

EXPENDITURE FOR DIRECT RELIEF FROM STATE, LOCAL AND FEDERAL FUNDS (Chart 15—Table XXXVI)

In chart 15, the per-capita expenditure for direct relief from state local and federal funds is shown. The sharp rise in direct relief expenditures from 1933 to 1935 reflects the entrance into the direct relief field of the federal government through F.E.R.A. and the sharp drop from 1935 to 1936 results from the withdrawal of the federal government from direct relief coincident with the inauguration of the present W.P.A. program late in 1935. During the years 1933-35 the disparity in per-capita state and local direct relief expenditures (Chart 13) between Pennsylvania, New York and Massachusetts is greatly reduced when federal funds are included, indicating that Pennsylvania in this period received a greater proportion of federal funds than the other two states. Likewise, when federal funds are included, Pennsylvania exceeds Illinois and Michigan in per-capita expenditures for direct relief in 1934 whereas on the basis of state and local funds Pennsylvania was below them in 1934.

In per-capita expenditures for direct relief from state, local and federal funds Pennsylvania starts in sixth place among the states in 1933, moves into third place for 1934 and 1935 and then into second place in 1936. It fell to a very close third in 1937 and then moved back into second place in 1938. For all the states 1936, 1937 and 1938, with only very slight variations, are the same on this chart as the 1936, 1937 and 1938 portion of Chart 13—"Per Capita Expenditure from State and Local Funds."

The range between the states in per-capita expenditures for direct relief from state, local and federal funds is astonishing. In New York, ranking first, the expenditures were from two to eight times as much per capita as the state ranking eleventh in various years and in Pennsylvania expenditures were from one and a half to more than five times as much per capita as in the low state. At the high point in 1935, in three states, New York, Massachusetts and Pennsylvania, expenditures were more than twice as much per capita as in the two lowest states, Maryland and Indiana.

PERCENT OF EXPENDITURES FROM STATE, LOCAL AND FEDERAL FUNDS MADE FROM STATE AND LOCAL FUNDS (Chart 16—Table XXXVI)

This chart expresses the division of cost between state, local and federal as a percent of total expenditure and at the same time reflects the wide divergence of federal participation in direct relief expenditures from state to state.

On this chart Pennsylvania occupies a middle position. Over the three year period 1933-35 when F.E.R.A. was active, Pennsylvania paid a greater portion of its direct relief bill than did West Virginia, Michigan, Illinois, Wisconsin and Ohio but paid a smaller portion than Massachusetts, New York, New Jersey and Indiana.

The divergence between states is however very substantial. In 1933 the range is from Massachusetts, where state and local governments paid 82.3% of all direct relief, to West Virginia, where they paid only 4.6% in that year. In 1934 Massachusetts again led, state and local governments paying 44.7% and West Virginia is low, state and local governments paying only 14.2% of all direct relief, a difference of 30.5%. 1935 tells a similar story, but with different states at the extremes—New York and its political subdivisions provided 42.7% of direct relief costs, while Ohio and its local units provided only 12.6%, or a variation of 30.1%. There appears to be no reason for the wide differences between the states in the percent of direct relief expenditures made from state and local funds in 1933, 1934 and 1935. Pennsylvania, for instance, paid a smaller percentage of its total direct relief cost than either Indiana or New Jersey which had lower per-capita costs but it also paid less than Massachusetts and New York which had higher per-capita costs.

The fact that a few of the states continued to spend federal money for direct relief in 1936, 1937 and 1938 resulted from balances of previously allocated funds being available and not from any further contribution by the federal government.

PART IV

RELIEF EXPENDITURES IN RELATION TO TAX RECEIPTS

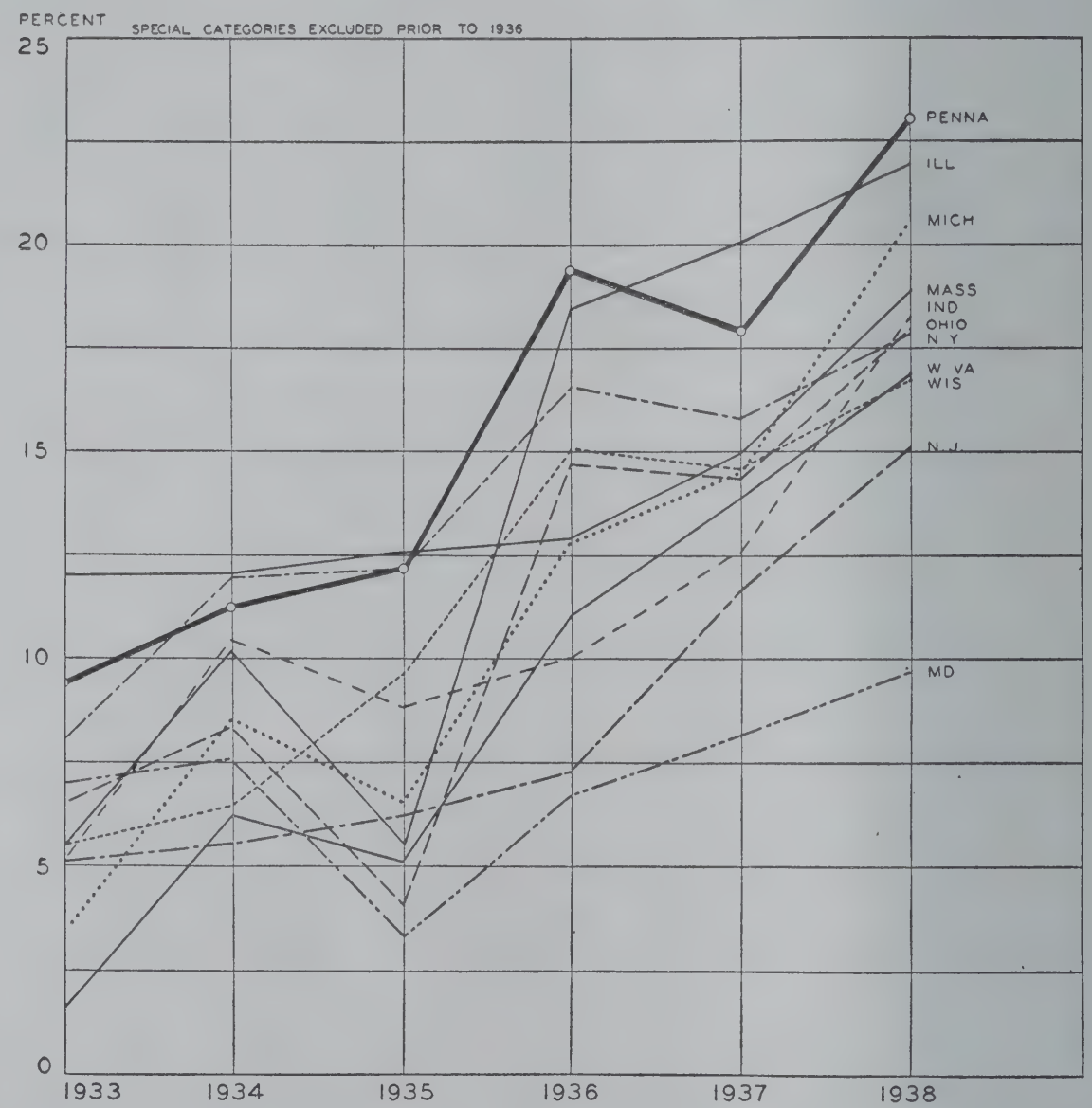
In the previous section of this report annual relief expenditures of the states have been compared on a per-capita basis. In this section the comparison is somewhat changed, the states being compared on the basis of the relation which relief expenditures bear to total tax collections. Like all computations based on two variables the percent of taxes used for relief may be high in any state either because of large relief expenditures or because of small tax collections. The tax collections used here are the sum of state and local tax collections and the relief expeditures include both state and local expenditures.

PERCENT OF STATE AND LOCAL TAXES USED FOR DIRECT RELIEF, SPECIAL CATEGORIES AND W.P.A. SPONSORSHIIP (Chart 17—Table XXXVII)

The precent of total state and local taxes used for categories and sponsorship of W.P.A. projects has a much smaller variation between the states than does the percent used for direct relief. As a result the inclusion of categories and W.P.A. tends to bring the states much closer together.

	1938 % Used for Direct Relief	Rank	% Used for Categories and W.P.A.	Rank	% Used Total	Rank
PENNA.	14.1	1	8.9	9	23.0	1
N. Y.	11.8	2	6.1	11	17.9	7
Ill.	11.3	3	10.6	4	21.9	2
Mich.	11.0	4	9.8	7	20.8	3
Mass.	8.3	5	10.6	5	18.9	4
Ohio	6.5	6	11.5	3	18.0	6
Wisc.	6.5	7	10.3	6	16.8	9
N. J.	6.0	8	9.2	8	15.2	10
Ind.	6.0	9	12.3	1	18.3	5
W. Va.	5.0	10	11.9	2	16.9	8
Maryland	2.9	11	6.8	10	9.7	11

PERCENT OF STATE & LOCAL TAXES USED FOR DIRECT RELIEF, SPECIAL CATEGORIES & W.P.A.



SOURCE OF DATA
TAX COLLECTIONS FROM NATIONAL INDUSTRIAL CONFERENCE BOARD
RELIEF EXPENDITURES FROM DIVISION OF STATISTICS WORK PROJECTS ADMINISTRATION

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

Difference between 1 & 9	8.1	3.4	6.2

The rank of the states in percent of taxes used for special categories and W.P.A. sponsorship in 1938 is almost the reverse of the rank in percent used for direct

relief. The four high ranking states in percent used for Direct Relief have in each case a lower rank in percent used for Categories and W.P.A. and, with the exception of Illinois, all rated in the lower half in percent of taxes for Categories and W.P.A. Two states hold the same rank at 5 and 8 but all the others in the lower half in percent used for direct relief have higher ranking in percent used for categories and W.P.A. Pennsylvania ranks first in percent of taxes used for direct relief and ninth in percent used for categories and W.P.A. in 1938, again emphasizing the fact that most of the other states have put proportionately greater emphasis on special categories and W.P.A. sponsorship than has Pennsylvania.

Pennsylvania has shown a consistent upward trend in total taxes used for all forms of relief except for the year 1937. If the shift in fiscal years in relation to calendar years, discussed in connection with percent of state and local taxes used for direct relief (Chart 18), is made, the sharp upward movement from 1935 to 1936 would be toned down and the slight downward movement from 1936 to 1937 would be eliminated so that the trend would show an almost constant upward movement with some acceleration from 1935 to 1936 and 1937 to 1938.

All of the eleven states had an increase in percent of taxes used for direct relief, categories, and W.P.A. from 1933 to 1938—some at a greater rate than Pennsylvania, and others at a lesser rate. Pennsylvania, however, has never ranked lower than third and in all but one year ranked first or second. If, however, tax collections were adjusted to meet more closely the period for which expenditures are shown, Pennsylvania would probably rank first only for the year 1938.

PERCENT OF STATE AND LOCAL TAXES USED FOR DIRECT RELIEF (Chart 18—Table XXXVII)

The rank of any state on this chart may be very greatly affected by fiscal and other policies not involved in relief. For instance, Pennsylvania may hold its high rank either because relief expenditure is high or because its tax collections are relatively low. On the other hand, New York State, which also ranks high on the chart, is known to have a considerably higher tax collection than Pennsylvania but its rank is still raised above normal by the policy followed in financing the local share of relief from bond issues which increases the relief expenditures without increasing the tax collection.

The sharp dip in the Pennsylvania curve for the year 1937 needs a further word of explanation. There are two elements involved—(1) a reduction in relief expenditure for the calendar year 1937 and (2) a large increase in tax collections for the 1936-37 fiscal year, the first year of emergency taxes. The fiscal year 1936-37, however, more closely approximates the calendar year 1936 when relief expenditures were high. If state tax collections are backed up one year—using 1936-1937 state tax collections against 1936 relief expenditures and similarly for other years, we get the following results:

PERCENT OF TAXES USED FOR DIRECT RELIEF

	As plotted in Chart 18	As Adjusted	Fiscal years collection used in adjustment State	Local
1933	9.2	9.6	1933-34	1933
1934	9.8	9.5	1934-35	1934
1935	11.9	10.9	1935-36	1935
1936	14.9	12.4	1936-37	1936
1937	10.8	10.7	1937-38	1937
1938	14.1	14.9	1938-39	1938

In other words, the data for relief expenditures and for taxes are not for identical periods and some degree of distortion results in every state except Ohio where the fiscal year is the calendar year for which relief expenditures are reported.

In spite of the limitations on the accuracy of the computations on which this chart is based it is apparent that since 1933 Pennsylvania has consistently spent a large and growing proportion of its total state and local tax receipts for direct relief, in spite of a rapid increase in taxes. Of the eleven states used here Pennsylvania ranked:

1933—second	1936—first
1934—third	1937—second (tie with Illinois)
1935—second	1938—first

Nine of the eleven states spent a higher percentage of state and local taxes for direct relief in 1938 than they did in 1933. Four of these nine states, Ohio, Indiana, Wisconsin and New Jersey, had only very slight increases and a fifth one—West Virginia—while it had an increase, made the whole increase from 1933 to 1934 and has held constant since that time. All five of these states spent a comparatively small part of their tax receipts for relief both at the beginning and end of the period. They ranked, of the eleven states:

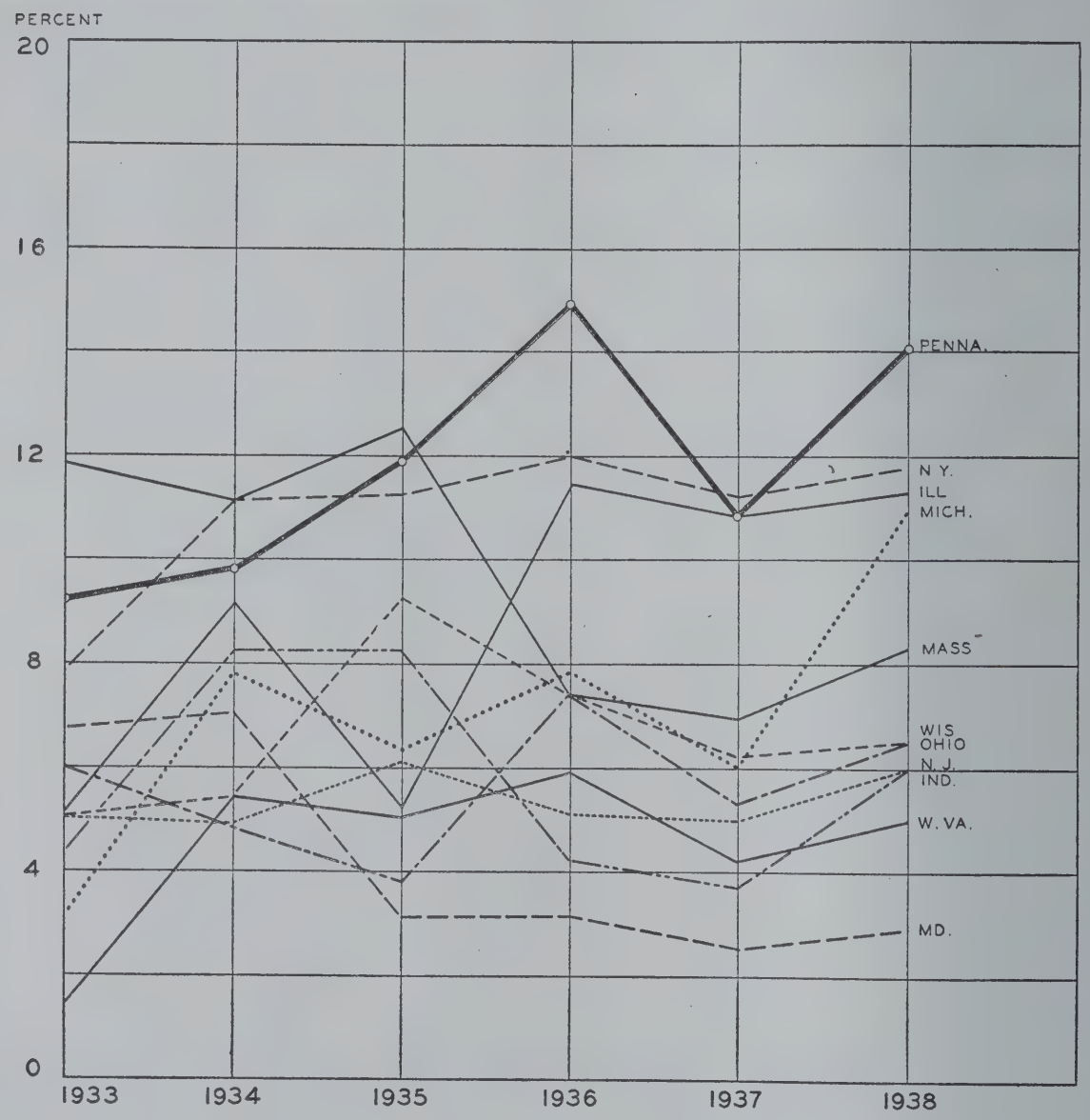
	1933	1938
Indiana	9	9
Ohio	5	6
New Jersey	7	8
West Virginia	11	10
Wisconsin	8	7

indicating that all except Ohio fell in the lower half in both periods.

The four remaining states of the nine which show increases in percent of taxes for direct relief—Pennsylvania, New York, Illinois and Michigan—had relatively sharp increases in the percent of taxes used for direct relief despite the fact that all save Michigan had relatively great increases in tax receipts.

Two states, Maryland and Massachusetts, showed an actual decline in percent of taxes used for relief. In Massachusetts the drop was from first place at 11.8% to fifth place at 8.3% and in Maryland from fourth place at 6.7% to eleventh place at 2.9%. In both states the reduction of percent of taxes for direct relief is accompanied by a sharp curtailment of relief expenditures, rather than by any sudden change in tax receipts although both states did have a steady increase of tax receipts throughout the period.

PERCENT OF STATE & LOCAL TAXES USED FOR DIRECT RELIEF



SOURCE OF DATA:

TAX COLLECTIONS FROM NATIONAL INDUSTRIAL CONFERENCE BOARD

RELIEF EXPENDITURES FROM DIVISION OF STATISTICS WORK PROJECTS ADMINISTRATION

PREPARED FOR THE JOINT STATE GOVERNMENT COMMISSION BY THE PENNSYLVANIA ECONOMY LEAGUE AND THE STATE PLANNING BOARD

TABLE I

PENNSYLVANIA
RELIEF IN DOLLARS TO RECIPIENTS BY CATEGORIES

(Monthly Averages by Quarter Years)
(In Thousands of Dollars)

Year	Quarter	A General Assistance	B Loc. Work Program	C Fed. Works Program	D C.C.C. and N.Y.A.	E Special Categories[a]	A-B-C-D-E Total	Percent of Total A	B	C	D	E
1933	1	$6,212	....	.....	....	$ 318	$6,531	95.1	....	....	....	4.9
	2	6,830	....	.....	$ 830	311	7,971	85.6	....	....	10.5	3.9
	3	5,839	....	.....	1,134	269	7,242	81.0	....	....	15.5	3.5
	4	6,050	....	$ 569	1,237	266	8,122	74.6	....	6.9	15.2	3.3
1934	1	6,625	....	4,015	1,228	272	12,140	54.6	....	33.0	10.1	2.3
	2	7,020	$3,994	.....	1,173	308[b]	12,494	56.1	32.0	....	9.4	2.5
	3	7,600	1,633	.....	1,271	378	10,881	69.8	15.2	....	11.5	3.5
	4	9,417	2,758	.....	1,420	604[c]	14,199	66.4	19.3	....	10.0	4.3
1935	1	11,889	4,776	.....	1,242	1,067	18,974	63.0	25.0	....	6.5	5.5
	2	13,251	2,536	.....	1,444	1,120	18,351	72.2	13.8	....	7.9	6.1
	3	13,752	594	9	1,927	1,224	17,507	78.6	3.4	[d]	11.0	7.0
	4	10,911	....	3,764	2,154	1,250	18,078	60.3	....	20.9	11.9	6.9
1936	1	6,590	....	12,677	1,585	1,314	22,266	29.6	....	57.4	7.1	5.9
	2	5,480	....	14,705	1,528	1,380	23,093	23.7	....	63.7	6.6	6.0
	3	4,871	....	14,261	1,372	1,564	22,068	22.1	....	64.8	6.2	7.1
	4	4,207	....	14,372	1,158	1,841	21,579	19.5	....	66.6	5.4	8.5
1937	1	4,853	.....	12,979	1,113	2,222	21,166	22.9	....	61.3	5.3	10.5
	2	4,677	....	12,158	1,058	2,692	20,585	22.7	....	59.0	5.2	13.1
	3	4,744	....	10,117	1,059	2,926	18,847	25.2	....	53.8	5.5	15.5
	4	4,997	....	9,458	1,239	2,987	18,680	26.8	....	50.6	6.6	16.0
1938	1	6,306	....	10,340	1,154	3,000	20,800	30.5	....	49.6	5.5	14.4
	2	5,962	....	13,489	1,178	2,941	23,569	25.3	....	57.2	5.0	12.5
	3	6,476	....	15,500	1,342	2,858	26,175	24.7	....	59.3	5.1	10.9
	4	6,583	....	16,229	1,323	2,841	26,976	24.3	....	60.3	4.9	10.5
1939	1	7,657	....	14,408	1,327	2,917	26,309	29.4	....	54.5	5.0	11.1
	2	7,486	....	12,918	1,293	2,673	24,270	30.8	....	53.2	5.3	11.0
	3	8,547	....	8,786	1,289	3,127	21,749	39.3	....	40.4	5.9	14.4
	4	6,859	....	7,451	1,229	3,125	18,665	36.7	....	39.9	6.6	16.8

[a] Old Age Assistance, Aid to Dependent Children and Aid to the Blind
[b] Blind Pensions Started
[c] Old Age Assistance Started
[d] Less than 1/10 of one per cent

TABLE II

PENNSYLVANIA
AVERAGE NUMBER OF CASES ON RELIEF BY CATEGORIES

(Monthly Averages by Quarter Years)

Year	Quarter	A General Assistance	B Loc. Work Program	C Fed. Works Program	D C.C.C.	E Special Categories[a]	A-B-C-D-E Total	Percent of Total A	B	C	D	E
1933	1	386,797	....	.....	....	8,949	395,746	97.7	....	....	....	2.3
	2	444,757	....	.....	11,858	8,850	465,465	95.6	....	....	2.5	1.9
	3	369,962	....	.....	16,194	7,839	393,995	94.0	....	....	4.1	1.9
	4	320,267	....	12,717	17,674	7,698	358,356	89.5	....	3.5	4.9	2.1
1934	1	296,067	....	77,981	17,543	7,739	399,330	74.2	....	19.5	4.4	1.9
	2	284,000	60,765	.....	16,752	9,152[b]	370,669	76.6	16.4	....	4.5	2.5
	3	311,858	26,380	.....	18,163	12,151	368,552	84.6	7.2	....	4.9	3.3
	4	337,992	40,313	.....	20,286	22,827[c]	421,418	80.2	9.6	....	4.8	5.4
1935	1	350,419	95,640	.....	17,739	45,254	509,052	68.9	18.7	....	3.5	8.9
	2	405,531	42,182	.....	20,631	47,409	515,753	78.8	8.1	....	3.9	9.2
	3	415,174	12,123	364	27,524	51,166	506,351	81.6	2.4	[d]	5.4	10.6
	4	335,557	....	78,768	30,767	52,200	497,292	67.5	....	15.8	6.2	10.5

1936	1	206,336	....	236,548	22,644	54,150	519,678	39.7	....	45.4	4.5	10.4
	2	176,600	....	240,681	18,826	56,292	492,399	36.0	....	49.0	8.8	11.2
	3	159,424	....	236,415	15,302	63,940	475,081	33.8	....	49.6	3.2	13.4
	4	137,603	....	234,870	12,856	75,716	461,045	29.8	....	51.0	2.8	16.4
1937	1	158,272	....	215,735	11,732	91,839	477,578	33.1	....	45.3	2.4	19.2
	2	148,709	....	195,822	11,227	110,672	466,430	31.9	....	42.0	2.4	23.7
	3	147,006	....	159,779	12,117	119,157	438,059	33.5	....	36.6	2.7	27.2
	4	151,821	....	154,755	14,897	122,266	443,739	34.2	....	34.9	3.4	27.5
1938	1	198,303	....	177,315	13,486	123,712	512,816	38.7	....	34.5	2.6	24.2
	2	185,425	....	231,281	13,412	121,933	552,051	33.5	....	41.8	2.4	22.2
	3	204,611	....	261,718	15,435	118,895	600,659	34.2	....	43.6	2.5	19.7
	4	212,448	....	269,741	15,380	118,135	615,704	34.4	....	43.9	2.5	19.2
1939	1	249,142	....	241,289	15,522	123,180	629,133	39.7	....	38.2	2.5	19.6
	2	243,483	....	208,795	15,320	125,178	592,776	41.1	....	35.2	2.6	21.1
	3	265,535	....	138,156	15,622	122,848	542,161	49.0	....	25.5	2.8	22.7
	4	225,889	....	130,723	14,855	121,768	493,235	45.8	....	26.5	3.0	24.7

[a] Old Age Assistance, Aid to Dependent Children, and Blind Pensions
[b] Blind Pensions Started
[c] Old Age Assistance Started
[d] Less than 1/10 of one per cent

TABLE III

PENNSYLVANIA

AVERAGE NUMBER OF PERSONS ON RELIEF BY CATEGORIES

(Monthly Averages by Quarter Years)

Year	Quarter	A General Assistance	B Loc. Work Program	C Fed. Works Program	D C.C.C.	E Special Categories[a]	A-B-C-D-E Total	Percent of Total A	B	C	D	E
1933	1	1,779,270	....	.....	....	35,430	1,814,700	98.0	....	....	....	2.0
	2	1,971,212	....	.....	11,858	34,613	2,017,683	97.7	....	....	.6	1.7
	3	1,593,879	....	.....	16,194	31,049	1,641,122	97.0	....	....	1.0	2.0
	4	1,344,558	....	56,040	17,674	30,286	1,448,558	92.6	....	4.0	1.2	2.2
1934	1	1,201,728	....	339,264	17,543	30,329	1,588,864	75.8	....	21.3	1.0	1.9
	2	1,109,625	276,783	.....	16,752	32,011[b]	1,435,171	77.3	19.2	....	1.2	2.3
	3	1,226,062	118,714	.....	18,163	35,357	1,398,296	88.0	8.3	....	1.3	2.4
	4	1,309,521	179,289	.....	20,286	45,986[c]	1,555,082	84.0	11.6	....	1.2	3.2
1935	1	1,303,914	407,371	.....	17,739	68,331	1,797,355	72.5	22.7	....	1.0	3.8
	2	1,511,035	181,968	.....	20,631	70,700	1,784,334	84.7	10.2	....	1.2	3.9
	3	1,554,199	52,334	1,369	27,524	73,913	1,710,320	91.0	3.1	[d]	1.6	4.3
	4	1,218,270	....	313,339	30,767	74,891	1,637,267	74.3	....	19.2	1.9	4.6
1936	1	694,205	....	912,221	22,644	77,356	1,706,426	40.7	....	53.5	1.3	4.5
	2	591,460	....	904,630	18,826	79,453	1,594,369	37.1	....	56.7	1.2	5.0
	3	511,072	....	897,977	15,302	86,673	1,511,024	33.8	....	59.4	1.0	5.8
	4	418,119	....	893,455	12,856	99,343	1,423,773	29.4	....	62.8	.9	6.9
1937	1	485,122	....	825,728	11,732	119,829	1,442,411	33.6	....	57.2	.8	8.4
	2	448,602	....	753,372	11,227	147,171	1,360,376	33.0	....	55.4	.8	10.8
	3	450,494	....	617,903	12,117	160,604	1,241,118	36.2	....	49.8	1.0	13.0
	4	468,227	....	602,912	14,897	164,896	1,250,932	37.4	....	48.2	1.2	13.2
1938	1	642,288	....	691,709	13,486	167,472	1,514,955	42.4	....	45.7	.9	11.0
	2	609,130	....	877,680	13,412	166,093	1,666,315	36.5	....	52.8	.8	9.9
	3	661,106	....	991,250	15,435	162,354	1,830,145	36.1	....	54.2	.8	8.9
	4	655,573	....	1,026,932	15,380	161,218	1,859,103	35.3	....	55.3	.8	8.6
1939	1	767,329	....	925,288	15,522	179,945	1,888,084	40.6	....	49.0	.8	9.6
	2	735,066	....	805,667	15,320	191,566	1,747,619	42.2	....	46.0	.9	10.9
	3	804,790	....	538,000	15,622	191,334	1,549,746	51.9	....	34.7	1.0	12.3
	4	669,081	....	506,000	14,855	190,916	1,380,852	48.5	....	36.6	1.1	13.8

[a] Old Age Assistance, Aid to Dependent Children, and Blind Pensions
[b] Blind Pensions Started
[c] Old Age Assistance Started
[d] Less than 1/10 of one per cent

TABLE IV

ALL TYPES OF RELIEF CASES—PER THOUSAND POPULATION
(Including WPA)

BY MONTHS JULY 1933—DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
1933	July	34.87	25.35	18.69	23.90	33.62	24.39	29.00	36.72	45.28	68.89	27.04
	August	32.05	23.33	18.15	22.07	34.45	22.75	28.44	34.95	41.58	71.47	24.74
	September	30.72	22.60	17.60	22.48	33.81	21.17	26.26	33.01	39.01	56.45	23.52
	October	31.31	24.70	18.89	22.67	36.46	21.23	26.02	31.97	37.24	54.98	23.56
	November	39.56	34.45	27.88	24.45	50.06	25.90	37.09	47.30	37.64	59.06	33.00
	December	48.93	44.70	35.56	43.43	67.93	35.67	34.51	58.64	44.86	69.19	71.21
1934	January	56.98	49.01	51.35	50.11	69.60	48.20	44.39	63.47	67.59	82.49	65.03
	February	53.73	49.15	57.93	48.28	57.67	53.54	47.79	60.28	58.73	69.04	48.08
	March	49.56	44.18	54.21	42.26	53.85	45.36	46.39	57.89	56.33	59.71	44.82
	April	38.10	29.63	41.13	35.85	34.74	43.69	42.15	41.24	39.06	34.32	39.21
	May	37.86	29.22	33.58	33.86	32.74	33.90	39.97	38.96	42.02	42.16	36.04
	June	39.03	28.18	30.09	34.58	30.91	32.19	38.67	38.22	39.42	43.87	36.90
	July	38.71	27.95	26.81	35.18	32.01	31.73	38.74	38.80	38.16	44.39	32.92
	August	38.73	29.42	25.58	35.30	34.93	31.90	39.43	41.08	39.94	44.33	34.28
	September	39.28	31.24	24.87	37.39	37.71	32.35	39.56	43.22	38.76	45.84	36.24
	October	39.53	32.55	25.12	38.46	41.98	36.92	40.31	45.45	38.90	47.57	36.84
	November	39.84	35.00	25.57	39.23	47.56	39.45	41.48	46.56	40.39	49.22	37.83
	December	41.91	37.15	26.87	41.79	47.47	41.33	43.53	48.84	44.17	51.09	40.19
1935	January	43.43	38.43	29.37	42.44	45.61	40.85	45.37	50.85	46.12	53.28	42.88
	February	43.61	38.41	31.30	43.15	42.17	41.21	46.13	50.43	48.05	51.73	44.07
	March	44.02	37.64	30.82	44.01	40.27	41.14	46.07	49.42	49.10	51.62	40.33
	April	42.80	36.08	28.63	43.14	38.01	39.84	45.18	48.47	48.73	50.25	39.54
	May	39.76	34.54	26.49	43.47	35.47	37.82	43.95	47.77	48.89	50.07	37.24
	June	38.09	32.30	22.47	41.96	34.30	36.17	42.78	46.96	46.46	47.73	35.22
	July	36.66	31.09	21.01	41.45	34.72	35.79	42.65	46.47	46.04	48.40	32.82
	August	37.26	35.00	20.68	40.44	34.99	34.86	50.29	48.00	47.11	47.61	31.49
	September	37.74	39.54	20.39	38.63	35.67	35.36	47.32	45.97	46.46	45.64	32.25
	October	38.95	37.62	21.75	37.05	36.76	36.21	48.62	44.41	51.61	46.68	36.97
	November	48.19	38.36	25.15	44.96	41.46	44.75	51.48	54.95	57.80	53.84	47.13
	December	54.06	39.43	27.28	51.54	40.78	46.76	57.38	51.58	50.95	58.91	44.28
1936	January	50.22	48.21	27.05	54.60	39.89	47.21	61.91	62.32	55.76	50.09	48.72
	February	51.19	49.38	26.76	53.43	43.53	47.92	62.55	62.06	55.05	48.05	50.41
	March	49.72	47.97	25.56	54.11	44.18	47.10	62.62	62.15	55.29	46.44	50.28
	April	46.75	44.29	22.96	52.16	41.90	46.09	60.39	58.69	52.15	42.52	48.25
	May	43.84	40.98	22.37	49.35	38.25	39.63	57.08	55.44	49.15	39.26	45.58
	June	40.97	38.58	21.40	46.61	35.97	37.28	54.96	53.67	47.96	37.38	42.72
	July	42.77	37.92	21.17	44.71	35.36	36.02	52.88	52.31	48.34	36.15	42.04
	August	45.49	38.52	21.20	43.72	34.36	36.25	51.86	52.51	49.01	36.09	43.28
	September	46.70	39.33	21.13	45.23	35.48	36.46	51.74	52.26	47.46	36.47	47.73
	October	49.72	39.59	21.48	47.83	34.94	37.40	51.94	52.79	47.18	37.77	52.74
	November	52.03	40.56	21.95	49.04	35.07	38.10	52.02	52.90	46.70	37.78	53.46
	December	53.81	40.92	22.70	48.12	34.91	38.26	51.46	52.40	46.14	35.22	47.66
1937	January	56.39	41.76	23.32	49.00	36.40	39.23	50.82	53.31	46.99	33.53	46.95
	February	57.28	43.54	24.26	49.11	38.77	39.70	51.26	53.68	47.92	35.37	49.22
	March	58.23	43.56	24.36	48.88	38.24	39.81	51.66	52.10	48.50	37.83	48.66
	April	57.28	41.76	23.91	47.76	35.12	38.68	49.52	49.85	47.63	40.95	46.01
	May	54.61	39.29	21.03	46.50	31.73	37.03	47.76	46.36	46.45	41.42	43.52
	June	52.11	38.03	21.38	45.13	29.67	34.79	45.94	41.38	44.68	40.51	41.32
	July	49.73	36.48	21.10	42.03	29.02	33.25	43.93	39.83	43.19	37.61	38.85
	August	50.07	35.95	21.28	41.63	29.53	32.35	43.07	39.19	43.04	36.42	37.68
	September	50.13	35.95	21.36	42.42	30.02	32.21	43.33	38.41	42.73	35.56	37.39
	October	50.09	36.78	21.77	43.13	30.69	33.20	43.38	39.13	43.20	35.70	38.73
	November	51.12	39.51	22.18	46.02	32.70	34.68	44.17	41.02	43.33	36.26	40.67
	December	54.11	44.09	23.69	50.27	38.69	37.15	46.62	45.59	46.33	38.33	44.93
1938	January	57.45	51.34	25.36	54.28	52.77	42.07	48.78	51.71	51.83	42.66	50.53
	February	60.29	55.59	26.45	54.98	63.70	44.80	50.25	57.95	54.57	44.92	53.62
	March	65.91	62.25	27.10	58.11	74.23	46.76	50.54	67.06	54.16	47.34	57.58
	April	66.54	62.39	27.13	59.25	74.23	49.23	50.29	69.72	55.76	47.92	58.20
	May	66.69	60.91	26.74	58.16	77.04	47.50	49.70	69.57	56.83	49.33	57.54
	June	67.25	60.25	27.15	58.76	78.45	47.18	59.52	70.61	59.05	51.47	57.38
	July	68.61	60.33	28.52	60.36	79.51	48.38	59.75	73.10	61.19	51.31	58.16
	August	69.80	60.30	28.87	61.52	78.99	49.36	50.45	73.24	60.91	52.13	59.20
	September	70.44	60.70	29.80	61.69	70.74	49.69	51.15	74.43	62.37	53.12	60.21
	October	71.04	62.15	30.30	61.83	64.43	49.92	51.00	73.87	63.04	53.26	62.69
	November	71.26	64.08	30.23	62.55	61.76	50.10	51.81	72.43	62.62	53.23	63.60
	December	71.40	63.23	30.79	62.87	61.41	49.72	52.58	71.03	60.91	52.44	63.31

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC
1939	January	71.59	63.27	31.16	64.08	62.24	49.65	53.09	70.01	61.87	51.16	64.0
	February	72.56	65.69	31.53	63.73	63.83	49.41	53.65	71.31	62.57	51.20	63.7
	March	72.88	65.87	31.72	65.03	64.94	47.80	54.27	70.55	63.42	51.02	63.8
	April	69.49	60.81	30.37	61.21	62.11	44.82	51.64	66.10	59.32	48.14	61.4
	May	67.69	59.57	29.30	58.05	59.73	36.02	50.06	64.00	57.88	47.11	58.5
	June	67.75	59.01	27.89	57.54	58.53	43.98	48.34	62.89	55.92	43.32	57.2
	July	63.57	57.91	27.15	55.98	55.70	40.71	46.27	61.46	53.75	40.52	55.2
	August	60.96	55.64	26.93	53.80	51.86	38.00	43.56	57.86	54.79	36.54	52.4
	September	57.61	54.48	26.25	52.55	49.28	36.93	42.31	55.08	55.22	34.58	53.0
	October	58.95	54.51	26.98	52.71	50.10	37.72	43.73	56.35	53.83	34.32	54.7
	November	59.16	55.82	27.27	54.00	50.99	35.92	43.77	55.54	49.99	35.45	54.1
	December	60.15	56.17	28.41	55.72	51.18	38.27	44.03	55.20	48.02	37.71	56.5

TABLE V

GENERAL ASSISTANCE—CASES PER THOUSAND POPULATION
JULY 1933—DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC
1933	July	34.87	25.35	18.69	23.90	33.62	24.39	29.00	36.72	45.28	68.89	27.04
	August	32.05	23.33	18.15	22.07	34.45	22.75	28.44	34.95	41.58	71.47	24.74
	September	30.72	22.60	17.60	22.48	33.81	21.17	26.26	33.01	39.01	56.45	23.52
	October	31.31	24.70	18.89	22.67	36.46	21.23	26.02	31.97	37.24	54.98	23.56
	November	33.76	26.61	22.14	23.29	42.86	23.44	29.91	38.23	37.08	58.85	25.77
	December	32.39	18.26	21.26	23.37	42.16	22.58	19.68	28.65	36.69	40.20	22.52
1934	January	26.88	18.41	25.73	19.91	31.86	21.04	19.34	25.50	35.90	35.34	18.81
	February	26.50	20.05	30.74	19.76	27.09	23.96	21.72	29.16	35.99	34.75	22.16
	March	30.90	23.79	37.42	21.16	29.07	26.08	23.79	33.33	37.03	39.55	26.58
	April	37.94	29.47	39.03	35.13	34.39	42.22	41.75	40.98	38.76	33.75	38.68
	May	37.84	29.22	33.53	33.86	32.72	33.47	39.97	38.96	42.00	42.16	36.00
	June	39.03	28.18	30.09	34.58	30.90	32.19	38.67	38.22	39.42	43.87	36.90
	July	38.71	27.95	26.81	35.18	32.01	31.73	38.74	38.80	38.16	44.39	32.92
	August	38.73	29.42	25.58	35.30	34.93	31.90	39.43	41.08	39.94	44.33	34.28
	September	39.28	31.24	24.87	37.39	37.71	32.35	39.56	43.22	38.76	45.84	36.24
	October	39.53	32.55	25.12	38.46	41.98	36.92	40.31	45.45	38.90	47.57	36.84
	November	39.84	35.00	25.57	39.23	47.56	39.45	41.48	46.56	40.39	49.22	37.83
	December	41.91	37.15	26.87	41.79	47.47	41.33	43.53	48.84	44.17	51.09	40.19
1935	January	43.43	38.43	29.37	42.44	45.61	40.85	45.37	50.85	46.12	53.28	42.88
	February	43.61	38.41	31.30	43.15	42.17	41.21	46.13	50.43	48.05	51.73	44.07
	March	44.02	37.64	30.82	44.01	40.27	41.14	46.07	49.42	49.10	51.62	40.33
	April	42.80	36.08	28.63	43.14	38.01	39.84	45.18	48.47	48.73	50.25	39.54
	May	39.76	34.54	26.49	43.47	35.47	37.82	43.95	47.77	48.89	50.07	37.24
	June	38.09	32.30	22.47	41.96	34.30	36.17	42.78	46.96	46.46	47.73	35.22
	July	36.66	31.09	21.01	41.45	34.72	35.79	42.65	46.47	46.04	48.40	32.82
	August	36.88	29.19	20.68	40.44	34.34	34.75	41.60	44.91	47.10	47.56	31.49
	September	37.10	26.60	20.44	38.63	33.80	33.89	35.14	41.80	45.55	44.44	30.73
	October	37.34	21.04	20.21	36.40	32.43	32.43	31.91	38.01	43.77	43.18	31.38
	November	37.15	17.71	19.69	34.44	28.65	30.87	28.51	36.48	40.82	39.15	30.33
	December	33.01	16.24	16.72	24.98	22.02	25.84	28.05	25.61	29.29	31.00	23.63
1936	January	24.87	15.69	11.61	22.28	16.54	19.58	26.21	21.11	25.81	20.98	19.61
	February	24.27	15.52	7.81	20.31	17.73	19.74	26.78	20.60	22.83	17.50	18.92
	March	22.22	13.71	6.85	19.45	17.72	19.37	27.38	19.93	21.75	15.52	17.74
	April	21.44	11.99	5.20	17.39	16.17	18.02	26.88	19.15	20.81	14.81	16.15
	May	20.34	10.40	4.50	15.65	14.14	13.74	25.65	17.41	20.09	13.99	14.11
	June	18.63	9.55	3.03	14.78	12.73	12.33	24.47	16.16	19.30	13.46	12.11
	July	18.45	9.44	2.95	14.42	12.20	11.57	22.86	15.47	18.81	12.90	11.53
	August	18.91	9.67	3.04	13.99	12.40	11.45	22.13	15.01	18.07	12.88	11.41
	September	17.47	10.46	3.18	13.49	11.77	11.22	21.83	14.66	16.41	13.16	11.35
	October	17.74	10.18	3.59	12.62	11.20	11.49	21.36	14.29	15.63	13.45	11.78
	November	18.19	10.20	3.62	12.96	11.35	11.87	21.01	14.40	14.76	12.02	12.58
	December	23.19	10.77	4.23	14.09	12.08	13.03	21.52	15.37	15.46	9.56	14.07
1937	January	21.53	12.29	4.67	14.88	13.87	14.48	22.38	17.09	16.27	7.77	15.62
	February	22.03	13.26	5.22	14.80	15.84	14.92	22.69	17.40	17.22	9.00	16.20
	March	22.51	12.19	5.50	14.31	15.65	14.82	22.59	16.32	17.80	9.86	15.36
	April	21.27	10.17	5.18	13.17	13.34	13.48	20.46	14.58	17.31	11.42	13.74
	May	18.97	8.34	4.14	11.82	10.51	11.81	18.87	11.59	16.06	10.93	12.24
	June	18.36	7.89	2.82	11.59	9.06	10.66	17.35	8.64	15.27	10.50	10.70
	July	19.03	8.24	2.97	12.29	8.30	10.45	17.65	9.04	15.72	8.95	9.67
	August	19.66	8.44	3.09	12.67	7.90	10.68	18.38	9.19	16.19	8.41	9.21
	September	19.83	8.76	3.30	12.96	7.77	11.01	18.57	8.62	16.25	8.15	9.49
	October	19.78	9.41	3.37	13.44	7.85	11.59	18.61	9.08	16.21	8.15	10.66
	November	20.37	11.36	3.47	15.64	8.99	12.87	19.53	10.69	15.80	8.25	12.24
	December	23.19	15.23	4.16	18.45	13.64	15.41	21.85	14.39	18.57	9.70	15.27

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
938	January	24.57	19.87	4.89	19.89	24.38	18.76	23.89	17.96	22.67	12.13	18.63
	February	24.81	21.73	5.51	19.20	30.63	19.65	24.89	20.36	23.43	12.70	19.60
	March	25.34	22.70	5.56	18.92	33.37	20.26	24.63	21.50	21.49	12.90	19.02
	April	23.55	19.30	5.28	17.63	28.82	19.50	23.54	18.26	21.34	11.66	16.79
	May	22.05	17.31	4.62	16.40	25.58	17.68	22.36	16.13	21.46	12.86	15.24
	June	21.21	16.13	4.70	16.11	23.52	17.33	21.49	15.51	22.41	13.27	14.50
	July	20.75	14.84	4.90	15.75	22.68	17.63	21.10	15.27	22.72	11.17	13.64
	August	20.88	14.12	5.07	15.02	20.71	17.33	21.11	14.55	22.89	11.55	13.47
	September	20.85	14.16	5.38	14.48	14.00	16.76	21.18	13.68	23.96	11.87	13.45
	October	20.99	14.25	5.26	13.75	12.19	16.37	20.57	12.51	23.75	11.76	14.60
	November	21.28	15.38	5.47	14.05	12.03	16.23	21.19	12.27	22.75	11.61	15.32
	December	22.64	16.60	6.17	14.98	13.68	17.24	22.21	12.88	23.28	11.89	16.72
939	January	24.10	18.13	6.79	16.52	16.02	18.09	23.09	14.13	25.61	11.98	18.01
	February	25.09	18.71	7.12	16.27	17.50	18.78	23.97	15.75	26.80	12.17	18.30
	March	25.36	17.53	7.15	16.68	17.86	17.63	24.21	15.08	27.68	11.50	18.54
	April	24.32	14.62	6.46	15.35	16.41	16.37	23.05	13.36	26.92	10.53	17.62
	May	23.83	14.10	5.73	14.66	14.63	15.33	22.55	13.23	26.76	9.50	16.47
	June	23.70	13.23	4.50	14.26	12.81	14.25	21.23	13.36	25.96	7.58	15.29
	July	22.83	12.78	4.48	14.19	11.15	13.83	20.52	14.19	72.47	5.90	14.95
	August	22.17	13.66	4.83	14.73	11.79	13.59	20.35	16.48	29.52	5.78	15.12
	September	21.99	16.30	5.04	15.89	13.36	14.87	20.69	17.79	31.35	5.56	17.02
	October	21.49	15.97	5.04	15.40	14.01	13.95	21.11	16.58	28.29	5.87	17.07
	November	20.68	15.10	5.17	15.46	13.93	13.03	20.40	14.89	24.05	5.78	16.87
	December	20.55	14.15	5.45	15.37	14.20	12.89	20.52	13.98	22.07	6.55	17.29

TABLE VI

FEDERAL WORK PROGRAMS—CASES PER THOUSAND POPULATION

1933-1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
1933	July											
	August											
	September											
	October											
	November	5.80	7.86	5.73	1.16	7.20	2.46	7.18	9.07	.56	.21	7.23
	December	16.53	26.44	14.29	20.06	25.76	13.09	14.83	29.99	8.17	28.99	48.69
1934	January	30.09	30.59	25.61	30.20	37.73	27.15	25.05	37.97	31.69	47.15	46.22
	February	27.22	29.10	27.43	28.52	30.57	29.58	26.07	31.12	22.74	34.29	25.92
	March	18.65	20.38	16.79	21.10	24.84	19.29	22.60	24.56	19.30	20.16	18.24
	April	.15	.16	2.09	.72	.35	1.47	.40	.26	.30	.57	.53
	May	.01	....	.04	....	.02	....	....	....	.02	....	.04
	June											
	July											
	August											
	September											
	October											
	November											
	December											
1935	January											
	February											
	March											
	April											
	May											
	June											
	July											
	August	.37	5.81	....	....	.65	.10	8.69	3.09	.01	.05	....
	September	.64	12.93	.01	....	1.87	1.47	12.18	4.17	.91	1.20	1.52
	October	1.60	16.57	1.53	.65	4.32	3.78	16.71	6.40	7.84	3.50	5.59
	November	11.03	20.64	5.45	10.51	12.81	13.88	22.97	18.47	16.98	14.69	16.80
	December	21.04	23.19	10.56	26.55	18.76	20.91	29.33	25.97	21.66	27.91	20.65
1936	January	23.51	23.74	12.37	24.98	19.83	21.93	28.97	26.73	24.80	29.11	22.34
	February	25.10	24.64	12.51	25.84	20.34	22.46	29.03	27.04	26.82	30.55	22.79
	March	25.69	24.77	11.56	27.24	20.48	21.86	28.51	27.83	28.07	30.92	22.04
	April	23.49	22.79	10.03	27.26	19.24	20.53	26.74	24.96	25.85	27.71	20.21
	May	21.60	20.90	9.22	26.15	17.32	19.86	24.89	23.38	23.49	25.27	18.61
	June	20.07	20.05	8.90	24.18	15.97	18.83	23.90	22.92	23.08	23.92	17.05
	July	19.74	19.48	8.60	22.47	15.58	17.97	23.42	21.91	23.48	23.25	16.64
	August	20.42	19.54	8.61	21.79	15.68	18.01	23.02	22.12	24.47	23.21	17.61
	September	21.26	19.66	8.17	22.16	16.09	18.17	23.15	22.17	24.56	23.31	21.81
	October	21.94	19.61	7.88	24.45	15.61	18.65	23.49	22.18	24.61	24.32	26.08
	November	22.22	19.92	8.07	25.05	15.30	18.85	23.59	21.86	24.49	24.19	25.74
	December	20.32	19.05	7.68	22.55	14.20	17.65	22.23	20.24	22.67	23.05	18.24

FEDERAL WORK PROGRAMS—CASES PER THOUSAND POPULATION

1933-1939

1937	January	19.59	18.03	7.60	21.13	13.56	17.08	20.45	19.44	22.13	21.20	16.55
	February	19.13	18.23	7.96	20.69	13.66	17.01	20.11	19.29	21.72	20.62	17.36
	March	18.83	18.78	7.76	20.57	13.10	17.11	20.23	18.58	21.21	19.83	17.46
	April	18.95	18.36	7.34	20.25	12.23	17.21	19.89	17.85	20.10	19.74	16.27
	May	18.75	17.14	7.12	20.05	11.53	17.15	19.48	17.45	19.38	19.50	15.24
	June	17.21	15.92	6.53	18.60	10.79	16.02	18.99	15.45	18.03	18.05	14.49
	July	14.53	13.62	5.72	14.50	9.63	14.65	16.56	13.44	15.92	15.96	12.98
	August	14.00	12.50	5.50	13.51	9.12	13.47	14.89	12.63	15.14	15.03	12.17
	September	13.30	11.91	5.15	13.81	8.88	12.96	14.89	12.36	14.64	14.50	11.51
	October	13.18	11.83	5.20	13.75	8.76	13.31	14.80	12.60	15.11	14.49	11.61
	November	13.43	12.37	5.18	14.10	8.84	13.42	14.59	12.90	15.51	14.89	11.80
	December	13.69	12.81	5.73	15.28	9.44	13.26	14.61	13.56	15.63	15.39	12.78
1938	January	15.50	15.27	6.44	17.79	11.94	14.75	14.64	16.09	16.96	17.22	14.82
	February	18.11	17.50	6.68	18.74	15.76	16.52	15.04	19.78	18.99	18.86	16.74
	March	23.09	23.86	7.05	21.86	23.42	17.81	15.56	27.49	20.56	21.18	21.09
	April	25.52	26.35	7.22	24.03	28.24	20.97	16.35	33.15	22.34	22.88	23.76
	May	27.02	26.68	7.40	23.95	34.29	20.88	16.85	34.97	23.29	23.07	24.46
	June	27.97	27.05	7.70	24.60	37.76	20.98	17.46	36.50	24.77	24.88	24.85
	July	30.02	28.29	8.76	26.35	39.72	22.05	18.02	39.13	26.70	26.98	26.32
	August	31.11	28.67	8.89	28.11	41.30	23.30	18.31	39.87	26.38	27.52	27.38
	September	32.01	28.29	9.47	28.57	39.92	24.16	18.83	41.86	26.78	28.18	28.23
	October	32.47	28.79	10.00	29.24	35.35	24.71	19.23	42.52	27.68	28.40	29.36
	November	32.33	28.72	9.65	29.56	32.43	24.95	19.35	41.34	28.32	28.48	29.31
	December	31.02	26.04	9.33	28.60	30.37	23.46	18.98	39.36	25.97	27.32	27.35
1939	January	29.60	23.93	9.00	28.00	28.78	22.42	18.52	37.17	24.42	25.93	26.55
	February	29.39	25.02	8.93	27.68	28.74	21.33	18.25	36.82	23.67	25.55	25.74
	March	29.27	25.71	9.02	28.34	28.94	20.79	18.51	36.64	23.46	25.92	25.40
	April	26.77	23.07	8.26	25.53	26.78	19.02	17.08	33.84	21.23	23.93	23.74
	May	25.29	21.93	7.96	22.98	25.16	18.18	16.02	31.47	19.87	23.76	21.77
	June	25.25	21.91	7.91	22.79	25.35	18.02	15.58	30.11	17.91	21.73	21.44
	July	21.86	21.02	7.35	21.18	24.30	17.45	14.15	27.65	14.20	20.58	19.62
	August	19.76	17.76	6.80	18.32	20.09	14.93	11.54	21.58	13.20	16.82	16.42
	September	16.47	13.82	5.95	15.80	16.20	12.49	9.91	18.22	11.81	15.13	14.84
	October	18.16	14.08	6.67	16.27	16.66	14.15	10.85	19.30	13.52	14.55	16.32
	November	19.06	16.16	6.81	17.26	17.89	14.22	11.84	18.44	13.99	16.00	15.72
	December	20.05	17.38	7.54	18.94	18.04	15.69	11.64	20.62	14.03	17.50	17.49

TABLE VII

FEDERAL WORK PROGRAM CASES AS A PER CENT OF TOTAL CASES RECEIVING RELIEF, BY STATES

JULY 1933 TO DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
1933	July											
	August											
	September											
	October											
	November	14.7	22.7	20.6	4.8	14.4	9.5	19.3	19.2	1.5	.4	21.9
	December	33.8	59.1	40.2	46.2	37.9	36.7	43.0	51.1	18.2	41.9	68.4
1934	January	52.8	62.4	49.9	60.2	54.2	56.3	56.5	59.8	46.9	57.2	71.1
	February	50.7	59.2	47.0	59.0	53.0	55.3	54.5	51.6	38.7	49.7	53.9
	March	37.6	46.1	31.0	49.6	46.0	42.5	48.8	42.4	34.3	33.8	40.7
	April	.4	.5	5.1	2.0	1.0	3.4	.9	.6	.8	1.7	1.4
	May	....	....	.1	....	.1	1.2	.2	....	....	....	.1
	June											
	July											
	August											
	September											
	October											
	November											
	December											
1935	January											
	February											
	March											
	April											
	May											

	June											
	July											
	August	1.0	16.6	....	....	1.9	.3	17.3	6.4	....	.1	....
	September	1.7	32.7	.1	....	5.2	4.2	25.7	9.1	2.0	2.6	4.7
	October	4.1	44.1	7.0	1.8	11.8	10.5	34.5	14.4	15.2	7.5	15.1
	November	22.9	53.8	21.7	23.5	30.9	31.0	44.6	33.6	29.4	27.3	35.6
	December	38.9	58.8	38.7	51.5	46.0	44.7	51.0	50.4	42.5	47.4	46.6
1936	January	46.8	49.3	45.7	45.8	49.7	46.5	46.7	42.9	44.5	58.1	45.8
	February	49.0	49.9	46.7	48.4	46.8	46.9	46.4	43.6	48.7	63.6	45.2
	March	51.7	51.6	45.2	50.3	46.4	46.5	45.5	44.7	50.8	66.6	43.8
	April	50.2	51.5	43.7	52.2	45.9	46.2	44.3	42.5	49.5	65.2	41.9
	May	49.3	51.0	41.2	53.0	45.3	50.1	43.6	42.2	47.8	64.4	40.8
	June	49.0	52.0	41.6	52.0	44.4	50.5	43.5	42.7	48.1	64.0	39.9
	July	46.2	51.4	40.6	50.2	44.1	49.9	44.3	41.9	48.6	64.3	39.6
	August	44.9	50.8	40.7	49.8	45.6	49.7	44.4	42.1	49.9	64.3	40.6
	September	45.5	50.0	38.7	49.0	45.4	49.8	44.8	42.4	51.7	63.9	45.7
	October	44.1	49.5	36.7	51.2	44.7	49.9	45.2	42.0	52.2	64.4	49.5
	November	42.7	49.1	36.8	51.2	43.6	49.4	45.4	41.3	52.4	64.0	48.2
	December	37.8	46.5	33.9	46.6	40.7	46.1	43.2	38.6	49.1	65.4	38.3
1937	January	34.7	43.2	32.6	43.1	37.3	43.6	40.2	36.5	47.1	63.2	35.3
	February	33.4	41.9	32.8	42.2	35.2	42.8	39.2	35.9	45.4	58.2	35.3
	March	32.4	43.1	31.9	32.1	34.3	43.0	39.3	35.7	43.7	52.4	35.9
	April	33.1	44.0	30.7	42.4	34.8	44.5	40.2	35.8	42.2	48.2	35.3
	May	34.3	43.6	30.9	43.4	36.4	46.3	40.8	37.6	41.7	47.1	35.0
	June	33.0	41.9	30.6	41.3	36.4	46.1	41.3	37.3	40.3	44.6	35.1
	July	29.2	37.3	27.1	34.5	33.2	44.1	37.8	33.7	36.9	42.4	33.4
	August	27.9	34.8	25.9	32.4	30.9	41.7	34.6	32.2	35.2	41.3	32.3
	September	26.5	33.1	24.1	32.7	29.6	40.2	34.4	32.1	34.3	40.8	30.8
	October	26.3	32.2	23.9	31.9	28.5	40.1	34.1	32.2	35.0	40.6	30.0
	November	26.3	31.3	23.4	30.7	27.0	38.7	33.1	31.5	35.8	41.0	29.0
	December	25.3	29.1	24.2	30.4	24.4	35.7	31.4	29.7	33.7	40.2	28.4
1938	January	27.0	29.7	25.4	32.6	22.6	35.1	30.0	31.1	32.7	40.4	29.3
	February	30.0	31.5	25.3	34.1	24.7	36.9	30.0	34.1	34.8	42.0	31.2
	March	35.0	38.3	26.0	37.7	31.6	38.1	30.7	41.0	38.0	44.7	36.6
	April	38.4	42.2	26.6	40.5	38.1	42.6	32.5	47.5	40.0	47.8	40.8
	May	40.5	43.8	27.7	41.4	44.5	44.0	33.9	50.2	41.0	46.8	42.5
	June	41.9	44.9	28.4	41.7	48.1	44.5	35.3	51.6	42.0	48.3	43.3
	July	43.8	46.9	30.7	43.4	50.0	45.5	36.2	53.5	43.6	52.6	45.3
	August	44.6	47.5	30.8	45.6	52.3	47.2	36.3	54.4	43.3	52.8	46.2
	September	45.5	46.6	31.8	46.2	56.4	48.7	36.8	56.2	43.0	53.1	46.9
	October	45.7	46.3	33.0	47.2	54.9	49.5	37.7	57.6	43.9	53.3	46.8
	November	45.4	44.8	31.9	47.2	52.5	49.8	37.3	57.1	45.2	53.5	46.1
	December	43.4	41.2	30.3	45.7	49.4	47.2	36.1	55.4	42.6	52.1	43.2
1939	January	41.3	37.8	28.9	43.8	46.3	45.2	34.9	53.1	39.5	50.7	41.4
	February	40.5	38.1	28.3	43.5	45.1	43.2	34.0	51.6	37.8	49.9	40.4
	March	40.2	39.0	28.4	43.7	44.6	43.5	34.1	51.9	37.0	50.8	39.8
	April	38.5	38.0	27.2	41.8	43.2	42.5	33.1	51.2	35.8	49.7	38.6
	May	37.4	36.8	27.2	39.7	42.1	42.4	32.0	49.2	34.3	50.4	37.2
	June	37.3	37.1	28.4	39.6	43.3	43.2	32.2	47.9	32.0	50.2	37.5
	July	34.4	36.4	27.0	37.8	43.6	42.8	30.5	45.1	26.5	50.9	35.5
	August	32.4	31.9	25.2	34.1	38.8	39.2	26.5	37.3	24.1	46.0	31.3
	September	28.6	25.4	22.6	30.0	32.9	33.8	23.4	32.5	21.4	43.7	28.0
	October	30.8	25.8	24.8	30.8	33.3	37.5	24.8	34.3	25.1	42.4	29.8
	November	32.2	28.9	25.0	32.0	35.0	38.4	26.3	35.9	28.0	45.1	29.0
	December	33.4	31.0	26.5	34.0	35.3	41.0	26.4	37.3	29.2	46.4	31.2

TABLE VIII

SPECIAL CATEGORIES—CASES PER THOUSAND POPULATION

JANUARY 1936—DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
1936	January	1.83	8.77	3.06	7.32	3.51	5.69	6.73	14.48	5:15	....	6.77
	February	1.82	9.21	6.43	7.27	5.45	5.72	6.74	14.42	5.40	....	8.70
	March	1.80	9.48	7.15	7.37	5.97	5.80	6.73	14.39	5.47	....	10.50
	April	1.81	9.50	7.72	7.49	6.48	5.92	6.77	14.58	5.49	....	11.89
	May	1.90	9.68	8.64	7.54	6.78	6.02	6.54	14.65	5.57	....	12.86
	June	2.27	8.97	9.47	7.63	7.26	6.11	6.59	14.59	5.58	....	13.06
	July	4.57	9.00	9.62	7.81	7.57	6.47	6.60	14.93	6.05	....	13.87
	August	6.16	9.29	9.54	7.93	6.27	6.78	6.71	15.38	6.47	....	14.26
	September	7.96	9.21	9.76	9.57	7.61	7.06	6.76	15.43	6.49	....	14.57
	October	10.03	9.79	10.00	10.75	8.12	7.25	7.09	16.32	6.94	....	14.88
	November	11.61	10.43	10.25	11.03	8.40	7.39	7.42	16.64	7.45	1.57	15.14
	December	13.46	11.10	10.77	11.69	8.61	7.56	7.70	16.79	8.01	2.61	15.35

1937	January	15.26	11.43	11.04	12.99	8.96	7.66	7.99	16.77	8.59	4.56	14.78
	February	16.10	12.04	11.07	13.61	9.26	7.77	8.46	16.99	8.98	5.75	15.66
	March	16.87	12.59	11.09	13.99	9.48	7.87	8.84	17.20	9.49	8.14	15.84
	April	17.05	13.22	11.38	14.33	9.54	7.98	9.17	17.42	10.22	9.79	16.00
	May	16.88	13.80	11.76	14.61	9.68	8.06	9.41	17.32	11.01	10.99	16.04
	June	16.53	14.21	12.02	14.93	9.82	8.09	9.60	17.29	11.38	11.96	16.13
	July	16.16	14.61	12.39	15.23	11.07	8.13	9.72	17.35	11.55	12.70	16.20
	August	16.41	14.99	12.68	15.43	12.50	8.19	9.80	17.37	11.71	12.98	16.30
	September	16.98	15.26	12.91	15.65	13.36	8.24	9.87	17.43	11.84	12.91	16.39
	October	17.12	15.53	13.19	15.93	14.08	8.29	9.97	17.45	11.88	13.06	16.46
	November	17.32	15.77	13.52	16.26	14.87	8.38	10.05	17.43	12.02	13.12	16.63
	December	17.23	16.04	13.80	16.54	15.61	8.47	10.16	17.64	12.13	13.24	16.88
1938	January	17.36	16.19	14.02	16.81	16.43	8.55	10.25	17.66	12.20	13.31	17.08
	February	17.36	16.35	14.25	17.03	17.29	8.62	10.32	17.81	12.15	13.36	17.28
	March	17.48	16.54	14.48	17.31	17.43	8.68	10.35	18.07	12.11	13.33	17.47
	April	17.46	16.73	14.62	17.57	17.17	8.76	10.40	18.31	12.08	13.38	17.65
	May	17.61	16.91	14.71	17.81	17.16	8.94	10.49	18.47	12.08	13.40	17.84
	June	17.83	17.06	14.74	18.04	17.15	8.86	10.57	18.60	11.87	13.32	18.03
	July	17.83	17.20	14.85	18.26	17.10	8.69	10.63	18.70	11.77	13.16	18.20
	August	17.81	17.50	14.90	18.37	16.97	8.72	11.03	18.82	11.64	13.06	18.35
	September	17.56	18.25	14.94	18.63	16.81	8.76	11.14	18.89	11.63	13.07	18.53
	October	17.57	19.10	15.03	18.83	16.89	8.83	11.20	18.84	11.61	13.10	18.73
	November	17.63	19.97	15.10	18.93	17.29	8.91	11.27	18.82	11.55	13.14	18.97
	December	17.73	20.59	15.27	19.28	17.35	9.00	11.39	18.79	11.66	13.23	19.24
1939	January	17.88	21.20	15.36	19.54	17.43	9.12	11.48	18.71	11.84	13.25	19.50
	February	18.07	21.95	15.48	19.77	17.58	9.28	11.43	18.74	12.10	13.48	19.75
	March	18.24	22.63	15.54	20.00	18.12	9.37	11.55	18.83	12.28	13.60	19.92
	April	18.39	23.11	15.64	20.02	18.91	9.41	11.51	18.90	11.17	13.68	20.13
	May	18.56	23.53	15.60	20.27	19.94	9.41	11.49	19.30	11.25	13.85	20.31
	June	18.80	23.86	15.47	20.49	20.36	9.40	11.52	19.42	12.05	14.01	20.50
	July	18.89	24.11	15.33	20.62	20.24	9.42	11.60	19.62	12.08	14.05	20.68
	August	19.03	24.23	15.29	20.75	19.98	9.48	11.67	19.80	12.08	13.94	20.90
	September	19.16	24.36	15.26	20.86	19.51	9.56	11.72	20.07	12.06	13.90	21.01
	October	19.29	24.46	15.26	21.03	19.45	9.61	11.77	20.47	12.03	13.89	21.35
	November	19.42	24.55	15.30	21.28	19.18	9.66	11.89	20.72	11.95	13.68	21.56
	December	19.55	24.64	15.42	21.42	18.94	9.68	11.86	20.75	11.92	13.65	21.74

TABLE IX

GENERAL ASSISTANCE—GRANT PER CASE

JULY 1933—DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. Y.	OHIO	PA.	W. VA.	WISC.
1933	July	$18.96	$11.84	$22.07	$29.34	$18.20	$18.83	$29.68	$14.67	$15.36	$ 8.94	$19.38
	August	20.46	11.82	28.72	30.54	19.84	21.31	31.31	13.47	15.99	8.87	20.83
	September	22.32	12.24	27.21	28.15	20.05	21.49	32.12	16.59	16.53	11.60	20.58
	October	24.32	14.38	29.75	28.00	22.08	22.24	35.72	15.80	17.66	12.37	20.81
	November	21.42	12.73	26.63	29.71	21.96	23.46	31.57	14.16	20.12	10.53	22.12
	December	22.08	11.32	27.53	24.73	15.11	22.84	29.02	16.44	20.20	10.28	14.49
1934	January	20.10	11.45	23.72	26.24	14.54	23.03	29.32	11.00	18.57	11.28	19.77
	February	19.70	11.88	21.77	25.81	15.62	21.34	29.51	13.10	20.23	10.56	24.79
	March	23.06	12.47	25.36	28.77	17.40	22.46	32.95	12.88	19.98	9.23	24.45
	April	20.40	14.94	24.12	31.66	19.82	28.54	38.59	16.58	28.03	10.17	18.22
	May	24.72	20.64	30.07	39.80	25.52	26.04	41.75	19.34	26.04	14.54	22.28
	June	26.06	20.23	26.57	34.20	24.30	25.19	41.18	19.20	23.56	14.08	22.00
	July	26.40	20.92	26.75	34.43	25.67	27.97	41.61	20.78	23.29	14.36	31.60
	August	27.37	23.71	28.33	41.03	27.11	26.91	41.68	22.05	25.65	13.21	32.91
	September	27.48	22.95	30.29	35.68	25.91	28.56	38.61	2 .92	21.16	14.43	30.60
	October	27.02	26.27	29.87	36.95	29.06	32.87	42.64	20.95	26.13	15.66	33.35
	November	29.34	25.65	29.31	41.15	29.94	31.73	41.06	22.99	31.13	16.81	30.94
	December	31.48	26.15	28.86	39.97	28.58	32.63	42.08	25.48	33.29	15.33	28.93
1935	January	33.24	26.21	30.59	43.52	29.82	30.06	42.93	26.54	37.92	17.98	31.92
	February	30.45	23.86	27.05	39.01	27.23	29.17	39.08	22.31	35.08	14.31	33.12
	March	31.95	25.38	28.24	41.18	27.47	30.55	41.28	22.74	32.69	16.41	31.00
	April	29.34	25.37	27.47	41.00	26.52	28.21	41.18	22.98	35.51	15.08	29.95
	May	17.86	24.40	27.10	45.19	27.76	28.07	41.69	23.58	33.52	15.19	31.87
	June	29.66	23.02	24.87	40.21	24.51	27.53	39.36	24.19	30.62	12.41	28.69
	July	28.92	19.93	28.80	40.82	26.48	28.65	43.47	26.74	33.42	12.79	30.09
	August	31.30	15.68	31.04	45.49	27.64	29.12	34.67	22.07	30.23	12.86	30.95
	September	25.87	14.83	26.06	40.32	25.37	27.83	36.47	14.85	30.01	11.53	23.52
	October	27.03	14.11	27.82	42.86	27.32	29.01	37.13	19.05	32.26	14.44	25.84
	November	25.38	13.27	29.00	32.44	22.66	26.65	33.52	20.04	26.65	11.16	21.50
	December	21.32	13.65	21.62	28.65	19.06	23.35	33.82	17.09	28.23	9.10	19.75

1936	January	23.46	13.42	19.45	26.45	23.54	24.79	31.59	18.27	28.32	10.97	21.54
	February	24.31	12.99	18 82	26.83	22.35	24.97	32.80	21.55	26.24	9.27	21.56
	March	23.61	12.31	23.42	27.14	22.49	24.57	33.14	19.41	28.49	11.44	21.27
	April	23.76	11.80	25.26	26.37	21.36	20.62	32.75	17.57	27.12	8.98	20.36
	May	22.80	10.86	24.62	24.13	20.27	18.57	31.50	17.08	26.04	9.34	18.30
	June	24.14	10.46	18.48	24.43	20.63	19.06	31.10	16.62	27.68	9.36	19.02
	July	15.39	10.52	22.62	25.41	21.49	19.54	32.30	16.78	28.83	11.06	18.92
	August	16.24	10.51	21.28	24.59	20.66	19.49	32.69	17.15	25.47	9.12	19.31
	September	20.28	11.48	23.09	25.44	20.16	20.11	33.41	16.65	26.75	11.34	19.60
	October	22.39	12.81	24.37	26.40	23.48	21.45	33.66	18.40	26.40	10.32	22.40
	November	25.85	12.86	24.57	25.59	23.26	22.67	35.06	19.64	26.20	9.95	22.51
	December	26.64	13.91	25.46	28.60	24.38	24.24	37.27	20.75	28.80	10.23	22.84
1937	January	24.73	13.29	24.96	26.71	22.15	23.21	35.28	19.48	27.54	12.76	23.38
	February	24.78	12.67	23.99	26.62	21.86	23.19	35.15	20.16	26.78	12.86	22.68
	March	24.61	13.28	25.97	29.69	20.02	24.35	36.14	19.40	19.26	12.50	22.88
	April	22.51	12.27	21.57	27.91	20.80	22.54	36.94	19.24	28.92	10.28	21.17
	May	22.56	10.98	21.06	26.44	19.30	22.06	35.94	17.13	27.49	9.46	20.12
	June	22.63	11.08	26.77	25.52	19.63	21.95	36.17	16.10	28.58	10.10	20.48
	July	22.59	11.28	22.16	25.93	19.49	21.75	36.53	17.60	29.68	9.82	19.20
	August	23.59	11.31	22.11	26.17	20.45	21.71	38.17	19.60	27.97	9.81	19.65
	September	19.51	13.11	22.09	27.21	23.41	22.31	38.79	18.49	29.48	9.93	20.53
	October	19.59	13.41	21.52	27.14	24.61	23.26	38.96	18.97	28.70	10.07	21.64
	November	23.26	13.65	22.87	28.26	24.92	23.77	40.90	18.19	27.93	10.19	22.24
	December	23.27	15.49	22.12	31.19	25.41	24.84	40.20	18.09	30.48	9.94	23.19
1938	January	23.57	15.58	22.80	28.82	22.81	24.08	39.53	17.68	28.55	9.39	21.67
	February	22.71	14.85	22.34	28.15	23.55	23.33	38.22	17.36	25.66	9.10	20.49
	March	22.72	14.70	23.07	29.61	23.75	24.04	37.04	16.67	28.27	8.85	19.96
	April	21.76	13.42	21.50	27.16	21.83	22.70	35.00	16.32	26.33	9.76	16.74
	May	19.76	12.38	21.56	26.76	20.63	21.82	34.14	16.23	26.91	9.97	16.33
	June	19.51	11.76	22.56	27.06	20.94	22.54	34.84	15.24	27.57	10.70	16.95
	July	21.73	11.06	22.62	26.18	20.60	22.24	34.99	14.38	27.10	8.72	16.42
	August	24.50	11.15	22.74	27.10	18.34	22.33	35.17	15.95	27.52	8.87	16.62
	September	22.82	12.72	22.52	27.11	18.18	22.82	34.90	16.67	27.73	9.11	17.42
	October	23.05	12.20	22.64	26.43	19.79	23.68	35.42	16.86	27.17	9.17	18.11
	November	24.45	13.33	22.99	27.24	20.64	24.44	36.25	18.60	27.28	9.18	19.75
	December	24.25	14.00	23.85	29.52	22.43	24.84	37.61	19.26	29.26	9.20	20.92
1939	January	23.07	13.02	24.00	27.61	22.33	24.94	38.16	18.86	27.65	9.43	21.64
	February	13.71	13.55	24.57	27.23	22.61	24.20	37.61	17.59	27.16	9.41	20.86
	March	23.80	13.78	24.00	28.85	22.51	24.15	37.82	18.08	29.66	9.07	22.21
	April	23.18	12.60	22.45	25.79	20.86	22.31	36.32	17.51	26.73	8.62	19.13
	May	21.39	12.35	18.56	27.49	20.21	22.06	35.30	17.37	28.26	8.28	20.43
	June	22.05	12.01	22.36	26.28	20.33	22.44	35.70	16.59	28.16	7.95	20.37
	July	19.05	11.82	21.71	25.49	19.17	22.45	35.36	16.56	27.24	8.31	19.08
	August	20.29	11.96	22.41	26.63	20.83	22.66	34.28	16.18	30.70	8.40	20.62
	September	19.68	12.29	21.51	25.11	20.40	21.27	34.73	16.35	27.60	8.59	18.43
	October	21.52	13.48	22.35	26.35	21.72	22.36	35.30	16.65	27.01	8.70	21.89
	November	24.71	13.08	22.58	27.51	22.52	23.55	36.12	15.99	27.74	9.09	22.94
	December	24.63	13.13	22.76	28.99	20.22	24.29	36.43	16.12	28.68	8.80	22.79

TABLE X

FEDERAL WORKS PROGRAMS—EARNINGS PER CASE

JULY 1933-DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. J.	OHIO	PA.	W. VA.	WISC.
1933	July											
	August											
	September											
	October											
	November	$41.55	$44.47	$32.10	$113.36	$46.18	$52.48	$37.74	$40.56	$53.91	$553.21	$72.58
	December	93.57	69.34	60.73	73.59	77.58	84.71	80.00	70.17	87.18	62.77	76.47
1934	January	66.40	60.30	52.45	60.71	58.79	60.67	63.18	58.32	45.84	45.32	65.95
	February	57.49	47.73	38.78	47.02	51.47	43.81	67.40	48.90	38.64	34.49	57.94
	March	68.44	52.35	54.89	59.98	55.42	59.93	176.55	54.53	49.58	39.75	68.69
	April	290.69	228.11	64.47	92.43	180.86	24.86	62.98	271.80	124.22	40.75	113.44
	May	81.84	77.25	49.03	....	67.30	57.73	....	172.12	37.37	45.25	117.33
	June	132.57	....	....	....	63.16	54.00	....	47.52	58.18	....	126.11
	July	40.40	....	....	....	....	....	....	43.00	12.00	....	....
	August											
	September											
	October											
	November											
	December											

1935	January											
	February											
	March											
	April											
	May											
	June											
	July											
	August	16.97	18.56	....	....	13.90	10.64	33.92	19.29	5.65	....	....
	September	41.91	34.23	....	....	39.56	45.29	64.36	49.30	34.10	17.33	22.56
	October	38.59	43.50	23.46	23.84	43.84	43.74	76.17	42.56	41.93	72.32	38.20
	November	30.16	44.81	30.63	20.32	36.36	34.60	59.30	42.18	49.74	19.93	47.31
	December	46.14	48.84	36.97	42.32	50.16	50.28	65.13	50.40	53.67	33.83	53.58
1936	January	50.55	49.67	43.59	53.06	53.24	54.79	64.66	52.32	55.64	39.35	53.96
	February	51.52	49.44	45.03	55.90	50.73	58.47	64.10	51.43	55.84	38.81	54.29
	March	51.14	49.83	50.27	66.98	52.78	60.72	68.88	58.15	57.83	40.32	54.81
	April	53.46	50.93	52.52	63.86	53.56	62.25	70.61	61.30	62.08	40.10	58.02
	May	54.51	52.23	54.28	65.47	53.69	65.83	72.75	61.70	64.36	42.94	59.82
	June	54.85	52.54	54.99	66.32	54.76	66.45	71.89	62.04	64.49	42.48	60.85
	July	54.37	53.39	52.98	68.89	55.75	66.77	74.80	63.03	62.86	43.95	61.15
	August	54.54	54.72	52.54	69.68	56.65	66.50	74.37	61.42	62.58	43.98	59.98
	September	54.47	55.65	55.30	66.57	55.56	66.96	73.14	61.51	63.89	43.85	53.82
	October	53.74	56.20	54.46	66.41	56.82	68.28	77.07	59.65	63.31	42.98	51.08
	November	54.03	56.14	53.02	67.56	55.80	69.29	74.58	60.44	64.35	44.15	54.73
	December	56.52	56.30	53.00	71.56	55.54	70.08	77.08	61.53	64.89	45.00	60.22
1937	January	53.70	54.81	50.84	67.76	53.12	67.98	78.68	56.58	62.79	44.12	58.51
	February	56.67	57.32	51.08	63.21	52.96	69.04	72.25	59.37	63.27	44.31	57.94
	March	54.73	55.32	49.32	71.76	54.70	68.83	78.26	59.38	63.46	43.50	58.76
	April	53.87	56.31	50.04	68.15	57.68	68.99	72.37	61.68	65.18	44.79	59.20
	May	54.60	56.67	48.83	70.25	58.92	69.08	77.00	61.59	64.75	43.76	58.41
	June	57.33	58.41	51.11	70.73	59.27	70.30	74.74	65.13	65.96	45.75	61.05
	July	58.12	57.31	51.18	69.21	60.49	70.02	71.58	61.98	66.40	45.16	58.69
	August	55.59	56.57	50.07	72.24	55.08	69.43	67.03	63.79	65.07	44.22	58.67
	September	56.28	56.09	50.18	68.86	59.18	69.05	72.84	62.47	64.29	43.24	59.29
	October	55.74	55.85	49.53	69.65	57.87	68.09	75.38	62.57	62.55	43.13	58.95
	November	55.59	54.88	49.58	68.33	58.50	68.90	73.59	60.71	62.98	43.02	59.03
	December	52.94	53.08	47.79	70.50	55.32	67.32	79.89	57.25	61.86	42.76	57.42
1938	January	52.89	52.59	47.29	67.23	51.55	62.70	69.94	59.48	60.80	42.63	56.25
	February	52.40	53.31	46.04	61.89	52.84	63.78	69.24	57.41	61.07	42.88	56.01
	March	49.74	51.69	45.73	68.04	52.83	62.22	77.23	55.04	59.71	41.88	53.97
	April	52.70	51.93	47.46	62.83	56.02	61.95	74.38	56.93	59.99	42.32	54.05
	May	53.40	53.99	46.78	68.41	54.65	64.00	71.47	58.64	60.34	42.75	55.39
	June	53.82	55.82	47.36	65.20	56.52	64.94	74.86	62.39	60.93	42.17	57.16
	July	52.87	52.15	46.76	64.71	57.25	62.91	71.12	56.32	60.81	42.23	52.33
	August	53.54	54.49	48.93	67.91	57.42	64.58	74.26	59.81	61.98	43.33	56.52
	September	52.70	54.57	46.63	68.01	58.05	62.42	67.97	57.67	61.59	41.97	55.12
	October	54.66	54.19	49.24	66.79	58.60	62.26	71.64	59.83	61.47	43.23	56.36
	November	54.43	54.75	50.32	70.49	57.64	64.22	72.17	58.92	62.42	42.71	56.02
	December	56.24	57.17	50.08	63.16	58.59	65.25	76.32	61.74	63.86	45.06	57.62
1939	January	55.04	54.00	49.35	69.76	57.56	60.96	69.60	58.82	62.35	43.54	57.36
	February	53.16	53.25	49.01	58.81	56.89	63.21	67.28	56.45	61.71	44.19	56.72
	March	55.88	53.83	49.63	62.23	57.37	61.17	79.18	60.05	61.90	44.49	56.60
	April	57.08	55.64	49.74	66.02	57.32	67.52	75.38	58.35	63.43	45.58	57.72
	May	57.74	56.42	51.20	70.95	62.73	67.63	76.37	64.55	63.32	44.54	59.12
	June	56.21	54.26	49.81	64.67	58.71	65.85	76.16	58.77	64.68	46.12	58.32
	July	55.91	54.29	49.91	68.09	58.01	67.89	74.71	51.07	68.71	44.73	52.94
	August	59.17	56.04	51.13	69.96	61.87	72.60	82.43	58.56	64.79	49.19	62.76
	September	57.58	56.45	52.35	61.04	57.45	60.70	67.61	59.01	53.61	50.34	56.53
	October	55.66	53.17	54.71	66.04	57.67	61.71	67.20	56.85	59.96	50.07	55.55
	November	55.52	51.69	55.38	63.95	57.65	61.49	65.91	55.40	58.64	49.68	58.56
	December	56.98	52.06	53.11	59.53	55.23	58.01	65.54	56.78	56.13	48.81	55.25

TABLE XI

SPECIAL CATEGORIES—GRANT PER CASE

JANUARY 1936—DECEMBER 1939

Year	Month	ILL.	IND.	MD.	MASS.	MICH.	N. J.	N. J.	OHIO	PA.	W. VA.	WISC.
1936	January	$24.00	$8.99	$17.14	$28.48	$21.79	$19.97	$26.52	$15.54	$24.11	....	$21.59
	February	24.01	9.05	21.44	28.53	19.97	19.95	26.53	15.56	24.37	....	20.55
	March	24.03	9.17	20.86	28.37	19.94	19.89	26.55	15.54	25.50	....	20.21
	April	23.86	9.31	20.27	27.92	19.62	20.03	26.52	15.58	24.62	....	20.16
	May	23.28	8.85	19.25	28.69	19.57	20.03	26.73	15.62	24.55	....	19.95
	June	21.56	9.66	18.67	28.50	18.82	20.20	26.68	15.67	24.66	....	20.03
	July	17.10	9.32	20.67	28.55	18.77	19.90	26.68	15.62	24.45	....	20.34
	August	16.15	10.53	20.05	28.68	16.47	19.80	26.72	24.34	24.38	....	20.40
	September	15.81	11.81	20.28	28.93	17.99	19.68	26.80	24.41	24.52	....	20.55
	October	15.77	13.44	20.69	29.19	17.74	19.75	26.72	24.51	24.40	....	20.98
	November	16.11	14.54	20.59	30.49	19.16	19.74	26.68	24.54	24.34	$4.42	21.21
	December	16.45	15.23	20.42	31.44	19.55	19.84	26.53	24.51	24.23	12.45	21.33
1937	January	16.68	15.89	20.90	29.10	19.88	19.89	26.30	24.38	24.17	12.79	22.43
	February	16.96	16.39	21.11	29.28	20.39	19.89	26.09	24.95	24.18	13.25	21.65
	March	17.17	16.83	21.17	30.77	20.59	20.04	26.14	23.63	24.23	16.00	21.77
	April	17.30	17.27	21.14	29.59	20.79	20.06	26.91	23.25	24.26	16.28	21.89
	May	17.32	17.58	21.18	29.47	20.39	20.11	25.93	23.26	24.29	16.47	21.79
	June	17.35	17.80	21.16	29.96	20.30	20.15	25.91	23.26	24.42	16.60	21.83
	July	19.63	18.00	21.14	29.92	20.36	20.36	26.24	23.28	24.50	16.73	22.11
	August	17.35	18.17	21.22	30.29	20.74	20.42	26.72	22.97	24.57	16.63	22.24
	September	17.42	18.31	21.43	30.05	21.32	20.51	26.84	22.90	24.60	16.18	22.35
	October	17.44	18.59	21.29	30.36	21.73	20.79	27.67	22.44	24.58	15.94	22.74
	November	17.51	18.54	21.28	31.25	21.96	20.99	27.99	22.46	24.41	15.81	22.86
	December	17.69	18.66	21.55	31.16	22.10	21.50	28.49	24.22	24.31	15.75	22.98
1938	January	17.68	18.77	21.67	31.06	21.86	21.18	28.75	23.99	24.05	15.70	23.04
	February	17.87	18.86	21.83	31.21	21.78	21.33	28.75	24.04	24.04	15.74	23.12
	March	18.00	18.92	21.48	31.73	21.84	21.35	28.85	24.07	24.06	15.75	23.22
	April	18.16	18.95	21.87	31.34	21.47	21.56	28.92	24.11	24.01	15.72	23.28
	May	18.26	18.96	21.60	31.40	20.89	21.34	28.56	24.16	23.81	15.77	23.04
	June	18.51	18.99	21.53	30.92	20.81	21.02	28.51	24.18	23.98	15.76	23.09
	July	18.69	19.02	21.52	31.14	19.68	21.49	28.57	24.19	24.06	15.84	23.16
	August	18.78	19.05	21.56	31.69	19.49	21.55	29.10	24.15	24.04	15.68	23.20
	September	18.88	19.00	21.80	31.03	20.30	21.77	29.30	24.13	24.04	15.64	23.33
	October	18.96	18.93	21.69	31.31	20.45	21.86	29.87	24.05	24.15	15.64	23.62
	November	19.06	18.91	21.73	32.34	20.52	21.95	29.91	23.99	24.01	15.68	23.91
	December	19.15	18.94	21.90	32.07	20.71	22.15	30.00	24.14	24.12	15.71	24.01
1939	January	19.24	18.99	21.89	32.29	20.63	22.35	30.24	23.99	24.31	15.79	24.15
	February	19.31	19.05	21.87	32.32	20.58	22.46	30.12	23.91	24.68	15.84	24.23
	March	19.38	19.13	21.88	31.56	20.54	22.53	30.26	23.93	22.26	15.91	24.30
	April	19.54	19.21	21.59	32.01	19.83	22.43	30.10	23.89	21.25	15.95	24.37
	May	19.68	19.28	21.50	32.12	19.23	22.41	29.63	23.83	21.60	15.83	24.19
	June	19.71	19.32	21.46	31.56	19.07	22.32	29.42	23.80	25.38	15.69	24.19
	July	19.89	19.39	21.36	31.57	19.11	22.33	29.56	23.77	25.38	15.39	24.24
	August	19.88	19.44	21.40	31.72	19.19	22.35	29.55	23.78	25.45	14.81	24.35
	September	20.11	19.49	21.55	31.74	19.28	22.51	29.68	23.78	25.53	14.56	24.49
	October	20.22	19.57	21.37	31.89	19.66	22.59	30.16	23.82	25.52	14.43	24.72
	November	20.35	19.62	21.43	32.20	19.63	22.67	30.46	23.84	25.64	14.48	24.76
	December	20.48	19.65	21.49	32.63	19.56	22.78	30.82	23.86	25.75	14.61	24.86

TABLE XII.

ILLINOIS

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total
1933	July	$5,130,034	.....	.....	.....	.....	.....	$5,130,034
	August	5,085,376	.....	.....	.....	.....	.....	5,085,376
	September	5,320,264	.....	.....	.....	.....	.....	5,320,264
	October	5,908,378	.....	.....	.....	.....	.....	5,908,378
	November	5,610,326	$1,870,596	.....	.....	.....	.....	7,480,922
	December	5.547,300	12,003,042	.....	.....	.....	.....	17,550.342
1934	January	4,210,725	15,568,332	.....	.....	.....	.....	19,779,057
	February	4,067,909	12,194,586	.....	.....	.....	.....	16,262,495
	March	5,551,741	9,947,199	.....	.....	.....	.....	15,498,940
	April	6,028,912	361,323	.....	.....	.....	.....	6,390,235
	May	7,288,587	10,967	.....	.....	.....	.....	7,299,554
	June	7,922,386	2,784	.....	.....	.....	.....	7,925,170
	July	7,964,123	808	.....	.....	.....	.....	7,964,931
	August	8,257,370	.....	.....	.....	.....	.....	8,257,370
	September	8,408,570	.....	.....	.....	.....	.....	8,408,570
	October	8,320,815	.....	.....	.....	.....	.....	8,320,815
	November	9,105,207	.....	.....	.....	.....	.....	9,105,207
	December	10,279,269	.....	.....	.....	.....	.....	10,279,269
1935	January	11,288,020	.....	.....	.....	.....	.....	11,288,020
	February	10,381,654	.....	.....	.....	.....	.....	10,381,654
	March	10,995,466	.....	.....	.....	.....	.....	10,995,466
	April	9,816,611	.....	.....	.....	.....	.....	9,816,611
	May	5,551,014	.....	.....	.....	.....	.....	5,551,014
	June	8,831,681	.....	.....	.....	.....	.....	8,831,681
	July	8,288,470	.....	.....	.....	.....	.....	8,288,470
	August	9,024,618	50,000	.....	.....	.....	.....	9,074,618
	September	7,502,594	210,000	.....	.....	.....	.....	7,712,594
	October	7,890,567	485,000	.....	.....	.....	.....	8,375,567
	November	7,372,977	2,603,000	.....	.....	.....	.....	9,975,977
	December	5,503,072	7,591,000	.....	.....	.....	.....	13,094,072
1936	January	4,577,417	9,325,000	345,300	.....	$183,300	$162,000	14,247,717
	February	4,630,062	10,144,000	343,400	.....	181,400	162,000	15,117,462
	March	4,116,850	10,309,000	339,500	.....	177,500	162,000	14,765,350
	April	3,997,155	9,852,000	340,559	$ 3,059	175,500	162,000	14,189,714
	May	3,638,886	9,239,000	347,248	13,648	171,600	162,000	13,225,134
	June	3,528,916	8,636,000	384,245	52,545	169,700	162,000	12,549,161
	July	2,227,547	8,423,000	613,804	286,004*	165,800	162,000	11,264.351
	August	2,411,177	8,738,000	780,585	460,585	158,000	162,000	11,929,762
	September	2,781,664	9,086,000	988,012	679,712	146,300	162,000	12,855,676
	October	3,117,245	9,251,000	1,241,506	937,106	142,400	162,000	13,609,751
	November	3,690,247	9,420,000	1,467,846	1,165,446	140,400	162,000	14,578,093
	December	4,184,457	9,013,000	1,737,840	1,437,340	138,500	162,000	14,935,297
1937	January	4,195,637	8,287,000	2,005,838	1,668,238	148,600	189,000	14,488,475
	February	4,302,681	8,543,000	2,151,954	1,816,354	146,600	189,000	14,997,635
	March	4,365,504	8,123,000	2,282,431	1,944,831	148.600	189,000	14,770,935
	April	3,772,143	8,044,000	2,324,654	1,982,754	152,900	189,000	14,140,797
	May	3,372,463	8,067,000	2,304,012	1,947,012	168,000	189,000	13,743,475
	June	3,274,642	7,774,000	2,259,795	1,902,795	168,000	189,000	13,308,437
	July	3,386,784	6,657,000	2,210,717	1,853,717	168,000	189,000	12,254,501
	August	3,655,354	6,131,000	2,243,113	1,886,113	168,000	189,000	12,029,467
	September	3,049,779	5,900,000	2,331,237	1,974,237	168,000	189,000	11,281,016
	October	3,054,570	5,788,000	2,353,639	1,996,639	168,000	189,000	11,196,209
	November	3,732,961	5,882,000	2,389,621	2,032,621	168,000	189,000	12,004,582
	December	4,252,469	5,712,000	2,400,858	2,043,858	168,000	189,000	12,365,327
1938	January	4,564,042	6,462,000	2,419,722	2,048,722	168,000	203,000	13,445,764
	February	4,439,405	7,478,000	2,444,577	2,073,577	168,000	203,000	14,561,982
	March	4,534,689	9,050,000	2,479,232	2,106,362	168,280	204,590	16,063,921
	April	4,038,993	10,597,000	2,498,700	2,125,700	168,000	205,000	17,134,693
	May	3,433,252	11,371,000	2,533,824	2,160,824	168,000	205,000	17,338,076
	June	3,261,801	11,956,000	2,601,270	2,228,270	168,000	205,000	17,819,071
	July	3,553,088	12,505,000	2,625,838	2,252,838	168,000	205,000	18,683,926

	August	4,030,065	13,123,000	2,634,724	2,261,174	168,000	205,000	19,787,789
	September	3,749,226	13,293,000	2,613,668	2,240,668	168,000	205,000	19,655,994
	October	3,811,515	13,985,000	2,625,531	2,252,531	168,000	205,000	20,422,046
	November	4,100,280	13,866,000	2,648,280	2,275,280	168,000	205,000	20,614,560
	December	4,326,314	13,743,000	2,676,694	2,303,694	168,000	205,000	20,746,008
1939	January	4,379,934	12,836,000	2,712,000	2,339,404	.....†	.....†	19,927,934
	February	4,687,683	12,312,000	2,750,000	2,377,046	.....†	.....†	19,749,683
	March	4,755,659	12,890,000	2,785,000	2,411,602	.....†	.....†	20,430,659
	April	4,441,837	12,039,000	2,831,000	2,457,392	.....†	.....†	19,311,837
	May	4,016,675	11,504,000	2,878,000	2,504,734	.....†	.....†	18,398,675
	June	4,116,625	11,181,000	2,921,000	2,548,267	.....†	.....†	18,218,626
	July	3,425,933	9,626,000	2,960,000	2,586,642	.....†	.....†	16,011,933
	August	3,542,993	9,209,000	2,981,000	2,607,880	.....†	.....†	15,732,993
	September	3,408,653	7,471,000	3,035,000	2,661,890	.....†	.....†	13,914,653
	October	3,643,898	7,965,000	3,074,000	2,700,847	.....†	.....†	14,682,898
	November	4,024,754	8,336,000	3,114,000	2,740,658	.....†	.....†	15,474,754
	December	3,988,358	8,999,000	3,153,000	2,779,040	.....†	.....†	16,140,358

*Federal participation commences. †Not available.

TABLE XIII

INDIANA

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total
1933	July	$1,010,093	.....	.....	.....	.....	.....	$1,010,093
	August	927,862	.....	.....	.....	.....	.....	927,862
	September	930,817	.....	.....	.....	.....	.....	930,817
	October	1,195,233	.....	.....	.....	.....	.....	1,195,233
	November	1,139,366	$1,172,403	.....	.....	.....	.....	2,311,769
	December	695,531	6,168,411	.....	.....	.....	.....	6,863,942
1934	January	717,206	6,272,320	.....	.....	.....	.....	6,989,526
	February	809,868	4,723,568	.....	.....	.....	.....	5,533,436
	March	1,008,509	3,629,060	.....	.....	.....	.....	4,637,569
	April	1,496,680	124,093	.....	.....	.....	.....	1,620,773
	May	2,051,084	927	.....	.....	.....	.....	2,052,011
	June	1,938,461	.....	.....	.....	.....	.....	1,938,461
	July	1,988,195	.....	.....	.....	.....	.....	1,988,195
	August	2,372,338	.....	.....	.....	.....	.....	2,372,338
	September	2,438,419	.....	.....	.....	.....	.....	2,438,419
	October	2,907,412	.....	.....	.....	.....	.....	2,907,412
	November	3,051,971	.....	.....	.....	.....	.....	3,051,971
	December	3,303,373	.....	.....	.....	.....	.....	3,303,373
1935	January	3,454,767	.....	.....	.....	.....	.....	3,454,767
	February	3,142,336	.....	.....	.....	.....	.....	3,142,336
	March	3,275,600	.....	.....	.....	.....	.....	3,275,600
	April	3,139,220	.....	.....	.....	.....	.....	3,139,220
	May	2,890,694	.....	.....	.....	.....	.....	2,890,694
	June	2,550,660	.....	.....	.....	.....	.....	2,550,660
	July	2,124,478	.....	.....	.....	.....	.....	2,124,478
	August	1,569,893	370,000	.....	.....	.....	.....	1,939,893
	September	1,353,113	1,518,000	.....	.....	.....	.....	2,871,113
	October	1,018,509	2,473,000	.....	.....	.....	.....	3,491,509
	November	806,451	3,173,000	.....	.....	.....	.....	3,979,451
	December	760,142	3,885,000	.....	.....	.....	.....	4,645,142
1936	January	728,495	4,080,000	$273,018	$243,818	$29,200	.....	5,081,513
	February	697,734	4,215,000	288,529	253,888	29,200	$5,441	5,201,263
	March	583,993	4,270,000	300,909	257,506	29,200	14,203	5,154,903
	April	489,579	4,016,000	306,091	257,680*	29,200	19,210*	4,811,671
	May	390,713	3,776,000	296,343	248,108	29,200	19,035	4,463,056
	June	345,939	3,644,000	299,858	251,648	29,200	19,010	4,289,797
	July	343,510	3,598,000	290,229	242,056	29,200	18,973	4,231,739
	August	351,633	3,700,000	338,570	290,583	29,200	18,787	4,390,203
	September	415,546	3,785,000	376,466	349,646	8,838*	17,982	4,577,012
	October	451,367	3,813,000	455,454	416,410	20,292	18,752	4,719,821
	November	453,950	3,868,000	524,689	462,791	40,162	21,736	4,846,639
	December	518,499	3,710,000	584,813	496,982	63,406	24,425	4,813,312

1937	January	567,617	3,435,000	630,894	518,447	86,393	26,054	4,633,511
	February	583,699	3,632,000	685,672	541,866	115,818	27,988	4,901,371
	March	562,774	3,609,000	736,154	559,685	147,300	29,169	4,907,928
	April	433,668	3,593,000	793,623	578,725	183,694	31,204	4,820,291
	May	318,405	3,375,000	842,978	596,782	212,864	33,332	4,536,383
	June	304,016	3,232,000	879,034	608,944	235,061	35,029	4,415,050
	July	323,293	2,712,000	913,852	622,014	256,513	35,323	3,949,145
	August	332,.42	2,458,000	946,337	633,436	276,459	36,442	3,736,479
	September	399,280	2,322,000	970,820	643,830	289,499	37,491	3,692,100
	October	438,640	2,296,000	1,003,747	654,199	301,587	38,961	3,738,387
	November	539,245	2,360,000	1,016,017	662,375	313,626	40,016	3,915,262
	December	819,913	2,363,000	1,039,947	670,128	328,583	41,236	4,222,860
1938	January	1,075,400	2,791,000	1,056,468	673,593	340,772	42,103	4,922,868
	February	1,121,639	3,241,000	1,071,645	677,831	351,281	42,533	5,434,284
	March	1,159,858	4,285,000	1,087,700	683,220	361,103	43,377	6,532.558
	April	899,966	4,755,000	1,101,904	689,316	368,508	44,080	6,756,870
	May	744,555	5,006,000	1,113,812	694,480	374,325	45,007	6,864,367
	June	659,194	5,247,000	1,125,711	698,375	381,374	46,022	7,031,905
	July	570,180	5,127,000	1,136,639	703,778	386,584	46,277	6,833,819
	August	547,204	5,428,000	1,158,415	718,043	393,752	46,620	7,133,619
	September	625,815	5,363,000	1,204,589	757,405	400,027	47,157	7,193,404
	October	604,237	5,421,000	1,255,820	805,562	402,707	47,551	7,281,057
	November	712,696	5,464,000	1,312,246	855,306	409,190	47,750	7,488,942
	December	807,290	5,172,000	1,354,877	889,946	417,021	47,910	7,334,167
1939	January	820,000	4,490,000	1,398,690	926,436	424,245	48,009	6,708,690
	February	881,000	4,630,000	1,452,594	973,203	430,988	48,403	6,963,594
	March	839,000	4,808,000	1,504,322	1,015,193	440,461	48,668	7,151,322
	April	640,000	4,461,000	1,542,198	1,047,182	446,491	48,525	6,643,198
	May	605,000	4,300,000	1,576,547	1,073,823	454,120	48,604	6,481,547
	June	552,000	4,130,000	1,602,140	1,093,879	459,551	48,710	6,284,140
	July	524,802	3,968,000	1,624,688	1,111,489	464,478	48,721	6,117,490
	August	567,442	3,457,000	1,636,217	1,120,806	466,455	48,956	5,660,659
	September	695,720	2,711,000	1,648,882	1,132,215	467,684	48,983	5,055,602
	October	747,756	2,601,000	1,662,819	1,143,543	470,404	48,872	5,011,575
	November	686.235	2,903,000	1,673,083	1,152,557	471,442	49.084	5,262,318
	December	645,733	3,143,000	1,682,058	1,159,219	473,461	49,378	5,470,791

* Federal participation commences.

TABLE XIV

MARYLAND

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total
1933	July	$683,741	.....	.....	.....	.....	.....	$683,741
	August	863,742	.....	.....	.....	.....	.....	863,742
	September	793,633	.....	.....	.....	.....	.....	793,633
	October	931,359	.....	.....	.....	.....	.....	931,359
	November	976,820	$305,327	.....	.....	.....	.....	1,282,147
	December	969.765	1,438,899	.....	.....	.....	.....	2,408,664
1934	January	1,019,984	2,235,883	.....	.....	.....	.....	3,255,467
	February	1,111,622	1,758,238	.....	.....	.....	.....	2,869,860
	March	1,579,158	1,533,980	.....	.....	.....	.....	3,113,138
	April	1,566,956	224,947	.....	.....	.....	.....	1,791,903
	May	1,677,932	3,621	.....	.....	.....	.....	1,681,553
	June	1,330,531	.....	.....	.....	.....	.....	1,330,531
	July	1,193,320	.....	.....	.....	.....	.....	1,193,320
	August	1,206,330	.....	.....	.....	.....	.....	1,206,330
	September	1,253,675	.....	.....	.....	.....	.....	1,253,675
	October	1,251,274	.....	.....	.....	.....	.....	1,251,274
	November	1,247,351	.....	.....	.....	.....	.....	1,247,351
	December	1,290,647	.....	.....	.....	.....	.....	1,290,647
1935	January	1,499,848	.....	.....	.....	.....	.....	1,499,848
	February	1,413,204	.....	.....	.....	.....	.....	1,413,204
	March	1,452,958	.....	.....	.....	.....	.....	1,452,958
	April	1,312,615	.....	.....	.....	.....	.....	1,312,615
	May	1,198,124	.....	.....	.....	.....	.....	1,198,124
	June	932,941	.....	.....	.....	.....	.....	932,941

	July	1,010,407	.....	.....	.....	.....	.....	1,010,407
	August	1,071,666	.....	.....	.....	.....	.....	1,071,666
	September	886,525	.....	.....	.....	.....	.....	886,525
	October	938,668	60,000	.....	.....	.....	.....	998,668
	November	853,134	279,000	.....	.....	.....	.....	1,132,134
	December	603,453	652,000	.....	.....	.....	.....	1,255,453
1936	January	378,095	903,000	$87,912	$87,912	.....	.....	1,369,007
	February	246,118	943,000	231,162	100,709*	$130,453*	.....	1,420,280
	March	268,886	972,000	249,839	111,514	138,325	.....	1,490,725
	April	220,154	882,000	262,132	123,058	139,074	.....	1,364,286
	May	185,597	838,000	278,562	132,157	136,409	$9,996*	1,302,159
	June	93,784	820,000	296,035	125,125	162,059	8,851	1,209,819
	July	111,799	763,000	332,831	160,904	161,441	10,486	1,207,630
	August	108,312	758,000	320,277	168,000	142,679	9,598	1,186,589
	September	123,256	757,000	331,560	175,084	146,422	10,054	1,211,816
	October	146,535	719,000	346,592	185,923	150,292	10,377	1,212,127
	November	148,919	719,000	353,639	192,723	150,418	10,498	1,221,558
	December	180,619	682,000	368,280	205,499	152,109	10,672	1,230,899
1937	January	195,953	649,000	387,502	217,122	159,587	10,793	1,232,455
	February	210,550	683,000	392,464	220,337	160,767	11,360	1,286,014
	March	239,956	643,000	394,315	221,478	161,136	11,701	1,277,271
	April	187,896	617,000	403,998	223,008	169,120	11,870	1,208,894
	May	146,553	584,000	418,361	234,431	172,266	11,66	1,148,914
	June	126,937	561,000	427,377	239,230	176,368	11,779	1,115,314
	July	110,804	492,000	440,144	247,861	180,428	11,855	1,042,948
	August	114,852	463,000	451,850	254,410	185,360	12,080	1,029,702
	September	122,566	434,000	464,423	259,641	192,538	12,244	1,020,989
	October	121,904	433,000	471,694	267,273	192,239	12,182	1,026,598
	November	133,354	432,000	483,196	275,628	195,669	11,899	1,048,550
	December	154,627	460,000	499,491	283,581	204,178	11,732	1,114,118
1938	January	187,2[illegible]	512,000	510,401	287,660	211,247	11,494	1,209,695
	February	206,981	528,000	522,487	290,487	220,286	11,714	1,257,468
	March	215,502	542,000	532,566	291,714	228,886	11,966	1,290,068
	April	190,672	576,000	537,006	294,006	230,893	12,107	1,303,678
	May	167,409	582,000	533,586	294,442	226,911	12,233	1,282,995
	June	178,211	613,000	532,804	296,412	223,966	12,426	1,324,015
	July	186,303	688,000	536,763	298,760	225,427	12,576	1,411,066
	August	193,809	731,000	539,451	298,704	227,882	12,865	1,464,260
	September	203,581	742,000	547,019	299,287	234,888	12,844	1,492,600
	October	200,182	827,000	547,638	301,282	233,346	13,010	1,574,820
	November	211,217	816,000	551,297	301,763	236,447	13,087	1,578,514
	December	247,372	785,000	561,939	303,532	245,183	13,224	1,594,311
1939	January	273,669	746,000	564,864	304,193	247,329	13,342	1,584,533
	February	293,765	735,000	568,434	304,370	250,517	13,547	1,597,199
	March	288,388	752,000	571,199	305,204	252,484	13,511	1,611,587
	April	243,827	690,000	567,157	305,868	247,656	13,633	1,500,984
	May	178,591	685,000	563,424	309,097	240,710	13,617	1,427,015
	June	169,000	662,000	557,383	307,768	235,814	13,801	1,388,383
	July	163,271	616,000	549,975	306,384	229,772	13,819	1,329,246
	August	181,859	584,000	549,603	305,971	229,730	13,902	1,315,462
	September	181,932	523,000	552,236	305,885	232,552	13,799	1,257,168
	October	189,252	613,000	547,521	308,122	22[illegible],498	13,901	1,349,773
	November	195,983	633,000	550,511	309,231	227,218	14,062	1,379,494
	December	208,152	672,000	556,487	310,797	231,505	14,185	1,436,639

*Federal participation commences.

TABLE XV.

MASSACHUSETTS

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total
1933	July	$3,022,629	.....	.....	.....	.....	.....	$3,022,629
	August	2,905,824	.....	.....	.....	.....	.....	2,905,824
	September	2,727,421	.....	.....	.....	.....	.....	2,727,421
	October	2,734,817	.....	.....	.....	.....	.....	2,734,817
	November	2,981,898	$ 568,275	.....	.....	.....	.....	3,550,173
	December	2,649,326	6,362,819	.....	.....	.....	.....	9,012,145

1934	January	2,259,762	7,933,841	.....	.....	.....	.....	10,193,603
	February	2,206,586	5,802,371	.....	.....	.....	.....	8,008,957
	March	2,634,475	5,474,697	.....	.....	.....	.....	8,109,172
	April	4,812,019	288,921	.....	.....	.....	.....	5,100,940
	May	5,830,584	3,817	.....	.....	.....	.....	5,834,401
	June	5,116,224	.....	.....	.....	.....	.....	5,116,224
	July	5,240,653	.....	.....	.....	.....	.....	5,240,653
	August	6,266,132	.....	.....	.....	.....	.....	6,266,132
	September	5,771,445	.....	.....	.....	.....	.....	5,771,445
	October	6,148,150	.....	.....	.....	.....	.....	6,148,150
	November	6,983,680	.....	.....	.....	.....	.....	6,983,680
	December	7,226,480	.....	.....	.....	.....	.....	7,226,480
1935	January	8,080,384	.....	.....	.....	.....	.....	8,080,384
	February	7,366,459	.....	.....	.....	.....	.....	7,366,459
	March	7,928,144	.....	.....	.....	.....	.....	7,928,144
	April	7,738,235	.....	.....	.....	.....	.....	7,738,225
	May	8,595,772	.....	.....	.....	.....	.....	8,595,772
	June	7,381,973	.....	.....	.....	.....	.....	7,381,973
	July	7,403,261	.....	.....	.....	.....	.....	7,403,261
	August	8,050,107	.....	.....	.....	.....	.....	8,050,107
	September	6,814,763	.....	.....	.....	.....	.....	6,814,763
	October	6,825,671	68,000	.....	.....	.....	.....	6,893,671
	November	4,889,111	935,000	.....	.....	.....	.....	5,824,111
	December	3,132,664	4,917,000	.....	.....	.....	.....	8,049,664
1936	January	2,608,009	5,867,000	$ 923,775	$ 642,502	$ 264,473	$ 16,800	9,398,784
	February	2,411,574	6,393,000	919,023	636,435	265,788	16,300	9,723,597
	March	2,336,667	8,076,000	929,611	636,652	275,959	17,000	11,342,278
	April	2,030,573	7,705,000	926,072	650,506*	258,567*	16,999*	10,661,645
	May	1,671,938	7,578,000	957,428	680,857	259,473	17,098	10,207,366
	June	1,602,002	7,093,000	963,301	665,597	280,974	16,730	9,663,303
	July	1,621,669	6,852,000	987,304	698,184	272,374	16,746	9,460,973
	August	1,523,241	6,719,000	1,006,938	719,282	271,145	16,511	9,249,179
	September	1,519,320	6,529,000	1,225,198	913,671	294,974	16,553	9,274,018
	October	1,474,699	7,187,000	1,389,686	1,083,822	289,821	16,043	10,051,385
	November	1,468,033	7,489,000	1,488,065	1,186,661	285,607	15,797	10,445,098
	December	1,783,033	7,141,000	1,627,565	1,281,506	330,335	15,724	10,551,598
1937	January	1,759,407	6,338,000	1,673,391	1,357,603	299,661	16,127	9,770,798
	February	1,743,595	5,790,000	1,764,231	1,434,809	312,902	16,570	9,297,876
	March	1,380,431	6,534,000	1,906,630	1,533,586	356,660	16,384	10,321,061
	April	1,627,233	6,108,000	1,877,774	1,520,109	340,938	16,677	9,613,057
	May	1,383,383	6,236,000	1,906,618	1,544,684	344,626	17,108	9,526,501
	June	1,309,572	5,825,000	1,980,210	1,580,083	382,669	17,458	9,114,782
	July	1,410,815	4,444,000	2,017,827	1,625,476	374,381	17,970	7,872,642
	August	1,468,771	4,322,000	2,069,139	1,646,677	404,013	18,449	7,859,910
	September	1,561,355	4,209,000	2,081,571	1,676,110	386,663	18,798	7,851,926
	October	1,615,071	4,241,000	2,141,100	1,709,711	412,870	18,519	7,997,171
	November	1,957,272	4,267,000	2,249,649	1,769,643	460,948	19,058	8,473,921
	December	2,546,646	4,768,000	2,282,438	1,812,981	449,912	19,545	9,597,084
1938	January	2,538,584	5,296,000	2,311,235	1,832,477	458,982	19,776	10,145,819
	February	2,393,330	5,135,000	2,353,066	1,866,860	465,525	20,681	9,881,396
	March	2,480,339	6,585,000	2,432,572	1,899,591	511,634	21,347	11,497,911
	April	2,119,440	6,685,000	2,438,660	1,919,298	497,230	22,132	11,243,100
	May	1,942,741	7,252,000	2,475,682	1,926,906	526,287	22,489	11,670,423
	June	1,930,143	7,099,000	2,469,368	1,948,026	498,809	22,533	11,498,511
	July	1,825,454	7,547,000	2,517,089	1,976,308	518,167	22,614	11,889,543
	August	1,802,453	8,450,000	2,577,878	1,995,719	559,133	23,026	12,830,331
	September	1,738,573	8,600,000	2,559,489	2,017,026	519,312	23,151	12,898,062
	October	1,608,988	8,645,000	2,610,481	2,049,612	537,453	23,416	12,864,469
	November	1,694,854	8,520,000	2,709,814	2,095,255	590,956	23,603	12,924,668
	December	1,957,819	7,996,000	2,738,139	2,139,422	574,960	23,757	12,691,958
1939	January	2,019,377	8,648,000	2,793,343	2,148,978	620,124	24,241	13,460,720
	February	1,961,163	7,207,000	2,829,471	2,181,110	623,721	24,640	11,987,634
	March	2,129,865	7,806,000	2,795,195	2,174,287	596,007	24,901	12,731,060
	April	1,787,249	7,461,000	2,837,620	2,212,469	599,976	25,175	12,085,869
	May	1,785,001	7,218,000	2,881,872	2,215,790	640,869	25,213	11,884,873
	June	1,659,000	6,524,000	2,861,857	2,240,949	595,397	25,511	11,044,857
	July	1,600,992	6,382,000	2,880,990	2,247,786	607,545	25,659	10,863,982
	August	1,736,207	5,673,000	2,913,642	2,267,332	620,576	25,734	10,322,849
	September	1,766,057	4,268,000	2,931,092	2,277,972	627,401	25,719	8,965,149
	October	1,796,068	4,757,000	2,968,750	2,305,835	636,653	26,262	9,521,818
	November	1,882,795	4,884,000	3,032,038	2,349,101	656,369	26,568	9,798,833
	December	1,971,597	4,990,000	3,093,044	2,383,897	682,670	26,477	10,054,641

*Federal participation commences.

TABLE XVI.
MICHIGAN
RELIEF TO RECIPIENTS
(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total
1933	July	$2,885,566	.....	.....	.....	.....	.....	$2,885,566
	August	3,223,517	.....	.....	.....	.....	.....	3,223,517
	September	3,196,929	.....	.....	.....	.....	.....	3,196,929
	October	3,796,739	.....	.....	.....	.....	.....	3,796,739
	November	4,438,173	$1,569,919	.....	.....	.....	.....	6,008,092
	December	3,004,473	9,428,457	.....	.....	.....	.....	12,432,930
1934	January	2,168,548	10,383,576	.....	.....	.....	.....	12,552,124
	February	1,980,439	7,253,453	.....	.....	.....	.....	9,233,892
	March	2,366,801	6,427,955	.....	.....	.....	.....	8,794,756
	April	3,190,576	302,037	.....	.....	.....	.....	3,492,613
	May	3,907,384	7,672	.....	.....	.....	.....	3,915,056
	June	3,514,046	1,579	.....	.....	.....	.....	3,515,625
	July	3,845,745	.....	.....	.....	.....	.....	3,845,745
	August	4,431,864	.....	.....	.....	.....	.....	4,431,864
	September	4,573,022	.....	.....	.....	.....	.....	4,573,022
	October	5,710,171	.....	.....	.....	.....	.....	5,710,171
	November	6,663,582	.....	.....	.....	.....	.....	6,663,582
	December	6,350,074	.....	.....	.....	.....	.....	6,350,074
1935	January	6,434,696	.....	.....	.....	.....	.....	6,434,696
	February	5,433,978	.....	.....	.....	.....	.....	5,433,978
	March	5,234,245	.....	.....	.....	.....	.....	5,234,245
	April	4,769,715	.....	.....	.....	.....	.....	4,769,715
	May	4,658,909	.....	.....	.....	.....	.....	4,658,909
	June	3,978,250	.....	.....	.....	.....	.....	3,978,250
	July	4,350,557	.....	.....	.....	.....	.....	4,350,557
	August	4,491,233	43,000	.....	.....	.....	.....	4,534,233
	September	4,056,281	350,000	.....	.....	.....	.....	4,406,281
	October	4,192,070	897,000	.....	.....	.....	.....	5,089,070
	November	3,072,214	2,204,000	.....	.....	.....	.....	5,276,214
	December	1,986,326	4,453,000	.....	.....	.....	.....	6,439,326
1936	January	1,862,916	5,052,000	$366,026	$166,026	$200,000	.....	7,280,942
	February	1,895,583	4,936,000	521,159	321,159*	200,000	.....	7,352,742
	March	1,907,517	5,171,000	569,742	369,742	200,000	.....	7,648,259
	April	1,652,488	4,931,000	608,106	408,106	200,000	.....	7,191,594
	May	1,371,501	4,450,000	634,780	434,780	200,000	.....	6,456,281
	June	1,255,979	4,185,000	653,992	453,992	200,000	.....	6,094,971
	July	1,254,088	4,156,000	680,404	476,340	200,000	$4,064*	6,190,492
	August	1,226,137	4,251,000	494,050	490,162	.....	3,888	5,971,187
	September	1,135,000	4,278,000	655,158	500,608	150,405*	4,145	6,068,158
	October	1,258,940	4,243,000	689,012	517,338	166,959	4,715	6,190,952
	November	1,263,643	4,085,000	770,288	525,606	237,609	7,073	6,118,931
	December	1,409,521	3,774,000	805,964	538,529	258,709	8,726	5,989,485
1937	January	1,484,015	3,480,000	861,228	554,706	297,013	9,509	5,825,243
	February	1,672,764	3,495,000	912,600	568,089	334,393	10,118	6,080,364
	March	1,513,687	3,463,000	942,968	576,294	356,269	10,405	5,919,655
	April	1,340,723	3,409,000	958,474	577,467	369,662	11,345	5,708,197
	May	980,212	3,283,000	953,488	588,417	353,585	11,486	5,216,700
	June	859,237	3,090,000	963,265	615,897	335,748	11,620	4,912,502
	July	781,713	2,816,000	1,089,209	737,210	339,945	12,054	4,686,922
	August	780,375	2,429,000	1,252,928	878,896	360,773	12,259	4,462,303
	September	878,467	2,540,000	1,376,595	981,562	382,284	12,749	4,705,062
	October	933,803	2,449,000	1,477,701	1,055,348	408,786	13,567	4,860,504
	November	1,082,686	2,498,000	1,577,550	1,135,602	427,781	14,167	5,158,236
	December	1,674,300	2,523,000	1,666,964	1,200,816	451,819	14,329	5,864,264
1938	January	2,686,876	2,975,000	1,735,589	1,257,688	463,914	13,987	7,397,465
	February	3,485,223	4,023,000	1,819,478	1,322,430	482,736	14,312	9,327,701
	March	3,829,209	5,976,000	1,839,178	1,333,872	490,920	14,386	11,644,387
	April	3,038,987	7,642,000	1,781,226	1,304,494	462,267	14,465	12,462,213
	May	2,549,292	9,052,000	1,732,014	1,283,105	435,804	13,105	13,333,306
	June	2,379,483	10,309,000	1,724,834	1,275,032	435,988	13,814	14,413,317
	July	2,257,284	10,985,000	1,626,252	1,183,480	428,570	14,202	14,868,536
	August	1,834,968	11,455,000	1,597,226	1,148,719	434,316	14,191	14,887,194
	September	1,229,719	11,194,000	1,648,908	1,195,104	439,063	14,741	14,072,626
	October	1,165,775	10,006,000	1,668,929	1,192,436	461,119	15,374	12,840,704
	November	1,199,310	9,029,000	1,714,377	1,213,860	483,575	16,942	11,942,687
	December	1,482,935	8,596,000	1,735,928	1,212,623	505,571	17,734	11,814,863

1939	January	1,728,148	8,003,000	1,736,773	1,208,453	510,348	17,972	11,467,921
	February	1,911,889	7,900,000	1,747,384	1,203,986	525,280	18,118	11,559,273
	March	1,943,131	8,021,000	1,798,141	1,233,434	546,127	18,580	11,762,272
	April	1,653,864	7,416,000	1,810,947	1,281,434	511,062	18,451	10,880,811
	May	1,428,907	7,624,000	1,852,322	1,349,859	484,529	17,934	10,905,229
	June	1,258,000	7,190,000	1,875,749	1,369,425	488,671	17,653	10,323,749
	July	1,032,744	6,811,000	1,868,469	1,358,038	493,063	17,368	9,712,213
	August	1,186,394	6,005,000	1,852,100	1,339,896	495,301	16,903	9,043,494
	September	1,316,899	4,497,000	1,836,269	1,319,844	499,483	16,942	7,650,168
	October	1,469,625	4,640,000	1,846,736	1,302,025	526,820	17,891	7,956,361
	November	1,515,291	4,980,000	1,817,693	1,288,062	510,853	18,778	8,312,984
	December	1,387,000	4,812,000	1,789,516	1,275,814	495,681	18,021	7,988,516

* Federal participation commences.

TABLE XVII

NEW JERSEY

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total
1933	July	$1,929,814	.....	.....	.....	.....	.....	$1,929,814
	August	2,037,656	.....	.....	.....	.....	.....	2,037,656
	September	1,912,130	.....	.....	.....	.....	.....	1,912,130
	October	1,984,155	.....	.....	.....	.....	.....	1,984,155
	November	2,311,060	$543,587	.....	.....	.....	.....	2,854,647
	December	2,167,764	4,659,623	.....	.....	.....	.....	6,827,387
1934	January	2,059,311	7,000,903	.....	.....	.....	.....	9,060,214
	February	2,172,876	5,507,505	.....	.....	.....	.....	7,680,381
	March	2,489,799	4,909,321	.....	.....	.....	.....	7,399,120
	April	5,119,493	155,325	.....	.....	.....	.....	5,274,818
	May	3,708,193	960	.....	.....	.....	.....	3,709,153
	June	3,446,557	54	.....	.....	.....	.....	3,446,611
	July	3,771,544	.....	.....	.....	.....	.....	3,771,544
	August	3,647,944	.....	.....	.....	.....	.....	3,647,944
	September	3,926,844	.....	.....	.....	.....	.....	3,926,844
	October	5,156,168	.....	.....	.....	.....	.....	5,156,168
	November	5,320,013	.....	.....	.....	.....	.....	5,320,013
	December	5,731,155	.....	.....	.....	.....	.....	5,731,155
1935	January	5,266,061	.....	.....	.....	.....	.....	5,266,061
	February	5,155,184	.....	.....	.....	.....	.....	5,155,184
	March	5,388,840	.....	.....	.....	.....	.....	5,388,840
	April	4,818,803	.....	.....	.....	.....	.....	4,818,803
	May	4,552,523	.....	.....	.....	.....	.....	4,552,523
	June	4,270,368	.....	.....	.....	.....	.....	4,270,368
	July	4,397,523	.....	.....	.....	.....	.....	4,397,523
	August	4,338,787	5,000	.....	.....	.....	.....	4,343,787
	September	4,044,207	286,000	.....	.....	.....	.....	4,330,207
	October	4,034,370	710,000	.....	.....	.....	.....	4,744,370
	November	3,527,794	2,060,000	.....	.....	.....	.....	5,587,794
	December	2,588,214	4,510,000	.....	.....	.....	.....	7,098,214
1936	January	2,100,923	5,202,000	$492,000	$232,826	$250,000	$9,174	7,794,923
	February	2,133,741	5,686,000	494,279	235,204	250,000	9,075	8,314,020
	March	2,060,214	5,745,000	499,605	240,317	250,000	9,288	8,304,819
	April	1,608,000	5,533,000	513,524	243,140*	261,137*	9,247	7,654,524
	May	1,105,000	5,660,000	522,249	247,175	265,636	9,438	7,287,249
	June	1,018,000	5,417,000	534,441	252,580	270,242	9,619	6,969,441
	July	978,701	5,195,000	557,946	272,314	275,943	9,689*	6,731,647
	August	965,691	5,186,000	581,601	292,930	278,977	9,694	6,733,292
	September	976,638	5,268,000	601,924	311,857	280,499	9,568	6,846,562
	October	1,066,800	5,514,000	619,994	327,302	282,935	9,757	7,200,794
	November	1,164,932	5,650,000	631,894	338,543	283,691	9,660	7,446,826
	December	1,367,835	5,356,000	649,959	351,436	288,574	9,949	7,373,794
1937	January	1,460,000	5,044,000	662,300	363,145	289,327	9,828	7,166,300
	February	1,503,000	5,102,000	671,449	372,264	288,959	10,226	7,276,449
	March	1,568,000	5,116,000	685,270	382,339	292,737	10,194	7,369,270
	April	1,319,704	5,158,000	696,070	391,930	293,804	10,336	7,173,774
	May	1,131,516	5,147,000	704,318	398,068	295,967	10,283	6,982,834
	June	1,016,612	4,894,000	708,658	401,050	296,977	10,631	6,619,270

	July	987,922	4,457,000	719,630	406,019	302,737	10,874	6,164,552
	August	1,0[illegible],604	4,064,000	726,401	412,845	302,478	11,078	5,798,005
	September	1,067,052	3,887,000	734,027	421,216	301,541	11,270	5,688,079
	October	1,171,446	3,938,000	749,283	431,970	306,086	11,227	5,858,729
	November	1,329,252	4,017,000	764,633	442,855	310,058	11,720	6,110,885
	December	1,663,278	3,878,000	790,997	453,132	325,756	12,109	6,332,275
1938	January	1,962,215	4,019,000	787,077	458,388	316,721	11,968	6,768,292
	February	1,991,523	4,577,000	799,304	465,270	321,699	12,335	7,367,827
	March	2,115,359	4,814,000	807,018	471,947	322,521	12,550	7,736,377
	April	1,922,283	5,643,000	820,567	477,676	330,206	12,685	8,385,850
	May	1,675,888	5,804,000	828,690	479,511	336,337	12,842	8,308,578
	June	1,697,616	5,919,000	830,171	484,494	332,677	13,000	8,446,787
	July	1,703,309	6,025,000	811,967	489,113	309,947	12,907	8,540,276
	August	1,681,469	6,537,000	816,337	492,495	310,879	12,963	9,034,806
	September	1,661,290	6,552,000	828,504	501,028	314,410	13,063	9,041,794
	October	1,683,869	6,897,000	839,130	507,587	318,239	13,304	9,419,999
	November	1,722,804	6,960,000	849,725	512,706	323,683	13,336	9,532,529
	December	1,860,252	6,650,000	866,400	520,775	332,189	13,436	9,376,652
1939	January	$1,960,000	5,938,000	886,062	538,351	333,963	13,748	8,784,062
	February	1,975,000	5,858,000	905,482	552,573	338,976	13,933	8,738,482
	March	1,850,000	6,066,000	916,922	561,749	341,301	13,872	8,832,922
	April	1,586,000	5,580,000	917,596	566,216	337,376	14,004	8,083,596
	May	1,469,000	5,342,000	916,010	571,872	330,011	14,127	7,727,010
	June	1,389,000	5,155,000	911,727	576,185	321,247	14,295	7,455,727
	July	1,349,000	5,139,000	914,620	580,521	319,538	14,561	7,402,620
	August	1,337,000	4,710,000	920,388	587,491	318,332	14,565	6,967,388
	September	1,374,000	3,294,000	935,412	599,656	321,153	14,603	5,603,412
	October	1,355,000	3,795,000	943,051	606,795	321,478	14,778	6,093,051
	November	1,333,000	3,798,000	952,110	614,665	322,491	14,954	6,083,110
	December	1,360,000	3,954,000	958,218	620,116	323,224	14,878	6,272,218

*Federal participation commences.

TABLE XVIII

NEW YORK

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total
1933	July	$11,010,759	.....	.....	.....	.....	.....	$11,010,759
	August	11,391,739	.....	.....	.....	.....	.....	11,391,739
	September	10,789,850	.....	.....	.....	.....	.....	10,789,850
	October	11,889,835	.....	.....	.....	.....	.....	11,889,835
	November	12,081,785	$ 3,467,807	.....	.....	.....	.....	15,549,592
	December	7,304,656	15,179,192	.....	.....	.....	.....	22,483,848
1934	January	7,285,961	20,334,222	.....	.....	.....	.....	27,620,183
	February	8,236,782	18,254,985	.....	.....	.....	.....	26,491,767
	March	10,073,550	19,570,117	.....	.....	.....	.....	29,643,667
	April	20,698,919	913,820	.....	.....	.....	.....	21,612,739
	May	21,439,410	8,337	.....	.....	.....	.....	21,447,747
	June	20,459,697	.....	.....	.....	.....	.....	20,459,697
	July	20,710,956	.....	.....	.....	.....	.....	20,710,956
	August	21,113,739	.....	.....	.....	.....	.....	21,113,739
	September	19,623,011	.....	.....	.....	.....	.....	19,623,011
	October	22,083,500	.....	.....	.....	.....	.....	22,083,500
	November	21,882,470	.....	.....	.....	.....	.....	21,882,470
	December	23,531,465	.....	.....	.....	.....	.....	23,531,465
1935	January	25,109,743	.....	.....	.....	.....	.....	25,109,743
	February	23,243,561	.....	.....	.....	.....	.....	23,243,561
	March	24,519,086	.....	.....	.....	.....	.....	24,519,086
	April	23,987,331	.....	.....	.....	.....	.....	23,987,331
	May	23,618,272	.....	.....	.....	.....	.....	23,618,272
	June	21,707,023	.....	.....	.....	.....	.....	21,707,023
	July	23,902,681	.....	.....	.....	.....	.....	23,902,681
	August	18,592,878	3,800,000	.....	.....	.....	.....	22,392,878
	September	16,522,284	10,108,000	.....	.....	.....	.....	26,630,284
	October	15,275,987	16,412,000	.....	.....	.....	.....	31,687,987
	November	12,324,296	17,565,000	.....	.....	.....	.....	29,889,296
	December	11,231,132	24,626,000	.....	.....	.....	.....	35,857,132

1936	January	10,709,263	24,232,000	$ 2,308,525	$ 1,253,946	$ 1,020,579	$ 34,000	37,249,788
	February	11,364,924	24,076,000	2,314,652	1,255,184	1,025,468	34,000	37,755,576
	March	11,738,853	25,407,000	2,314,647	1,253,044	1,027,682	33,921	39,460,500
	April	11,386,899	24,430,000	2,326,018	1,262,458	1,029,322	34,238	38,142,917
	May	10,451,925	23,427,000	2,263,311	1,202,230*	1,026,581	34,500	36,142,236
	June	9,847,447	22,231,000	2,273,794	1,207,881	1,031,567	34,346	34,352,241
	July	9,550,496	22,663,000	2,280,467	1,218,886	1,026,709	34,872	34,493,963
	August	9,357,057	22,152,000	2,320,095	1,255,996	1,029,261	34,838	33,829,152
	September	9,436,559	21,910,000	2,344,105	1,275,665	1,033,414	35,026	33,690,664
	October	9,300,917	23,427,000	2,451,098	1,386,426	1,029,411	35,261	35,179,015
	November	9,528,002	22,759,000	2,560,749	1,475,504	1,049,459	35,786	34,847,751
	December	10,376,760	22,172,000	2,642,749	1,548,687	1,058,320	35,742	35,191,509
1937	January	10,235,664	20,858,000	2,724,093	1,632,036	1,056,213	35,844	33,817,757
	February	10,339,673	18,838,000	2,860,948	1,769,126	1,055,771	36,051	32,038,621
	March	10,580,369	20,524,000	2,995,548	1,898,153	1,061,433	35,962	34,099,917
	April	9,798,180	18,655,000	3,201,466	2,106,843	1,058,734	35,889	31,654,646
	May	8,791,690	19,441,000	3,162,569	2,091,132	1,051,757*	19,680*	31,395,259
	June	8,136,178	18,395,000	3,223,794	2,133,144	1,063,524	27,126	29,754,972
	July	8,358,021	15,367,000	3,306,546	2,179,748	1,082,978	43,820	27,031,567
	August	9,095,416	12,940,000	3,397,170	2,260,266	1,094,991	41,913	25,432,586
	September	9,337,361	14,061,000	3,435,505	2,294,908	1,096,282	44,315	26,833,866
	October	9,395,777	14,462,000	3,576,995	2,378,658	1,151,707	46,630	27,434,772
	November	10,354,646	13,916,000	3,648,081	2,399,739	1,198782	49,560	27,918,727
	December	11,384,610	15,131,000	3,751,227	2,454,120	1,245,116	51,991	30,266,837
1938	January	12,239,811	13,274,000	3,820,689	2,491,159	1,276,451	53,079	29,334,500
	February	12,332,002	13,499,000	3,845,753	2,490,909	1,300,674	54,170	29,676,755
	March	11,827,761	15,575,000	3,871,876	2,499,864	1,316,141	55,871	31,274,637
	April	10,677,714	15,768,000	3,900,015	2,512,669	1,330,256	57,090	30,345,729
	May	9,894,307	15,613,000	3,886,552	2,505,566	1,324,842	56,144	29,393,859
	June	9,702,731	16,943,000	3,905,404	2,516,443	1,331,077	57,884	30,551,135
	July	9,567,243	16,609,000	3,938,411	2,535,542	1,344,064	58,805	30,114,654
	August	9,623,418	17,627,000	4,162,955	2,545,290	1,557,720	59,945	31,413,373
	September	9,583,132	16,594,000	4,230,131	2,553,546	1,615,819	60,766	30,407,263
	October	9,441,421	17,854,000	4,338,191	2,616,247	1,660,031	61,913	31,633,612
	November	9,959,282	18,104,000	4,370,037	2,613,061	1,693,417	63,559	32,433,319
	December	10,826,254	18,778,000	4,432,240	2,669,986	1,697,564	64,690	34,036,494
1939	January	11,417,143	16,749,000	4,499,753	2,716,769	1,718,665	64,319	32,665,896
	February	11,684,754	15,920,000	4,462,667	2,670,474	1,727,273	64,920	32,067,421
	March	11,868,584	19,000,000	4,531,432	2,722,822	1,743,928	64,682	35,400,016
	April	10,854,407	16,800,000	4,494,107	2,674,087	1,755,144	64,876	32,148,514
	May	10,317,385	15,858,000	4,412,913	2,620,005	1,729,156	63,752	30,588,298
	June	9,823,000	15,378,000	4,393,274	2,598,333	1,730,608	64,333	29,594,274
	July	9,404,556	13,697,000	4,444,106	2,630,605	1,747,988	65,513	27,545,662
	August	9,041,357	12,324,000	4,467,910	2,664,455	1,738,096	65,359	25,833,267
	September	9,310,571	8,681,000	4,506,026	2,676,698	1,761,761	67,567	22,497,597
	October	9,660,794	9,447,000	4,599,812	2,740,967	1,791,516	67,329	23,707,606
	November	9,549,195	9,804,000	4,695,137	2,828,080	1,798,521	68,536	24,048,332
	December	9,692,040	9,888,000	4,737,756	2,887,548	1,780,595	69,613	24,317,796

*Federal participation commences.

TABLE XIX.

OHIO

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total
1933	July	$3,605,770	.....	.....	.....	.....	.....	$3,605,770
	August	3,149,522	.....	.....	.....	.....	.....	3,149,522
	September	3,664,809	.....	.....	.....	.....	.....	3,664,809
	October	3,379,917	.....	.....	.....	.....	.....	3,379,917
	November	3,621,389	$2,461,709	.....	.....	.....	.....	6,083,098
	December	3,152,442	14,081,876	.....	.....	.....	.....	17,234,318
1934	January	1,879,817	14,840,395	.....	.....	.....	.....	16,720,212
	February	2,561,088	10,198,668	.....	.....	.....	.....	12,759,756
	March	2,877,773	8,974,630	.....	.....	.....	.....	11,852,403
	April	4,552,468	487,067	.....	.....	.....	.....	5,039,535
	May	5,049,968	7,627	.....	.....	.....	.....	5,057,595
	June	4,918,368	1,701	.....	.....	.....	.....	4,920,069

	July	5,404,066	86	.....	.....	.....	.....	5,404,152
	August	6,070,527	.....	.....	.....	.....	.....	6,070,527
	September	6,058,705	.....	.....	.....	.....	.....	6,058,705
	October	6,381,784	.....	.....	.....	.....	.....	6,381,784
	November	7,175,411	.....	.....	.....	.....	.....	7,175,411
	December	8,340,429	.....	.....	.....	.....	.....	8,340,429
1935	January	9,052,537	.....	.....	.....	.....	.....	9,052,537
	February	7,547,676	.....	.....	.....	.....	.....	7,547,676
	March	7,537,357	.....	.....	.....	.....	.....	7,537,357
	April	7,470,677	.....	.....	.....	.....	.....	7,470,677
	May	7,554,901	.....	.....	.....	.....	.....	7,554,901
	June	7,620,819	.....	.....	.....	.....	.....	7,620,819
	July	8,335,348	.....	.....	.....	.....	.....	8,335,348
	August	6,647,210	400,000	.....	.....	.....	.....	7,047,210
	September	4,163,635	1,379,000	.....	.....	.....	.....	5,542,635
	October	4,856,589	1,827,000	.....	.....	.....	.....	6,683,589
	November	4,902,927	5,226,000	.....	.....	.....	.....	10,128,927
	December	2,934,851	8,782,000	.....	.....	.....	.....	11,716,851
1936	January	2,589,154	9,391,000	$1,511,298	$1,281,298	$175,000	$55,000	13,491,452
	February	2,981,431	9,336,000	1,507,156	1,277,156*	175,000	55,000	13,824,587
	March	2,596,974	10,864,000	1,501,974	1,271,974	175,000	55,000	14,962,948
	April	2,258,915	10,272,000	1,523,285	1,288,285	180,000	55,000	14,054,200
	May	1,997,141	9,687,000	1,536,588	1,301,588	180,000	55,000	13,220,729
	June	1,804,163	9,548,000	1,534,502	1,299,502	180,000	55,000	12,886,665
	July	1,743,941	9,274,000	1,565,677	1,331,546	185,499*	48,672*	12,583,618
	August	1,729,278	9,123,000	2,514,129	2,274,022	193,091	47,016	13,366,407
	September	1,639,702	9,155,000	2,528,879	2,269,323	208,973	50,583	13,323,581
	October	1,764,918	8,884,000	2,686,428	2,404,830	226,499	55,099	13,335,346
	November	1,899,352	8,872,000	2,742,068	2,441,801	243,250	57,017	13,513,420
	December	2,141,365	8,364,000	2,763,787	2,436,895	268,195	58,697	13,269,152
1937	January	2,242,038	7,408,000	2,753,264	2,414,338	278,660	60,266	12,403,302
	February	2,362,491	7,713,000	2,747,870	2,395,016	291,489	61,365	12,823,361
	March	2,132,575	7,430,000	2,736,258	2,367,290	306,418	62,550	12,298,833
	April	1,889,000	7,417,000	2,727,259	2,346,040	317,363	63,856	12,033,259
	May	1,338,000	7,240,000	2,713,032	2,323,774	324,573	64,585	11,291,032
	June	937,000	6,776,000	2,707,695	2,313,962	327,884	65,849	10,420,695
	Juy	1,072,000	5,610,000	2,719,444	2,319,350	333,531	66,563	9,401,444
	August	1,213,000	5,425,000	2,686,888	2,276,773	343,660	67,455	9,324,888
	September	1,074,000	5,201,000	2,689,055	2,269,955	350,430	68,670	8,964,055
	October	1,161,000	5,310,000	2,637,005	2,205,948	361,646	69,411	9,108,005
	November	1,310,000	5,277,000	2,636,776	2,193,205	374,111	69,460	9,223,776
	December	1,733,000	5,227,000	2,878,288	2,416,977	390,576	70,735	9,858,288
1938	January	2,139,000	6,446,000	2,853,675	2,384,419	398,667	70,589	11,438,675
	February	2,380,000	7,649,000	2,883,464	2,405,224	407,048	71,192	12,912,464
	March	2,414,000	10,189,000	2,930,007	2,441,974	415,846	72,187	15,533,007
	April	2,006,46[illegible]	12,708,000	2,973,304	2,477,874	422,909	72,521	17,687,772
	May	1,763,573	13,808,000	3,005,016	2,503,094	428,211	73,711	18,572,089
	June	1,592,000	15,335,000	3,029,382	2,523,607	430,567	75,208	19,956,382
	July	1,474,032	14,843,000	3,045,364	2,538,027	431,765	75,572	19,362,396
	August	1,562,952	16,056,000	3,061,007	2,554,935	430,387	75,685	20,679,959
	September	1,536,153	16,258,000	3,069,485	2,564,922†	427,998	76,565	20,863,638
	October	1,420,553	17,130,000	3,052,477	2,544,566	430,755	77,126	21,603,030
	November	1,537,278	16,402,000	3,040,149	2,536,121*	426,995	77,033	20,979,427
	December	1,670,674	16,361,000	3,054,767	2,540,490	436,884	77,393	21,086,441
1939	January	1,795,000	14,724,000	3,023,532	2,510,319	435,528	77,685	19,542,532
	February	1,866,136	13,995,000	3,017,188	2,509,418	429,676	78,094	18,878,324
	March	1,836,674	14,816,000	3,034,506	2,524,492	431,698	78,316	19,687,180
	April	1,574,770	13,297,000	3,041,133	2,539,152	423,685	78,296	17,912,903
	May	1,546,916	13,680,000	3,096,899	2,599,352	419,930	77,617	18,323,815
	June	1,492,000	11,914,000	3,112,457	2,624,140	410,721	77,596	16,518,457
	July	1,582,100	9,508,000	3,139,697	2,661,560	400,015	78,122	14,229,797
	August	1,794,924	8,507,000	3,170,626	2,695,615	396,962	78,049	13,472,550
	September	1,957,524	7,238,000	3,214,194	2,743,815	393,037	77,362	12,409,718
	October	1,859,317	7,388,000	3,283,205	2,816,156	389,918	77,131	12,573,551
	November	1,602,936	7,432,000	3,326,234	2,864,130	386,394	75,710	12,361,170
	December	1,517,641	7,883,000	3,333,362	2,868,476	388,824	76,062	12,734,003

*Federal participation commences. †Federal participation ends.

TABLE XX.

PENNSYLVANIA

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total
1933	July	$6,897,794	.....	.....	.....	.....	.....	$6,897,794
	August	6,594,427	.....	.....	.....	.....	.....	6,594,427
	September	6,394,454	.....	.....	.....	.....	.....	6,394,454
	October	6,524,788	.....	.....	.....	.....	.....	6,524,788
	November	7,398,394	$300,761	.....	.....	.....	.....	7,699,155
	December	7,352,698	7,071,373	.....	.....	.....	.....	14,424,071
1934	January	6,667,424	14,530,553	.....	.....	.....	.....	21,197,977
	February	7,280,426	8,587,863	.....	.....	.....	.....	15,868,289
	March	7,400,209	9,570,119	.....	.....	.....	.....	16,970,328
	April	10,867,338	382,984	.....	.....	.....	.....	11,250,322
	May	10,940,035	7,676	.....	.....	.....	.....	10,947,711
	June	9,289,196	640	.....	.....	.....	.....	9,289,836
	July	8,889,380	48	.....	.....	.....	.....	8,889,428
	August	10,248,549	.....	.....	.....	.....	.....	10,248,549
	September	8,203,019	.....	.....	.....	.....	.....	8,203,019
	October	10,167,670	.....	.....	.....	.....	.....	10,167,670
	November	12,575,678	.....	.....	.....	.....	.....	12,575,678
	December	14,705,252	.....	.....	.....	.....	.....	14,705,252
1935	January	17,606,299	.....	.....	.....	.....	.....	17,606,299
	February	16,970,727	.....	.....	.....	.....	.....	16,970,727
	March	16,159,814	.....	.....	.....	.....	.....	16,159,814
	April	17,419,498	.....	.....	.....	.....	.....	17,419,498
	May	16,499,781	.....	.....	.....	.....	.....	16,499,781
	June	14,323,478	.....	.....	.....	.....	.....	14,323,478
	July	15,492,083	.....	.....	.....	.....	.....	15,492,083
	August	14,333,587	1,000	.....	.....	.....	.....	14,334,587
	September	13,761,120	314,000	.....	.....	.....	.....	14,075,120
	October	14,216,772	3,311,000	.....	.....	.....	.....	17,527,772
	November	10,951,422	8,506,000	.....	.....	.....	.....	19,457,422
	December	8,324,503	11,708,000	.....	.....	.....	.....	20,032,503
1936	January	7,410,472	13,994,000	$1,258,963	$828,574	$298,208	$132,181	22,663,435
	February	6,071,474	15,186,000	1,335,272	831,494	298,450	205,328*	22,592,746
	March	6,282,532	16,460,000	1,358,966	829,274	299,689	230,003	24,101,498
	April	5,722,389	16,271,000	1,371,132	835,676	300,193	235,263	23,364,521
	May	5,303,560	15,331,000	1,388,025	852,719	299,605	235,701	22,022,585
	June	5,416,116	15,091,000	1,397,074	847,127	298,876	251,070	21,904,190
	July	5,497,567	14,962,000	1,501,100	942,452*	298,876	259,772	21,960,667
	August	4,665,012	15,525,000	1,599,056	1,031,659	298,565*	260,832	21,789,068
	September	4,450,913	15,912,000	1,614,189	1,039,018	301,091	274,080	21,977,102
	October	4,182,948	15,795,000	1,718,891	1,138,338	299,419	281,134	21,696,839
	November	3,922,224	15,981,000	1,837,950	1,229,342	323,309	285,299	21,741,174
	December	4,514,367	14,916,000	1,967,215	1,346,266	332,815	288,134	21,397,582
1937	January	4,562,249	14,141,000	2,115,365	1,471,489	352,423	291,453	20,818,614
	February	4,694,258	13,990,000	2,210,994	1,541,310	373,615	296,0	20,895,252
	March	5,302,081	13,703,000	2,339,780	1,629,731	410,608	299,441	21,344,861
	April	5,096,780	13,335,000	2,524,944	1,768,916	451,974	304,054	20,956,724
	May	4,493,025	12,773,000	2,721,849	1,913,928	499,477	308,444	19,987,874
	June	4,442,2[illegible]	12,104,000	2,828,846	1,972,669	543,147	313,030	19,375,129
	July	4,748,485	10,764,000	2,882,117	2,009,899	557,712	314,506	18,394,602
	August	4,607,919	10,025,000	2,929,353	2,041,174	568,822	319,357	17,562,272
	September	4,875,961	9,580,000	2,966,865	2,068,674	575,610	322,581	17,422,826
	October	4,735,92[illegible]	9,624,000	2,972,460	2,068,281	580,542	323,637	17,332,383
	November	4,492,348	9,942,000	2,985,936	2,073,722	585,133	327,081	17,420,284
	December	5,761,904	9,842,000	3,002,609	2,080,842	592,196	329,571	18,606,513
1938	January	6,615,274	10,494,000	2,987,525	2,053,176	601,121	333,228†	20,096,799
	February	6,118,947	11,803,000	2,972,591	2,034,547	602,534	335,510	20,894,538
	March	6,185,060	12,498,000	2,965,291	2,020,296	607,053	337,942	21,648,351
	April	5,719,800	13,641,000	2,953,246	2,003,459	607,984	342,803	22,314,046
	May	5,878,541	14,302,000	2,927,456	1,970,545	612,470	344,441	23,107,997

* Federal participation commences. † Federal participation ends.

	June	6,286,287	15,359,000	2,897,935	1,938,816	611,147	347,972	24,543,222
	July	6,267,210	16,524,000	2,882,913	1,918,951	612,846	351,116	25,674,123
	August	6,410,750	16,641,000	2,848,440	1,892,534	602,733	353,173	25,900,390
	September	6,762,551	16,786,000	2,845,648	1,892,451	597,241	355,956	26,394,199
	October	6,566,984	17,320,000	2,853,747	1,902,756	591,739	359,252	26,740,731
	November	6,316,522	17,990,000	2,823,621	1,872,588	591,650	359,383	27,130,143
	December	6,933,446	16,880,000	2,861,572	1,872,080	629,715	359,777	26,675,018
1939	January	7,207,605	15,498,000	2,928,528	1,863,293	704,828	360,407	25,634,133
	February	7,407,372	14,866,000	3,040,305	1,853,303	823,259	363,743	25,313,677
	March	8,354,657	14,[illegible]8,000	2,782,010	1,617,429	800,259	364,322	25,914,667
	April	7,323,634	13,705,000	2,416,956	1,514,518	536,455	365,983	23,445,590
	May	7,696,860	12,809,000	2,473,663	1,454,771	654,067	364,025	22,979,523
	June	7,437,725	11,788,000	3,111,929	1,748,578	996,966	366,385	22,337,654
	July	7,614,571	9,931,000	3,119,682	1,736,688	1,013,631	369,363	20,665,253
	August	9,220,851	8,703,000	3,127,795	1,726,244	1,029,559	371,992	21,051,646
	September	8,805,482	6,440,000	3,134,282	1,717,884	1,043,871	372,527	18,379,764
	October	7,774,823	8,249,000	3,122,684	1,698,964	1,048,888	375,102	19,146,507
	November	6,789,161	8,347,000	3,118,404	1,699,375	1,041,888	377,141	18,254,565
	December	6,443,074	8,013,000	3,123,324	1,683,321	1,060,062	379,941	17,579,398

TABLE XXI

WEST VIRGINIA

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total
1933	July	$1,100,538	.....	.....	.....	.....	.....	$1,100,538
	August	1,132,402	.....	.....	.....	.....	.....	1,132,402
	September	1,170,011	.....	.....	.....	.....	.....	1,170,011
	October	1,214,738	.....	.....	.....	.....	.....	1,214,738
	November	1,106,581	$214,092	.....	.....	.....	.....	1,320,673
	December	738,213	3,250,779	.....	.....	.....	.....	3,988,992
1934	January	718,487	3,850,725	.....	.....	.....	.....	4,569,212
	February	661,120	2,131,586	.....	.....	.....	.....	2,792,706
	March	658,221	1,444,748	.....	.....	.....	.....	2,102,969
	April	618,609	42,219	.....	.....	.....	.....	660,828
	May	1,105,094	362	.....	.....	.....	.....	1,105,456
	June	1,113,000	.....	.....	.....	.....	.....	1,113,000
	July	1,148,984	.....	.....	.....	.....	.....	1,148,984
	August	1,055,089	.....	.....	.....	.....	.....	1,055,089
	September	1,192,026	.....	.....	.....	.....	.....	1,192,026
	October	1,342,602	.....	.....	.....	.....	.....	1,342,602
	November	1,491,084	.....	.....	.....	.....	.....	1,491,084
	December	1,411,717	.....	.....	.....	.....	.....	1,411,717
1935	January	1,739,618	.....	.....	.....	.....	.....	1,739,618
	February	1,344,634	.....	.....	.....	.....	.....	1,344,634
	March	1,538,334	.....	.....	.....	.....	.....	1,538,334
	April	1,376,053	.....	.....	.....	.....	.....	1,376,053
	May	1,381,073	.....	.....	.....	.....	.....	1,381,073
	June	1,076,120	.....	.....	.....	.....	.....	1,076,120
	July	1,124,658	.....	.....	.....	.....	.....	1,124,658
	August	1,110,518	.....	.....	.....	.....	.....	1,110,518
	September	941,940	38,000	.....	.....	.....	.....	979,940
	October	1,132,211	174,000	.....	.....	.....	.....	1,306,211
	November	793,725	532,000	.....	.....	.....	.....	1,325,725
	December	512,633	1,715,000	.....	.....	.....	.....	2,227,633
1936	January	421,208	2,097,000	.....	.....	.....	.....	2,518,208
	February	296,845	2,170,000	.....	.....	.....	.....	2,466,845
	March	324,894	2,282,000	.....	.....	.....	.....	2,606,894
	April	243,308	2,034,000	.....	.....	.....	.....	2,277,308
	May	239,325	1,986,000	.....	.....	.....	.....	2,225,325
	June	230,531	1,860,000	.....	.....	.....	.....	2,090,531
	July	261,246	1,870,000	.....	.....	.....	.....	2,131,246
	August	214,980	1,868,000	.....	.....	.....	.....	2,082,980
	September	273,293	1,871,000	.....	.....	.....	.....	2,144,293
	October	254,113	1,913,000	.....	.....	.....	.....	2,167,113
	November	219,000	1,955,000	$12,721	$12,721*	.....	.....	2,186,721
	December	179,000	1,898,000	59,500	59,500	.....	.....	2,136,500

* Federal participation commences.

1937	January	185,000	1,745,000	108,811	106,022	$2,479*	$310*	2,038,811
	February	216,000	1,704,000	142,197	137,438	4,073	686	2,062,197
	March	230,000	1,609,000	243,001	207,981	30,650	4,370	2,082,001
	April	219,000	1,649,000	297,560	240,909	49,151	7,500	2,165,560
	May	193,000	1,592,000	337,710	263,145	63,827	10,738	2,122,710
	June	198,000	1,541,000	370,483	278,276	79,952	12,255	2,109,483
	July	164,000	1,345,000	396,540	293,135	90,171	13,23	1,905,540
	August	154,000	1,240,000	402,518	286,762	102,275	13,481	1,796,518
	September	151,000	1,170,000	389,900	273,298	103,272	13,330	1,710,900
	October	153,000	1,166,000	388,439	266,385	109,031	13,023	1,707,439
	November	157,000	1,195,000	386,874	262,083	111,576	13,215	1,738,874
	December	180,000	1,228,000	389,182	261,495	114,361	13,326	1,797,182
1938	January	212,452	1,369,000	389,984	259,864	116,920	13,200	1,971,436
	February	215,664	1,509,000	392,260	260,129	118,990	13,141	2,116,924
	March	213,079	1,655,000	391,804	258,450	120,175	13,179	2,259,883
	April	212,372	1,806,000	392,440	258,006	121,324	13,110	2,410,812
	May	239,092	1,840,000	394,209	258,069	123,074	13,066	2,473,301
	June	265,062	1,957,000	391,475	255,874	122,777	12,824	2,613,537
	July	181,673	2,125,000	388,942	253,529	122,610	12,803	2,695,615
	August	191,126	2,224,000	382,081	247,322	122,291	12,468	2,797,209
	September	201,685	2,206,000	381,382	246,934	121,989	12,459	2,789,067
	October	201,137	2,290,000	382,058	246,711	122,791	12,556	2,873,195
	November	198,870	2,269,000	384,448	247,032	124,608	12,808	2,852,318
	December	204,103	2,296,000	387,656	247,872	126,762	13,022	2,887,759
1939	January	210,894	2,106,000	390,415	247,642	129,795	12,978	2,707,309
	February	213,768	2,106,000	398,469	249,189	136,053	13,227	2,718,237
	March	194,491	2,151,000	403,557	250,626	139,656	13,275	2,749,048
	April	169,428	2,035,000	407,092	250,035	143,670	13,387	2,611,520
	May	146,691	1,974,000	408,879	248,132	147,341	13,406	2,529,570
	June	112,358	1,869,000	410,002	245,760	150,732	13,510	2,391,360
	July	91,425	1,717,000	403,067	240,280	149,536	13,251	2,211,492
	August	90,518	1,543,000	385,142	226,868	145,324	12,950	2,018,660
	September	89,038	1,420,000	377,547	222,157	142,432	12,953	1,886,585
	October	95,308	1,359,000	373,935	218,238	142,925	12,772	1,828,243
	November	97,974	1,482,000	369,393	214,398	142,273	12,722	1,949,367
	December	107,531	1,593,000	372,034	214,235	144,975	12,824	2,072,565

TABLE XXII.

WISCONSIN

RELIEF TO RECIPIENTS

(Excludes Administration, Special Programs, Non-Relief Labor and Materials)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories			Total
					Old Age	Dependent Children	Blind	
1933	July	$ 1,528,912	.....	.....	.....	.....	.....	$ 1,528,912
	August	1,503,049	.....	.....	.....	.....	.....	1,503,049
	September	1,411,830	.....	.....	.....	.....	.....	1,411,830
	October	1,430,473	.....	.....	.....	.....	.....	1,430,473
	November	1,663,051	$ 1,532,062	.....	.....	.....	.....	3,195,113
	December	952,507	10,862,742	.....	.....	.....	.....	11,815,249
1934	January	1,081,313	8,866,147	.....	.....	.....	.....	9,947,460
	February	1,598,105	4,368,429	.....	.....	.....	.....	5,966.534
	March	1,890,654	3,644,588	.....	.....	.....	.....	5,535,242
	April	2,050,280	176,064	.....	.....	.....	.....	2,226,344
	May	2,332,700	16,543	.....	.....	.....	.....	2,349.243
	June	2,360,955	2,396	.....	.....	.....	.....	2,363,351
	July	3,026,076	.....	.....	.....	.....	.....	3,026,076
	August	3,281,391	.....	.....	.....	.....	.....	3,281,391
	September	3,225,470	.....	.....	.....	.....	.....	3,225,470
	October	3,572,866	.....	.....	.....	.....	.....	3,572,866
	November	3,404,961	.....	.....	.....	.....	.....	3,404,961
	December	3,381,652	.....	.....	.....	.....	.....	3,381.652
1935	January	3,981,422	.....	.....	.....	.....	.....	3,981,422
	February	4,244,764	.....	.....	.....	.....	.....	4,244,764
	March	3,636,521	.....	.....	.....	.....	.....	3,636,521
	April	3,444,099	.....	.....	.....	.....	.....	3,444,099
	May	3,451,569	.....	.....	.....	.....	.....	3,451,569
	June	2,938,602	.....	.....	.....	.....	.....	2,938,602
	July	2,871,591	.....	.....	.....	.....	.....	2,871,591

	August	2,833,753	.....	.....	.....	.....	.....	2,833,753
	September	2,102,675	100,000	.....	.....	.....	.....	2,202,675
	October	2,358,142	622,000	.....	.....	.....	.....	2,980,142
	November	1,897,133	2,312,000	.....	.....	.....	.....	4,209,133
	December	1,357,090	3,218,000	.....	.....	.....	.....	4,575,090
1936	January	1,228,570	3,506,000	$425,272	187,468	198,102	39,702	5,159,842
	February	1,186,042	3,599,000	520,254	273,008*	206,134*	41,112*	5,305,296
	March	1,097,859	3,514,000	617,446	359,878	215,170	42,398	5,229,305
	April	956,971	3,410,000	697,401	429,532	224,545	43,324	5,064,372
	May	751,255	3,238,000	746,529	481,519	221,012	43,998	4,735,784
	June	670,381	3,018,000	789,717	517,560	227,501	44,656	4,478,098
	July	634,841	2,959,000	820,818	543,865	232,236	44,717	4,414,659
	August	640,887	3,072,000	846,200	564,134	237,172	44,894	4,559,087
	September	647,251	3,415,000	870,950	584,955	241,737	44,258	4,933,201
	October	767,928	3,875,000	908,090	607,241	256,933	43,916	5,551,018
	November	823,597	4,098,000	934,461	626,870	264,016	43,575	5,856,053
	December	934,540	3,196,000	952,569	640,229	268,872	43,468	5,083,109
1937	January	1,068,821	2,834,000	970,221	652,919	273,950	43,352	4,873,042
	February	1,075,533	2,943,000	992,390	667,633	281,581	43,176	5,010,923
	March	1,028,546	3,002,000	1,009,511	680,745	285,582	43,184	5,040,057
	April	851,529	2,819,000	1,025,540	690,477	291,832	43,231	4,696,069
	May	720,725	2,606,000	1,022,982	696,873	283,114	42,995	4,349,707
	June	641,607	2,589,000	1,030,508	702,623	284,771	43,114	4,261,115
	July	543,576	2,230,000	1,048,439	709,938	295,233	43,268	3,822,015
	August	529,982	2,090,000	1,061,057	717,417	300,447	43,193	3,681,039
	September	570,243	1,998,000	1,072,328	724,335	304,850	43,143	3,640,571
	October	675,634	2,003,000	1,095,118	731,369	320,531	43,218	3,773,752
	November	796,755	2,039,000	1,112,911	740,735	328,732	43,444	3,948,666
	December	1,036,467	2,148,000	1,135,172	753,991	337,422	43,759	4,319,639
1938	January	1,181,340	2,440,000	1,151,422	762,430	345,688	43,304	4,772,762
	February	1,175,426	2,745,000	1,169,282	774,402	351,636	43,244	5,089,708
	March	1,110,752	3,331,000	1,187,383	785,879	358,588	42,916	5,629,135
	April	822,864	3,758,000	1,202,517	797,312	362,154	43,051	5,783,381
	May	728,501	3,965,000	1,203,018	806,958	352,717	43,343	5,896,519
	June	719,659	4,157,000	1,218,658	818,974	356,440	43,244	6,095,317
	July	655,552	4,030,000	1,233,607	831,532	358,585	43,490	5,919,159
	August	655,654	4,029,000	1,245,849	840,600	361,817	43,432	6,430,503
	September	685,911	4,554,000	1,265,786	853,717	368,471	43,598	6,505,697
	October	773,800	4,842,000	1,295,008	867,860	383,309	43,839	6,910,808
	November	885,672	4,805,000	1,327,508	889,897	393,641	43,970	7,018,180
	December	1,023,852	4,612,000	1,352,092	907,104	400,886	44,102	6,987,944
1939	January	1,140,641	4,457,000	1,378,188	923,932	409,897	44,359	6,975,829
	February	1,117,253	4,273,000	1,400,236	938,910	416,476	44,850	6,790,489
	March	1,205,336	4,207,000	1,416,433	949,776	422,322	44,335	6,828,769
	April	986,400	4,011,000	1,435,842	962,823	428,581	44,438	6,433,242
	May	985,000	3,767,000	1,438,309	974,449	419,109	44,751	6,190,309
	June	911,620	3,658,000	1,450,717	987,338	418,294	45,035	6,020,337
	July	834,454	3,037,000	1,466,863	1,000,476	421,002	45,335	5,338,317
	August	912,557	3,015,000	1,488,776	1,015,635	427,558	45,583	5,416,333
	September	917,569	2,455,000	1,514,444	1,032,958	435,875	45,611	4,887,013
	October	1,093,600	2,652,000	1,543,787	1,049,289	448,992	45,506	5,289,387
	November	1,132,000	2,693,000	1,562,538	1,064,471	452,284	45,783	.....
	December	1,153,107	2,827,000	1,577,307	1,074,787	456,277	46,243	.....

* Federal participation commences.

TABLE XXIII

ILLINOIS

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	270,521	.....	.....	.....	....	....	270,521	100.0	...	...
	August	248,598	.....	.....	.....	....	....	248,598	100.0	...	...
	September	238,327	.....	.....	.....	....	....	238,327	100.0	...	...
	October	242,917	.....	.....	.....	....	....	242,917	100.0	...	...
	November	261,851	45,022	.....	.....	....	....	306,873	85.3	14.7	...
	December	251,267	128,275	.....	.....	....	....	379,542	66.2	33.8	...

1934	January	209,469	234,459	.....	.....	....	....	443,928	47.2	52.8	...
	February	206,469	212,106	.....	.....	....	....	418,575	49.3	50.7	...
	March	240,766	145,338	.....	.....	....	....	386,104	62.4	37.6	...
	April	295,574	1,243	.....	.....	....	....	296,817	99.6	0.4	...
	May	294,806	134	.....	.....	....	....	294,940	100.0	...	...
	June	304,055	21	.....	.....	....	....	304,076	100.0	...	...
	July	301,617	20	.....	.....	....	....	301,637	100.0	...	...
	August	301,731	.....	.....	.....	....	....	301,731	100.0	...	...
	September	305,994	.....	.....	.....	....	....	305,994	100.0	...	...
	October	307,942	.....	.....	.....	....	....	307,942	100.0	...	...
	November	310,377	.....	.....	.....	....	....	310,337	100.0	...	...
	December	326,533	.....	.....	.....	....	....	326,533	100.0	...	...
1935	January	339,571	.....	.....	.....	....	....	339,571	100.0	...	...
	February	340,908	.....	.....	.....	....	....	340,908	100.0	...	...
	March	344,157	.....	.....	.....	....	....	344,157	100.0	...	...
	April	334,630	.....	.....	.....	....	....	334,630	100.0	...	...
	May	310,834	.....	.....	.....	....	....	310,834	100.0	...	...
	June	297,779	.....	.....	.....	....	....	297,779	100.0	...	...
	July	286,644	.....	.....	.....	....	....	286,644	100.0	...	...
	August	288,346	2,946	.....	.....	....	....	291,292	99.0	1.0	...
	September	290,064	5,011	.....	.....	....	....	295,075	98.3	1.7	...
	October	291,962	12,568	.....	.....	....	....	304,530	95.9	4.1	...
	November	290,455	86,296	.....	.....	....	....	376,751	77.1	22.9	...
	December	258,101	164,526	.....	.....	....	....	422,627	61.1	38.9	...
1936	January	195,149	184,470	14,387	.....	8,147*	6,240*	394,006	49.5	46.8	3.7
	February	190,431	196,913	14,302	.....	8,062	6,240	401,646	47.4	49.0	3.6
	March	174,357	201,593	14,129	.....	7,889	6,240	390,079	44.7	51.7	3.6
	April	168,205	184,300	14,275	235	7,800	6,240	366,780	45.9	50.2	3.9
	May	159,591	169,493	14,915	1,048	7,627	6,240	343,999	46.4	49.3	4.3
	June	146,179	157,451	17,819	4,037	7,542	6,240	321,449	45.5	49.0	5.5
	July	144,781	154,929	35,895	22,286†	7,369	6,240	335,605	43.1	46.2	10.7
	August	148,399	160,205	48,342	35,080	7,022	6,240	356,946	41.6	44.9	13.5
	September	137,123	166,806	62,504	49,762	6,502	6,240	366,433	37.4	45.5	17.1
	October	139,204	172,153	78,736	66,167	6,329	6,240	390,093	35.7	44.1	20.2
	November	142,756	174,346	91,086	78,606	6,240	6,240	408,188	35.0	42.7	22.3
	December	157,082	159,476	105,626	93,230	6,156	6,240	422,184	37.2	37.8	25.0
1937	January	169,656	154,334	120,259	106,384	6,605	7,280	444,249	38.2	34.7	27.1
	February	173,630	150,737	126,889	113,093	6,516	7,280	451,256	38.5	33.4	28.1
	March	177,382	148,415	132,958	119,073	6,605	7,280	458,755	38.7	32.4	28.9
	April	167,607	149,315	134,393	120,317	6,796	7,280	451,315	37.1	33.1	29.8
	May	149,479	147,742	133,047	118,300	7,467	7,280	430,268	34.7	34.3	31.0
	June	144,702	135,607	130,247	115,500	7,467	7,280	410,556	35.2	33.0	31.8
	July	149,952	114,540	127,354	112,607	7,467	7,280	391,846	38.3	29.2	32.5
	August	154,930	110,293	129,286	114,539	7,467	7,280	394,509	39.3	27.9	32.8
	September	156,285	104,835	133,847	119,100	7,467	7,280	394,967	39.6	26.5	33.9
	October	155,904	103,835	134,942	120,195	7,467	7,280	394,681	39.5	26.3	34.2
	November	160,478	105,818	136,506	121,759	7,467	7,280	402,802	39.8	26.3	33.9
	December	182,706	107,889	135,753	121,006	7,467	7,280	426,348	42.9	25.3	31.8
1938	January	193,606	122,167	136,835	121,548	7,467	7,820	452,608	42.8	27.0	30.2
	February	195,503	142,698	136,769	121,482	7,467	7,820	474,970	41.2	30.0	28.8
	March	199,631	181,938	137,734	122,386	7,467	7,881	519,303	38.4	35.0	26.6
	April	185,599	201,067	137,568	122,204	7,467	7,897	524,234	35.4	38.4	26.2
	May	173,777	212,925	138,758	123,394	7,467	7,897	525,460	33.1	40.5	26.4
	June	167,169	222,158	140,528	125,164	7,467	7,897	529,855	31.5	41.9	26.6
	July	163,487	236,525	140,524	125,160	7,467	7,897	540,536	30.2	43.8	26.0
	August	164,501	245,120	140,310	124,946	7,467	7,897	549,931	29.9	44.6	25.5
	September	164,278	252,239	138,411	123,047	7,467	7,897	554,928	29.6	45.5	24.9
	October	165,374	255,839	138,442	123,078	7,467	7,897	559,655	29.5	45.7	24.8
	November	167,701	254,759	138,944	123,580	7,467	7,897	561,404	29.9	45.4	24.7
	December	178,377	244,382	139,752	124,388	7,467	7,897	562,511	31.7	43.4	24.9
1939	January	189,860	233,233	140,926	125,562	7,467	7,897	564,019	33.7	41.3	25.0
	February	197,688	231,588	142,402	126,847	7,500	8,055	571,678	34.6	40.5	24.9
	March	199,794	230,663	143,725	128,043	7,519	8,163	574,182	34.8	40.2	25.0
	April	191,657	210,930	144,879	129,582	7,508	7,789	547,466	35.0	38.5	26.5
	May	187,789	199,252	146,237	131,158	7,409	7,670	533,278	35.2	37.4	27.4
	June	186,684	198,914	148,134	132,518	7,808	7,808	533,732	35.0	37.3	27.7
	July	179,816	172,182	148,802	133,602	7,500	7,700	500,800	35.9	34.4	29.7
	August	174,649	155,642	149,933	133,933	7,500	7,700	480,224	36.4	32.4	31.2
	September	173,208	129,756	150,921	135,721	7,500	7,700	453,885	38.2	28.6	32.2
	October	169,319	143,091	151,993	136,793	7,500	7,700	464,403	36.5	30.8	32.7
	November	162,884	150,152	153,015	137,815	7,500	7,700	466,051	34.9	32.2	32.9
	December	161,930	157,939	153,976	138,776	7,500	7,700	473,845	34.1	33.4	32.5

* Case load estimated through January 1939 by dividing estimated expenditure by the dollars per case average of the five months February to June 1939 for which case data was reported by the State Emergency Relief Board. July to October 1939 estimated in Social Security Bulletin. November and December 1939 similarly estimated.

† Federal participation commences.

TABLE XXIV

INDIANA

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	85,295	.....	.....	.....	.....	.....	85,295	100.0	...	...
	August	78,499	.....	.....	.....	.....	.....	78,499	100.0	...	...
	September	76,049	.....	.....	.....	.....	.....	76,049	100.0	...	...
	October	83,107	.....	.....	.....	.....	.....	83,107	100.0	...	...
	November	89,529	26,363	.....	.....	.....	.....	115,892	77.3	22.7	...
	December	61,441	88,962	.....	.....	.....	.....	150,403	40.9	59.1	...
1934	January	62,624	104,024	.....	.....	.....	.....	166,648	37.6	62.4	...
	February	68,182	98,960	.....	.....	.....	.....	167,142	40.8	59.2	...
	March	80,897	69.323	.....	.....	.....	.....	150,220	53.9	46.1	...
	April	100,212	544	.....	.....	.....	.....	100,756	99.5	0.5	...
	May	99,351	12	.....	.....	.....	.....	99.363	100.0	...	...
	June	95,835	.....	.....	.....	.....	.....	95,835	100.0	...	...
	July	95,045	.....	.....	.....	.....	.....	95,045	100.0	...	...
	August	100,042	.....	.....	.....	.....	.....	100.042	100.0	...	...
	September	106,240	.....	.....	.....	.....	.....	106.240	100.0	...	...
	October	110,689	.....	.....	.....	.....	.....	110.689	100.0	...	...
	November	119,005	.....	.....	.....	.....	.....	119.005	100.0	...	...
	December	126,316	.....	.....	.....	.....	.....	126,316	100.0	...	...
1935	January	131,810	.....	.....	.....	.....	.....	131,810	100.0	...	...
	February	131,709	.....	.....	.....	.....	.....	131,709	100.0	...	...
	March	129,075	.....	.....	.....	.....	.....	129,075	100.0	...	...
	April	123,749	.....	.....	.....	.....	.....	123,749	100.0	...	...
	May	18,451	.....	.....	.....	.....	.....	118,451	100.0	...	...
	June	110,784	.....	.....	.....	.....	.....	110,784	100.0	...	...
	July	106,612	.....	.....	.....	.....	.....	106,612	100.0	...	...
	August	100,116	19,930	.....	.....	.....	.....	120,046	83.4	16.6	...
	September	91,240	44,350	.....	.....	.....	.....	135,590	67.3	32.7	...
	October	72,162	56,848	.....	.....	.....	.....	129,010	55.9	44.1	...
	November	60,754	70,808	.....	.....	.....	.....	131,562	46.2	53.8	...
	December	55,692	79,542	.....	.....	.....	.....	135,234	41.2	58.8	...
1936	January	54,288	82,146	30,357	29,414	943*	.....	166,791	32.5	49.3	18.2
	February	53,695	85,262	31,875	30,628	943*	304	170,832	31.4	49.9	18.7
	March	47,442	85,687	32,802	31,065	943*	794	165,931	28.6	51.6	19.8
	April	41,496	75,855	32,881	30,869†	943*	1,069†	153,232	27.1	51.5	21.4
	May	35,978	72,296	33,487	31,476	943*	1,068	141,761	25.4	51.0	23.6
	June	33,067	69,358	31,038	29,029	943*	1,066	133.463	24.8	52.0	23.2
	July	32,653	67,395	31,141	29,132	943*	1,066	131,189	24.9	51.4	23.7
	August	33,467	67,623	32,156	30,158	943*	1,055	133,246	25.1	50.8	24.1
	September	36,191	68,009	31,869	30,589	275†	1,005	136,069	26.6	50.0	23.4
	October	35,235	67,843	33,894	32,227	623	1,044	136,972	25.7	49.5	24.8
	November	35,305	68,904	36,093	33,597	1,293	1,203	140,302	25.2	49.1	25.7
	December	37,265	65,899	38,406	34,970	2,078	1,358	141,570	26.3	46.5	27.2
1937	January	42,725	62,669	39,711	35,417	2,830	1,464	145,105	29.4	43.2	27.4
	February	46,074	63,365	41,843	36,377	3,898	1,568	151,282	30.5	41.9	27.6
	March	42,370	65,242	43,744	37,069	5,042	1,633	151,356	28.0	43.1	28.9
	April	35,345	63,812	45,944	37,855	6,341	1,748	145,101	24.4	44.0	31.6
	May	28,992	59,557	47,955	38,672	7,420	1,863	136,504	21.2	43.6	35.2
	June	27,427	55,333	49,371	39,218	8,211	1,942	132,131	20.8	41.9	37.3
	July	28,660	47,324	50,765	39,829	8,981	1,955	126,749	22.6	37.3	40.1
	August	29,355	43,451	52,086	40,372	9,706	2,008	124,892	23.5	34.8	41.7
	September	30,459	41,400	53,034	40,816	10,171	2,047	124,893	24.4	33.1	42.5
	October	32,709	41,111	53,980	41,239	10,623	2,118	127,800	25.6	32.2	42.3
	November	39,492	42,999	54,796	41,575	11,062	2,159	137,287	28.8	31.3	39.9
	December	52,943	44,520	55,724	41,887	11,024	2,213	153,187	34.6	29.1	36.3
1938	January	69,040	53,067	56,276	41,941	12,088	2,247	178,383	38.7	29.7	31.6
	February	75,510	60,801	56,825	42,042	12,520	2,263	193,136	39.1	31.5	29.4
	March	78,889	82,905	57,487	42,250	12,938	2,299	216,281	36.5	38.3	25.2
	April	67,058	91,570	58,145	42,531	13,286	2,328	216,773	30.9	42.2	26.9
	May	60,160	92,719	58,751	42,773	13,605	2,373	211,630	28.4	43.8	27.8
	June	56,036	94,003	59,287	42,970	13,904	2,413	209,326	26.8	44.9	28.3
	July	51,555	98,304	59,754	43,201	14,136	2,417	209,613	24.6	46.9	28.5
	August	49,078	99,607	60,806	43,978	14,399	2,429	209,491	23.4	47.5	29.1
	September	49,212	98,284	63,408	46,337	14,625	2,446	210,904	23.3	46.6	30.1

* Estimated. †Federal participation commences.

	October	49,531	100,029	66,356	49,139	14,753	2,464	215,916	22.9	46.3	30.8
	November	53,450	99,792	69,403	51,960	14,972	2,471	222,645	24.0	44.8	31.2
	December	57,679	90,469	71,535	53,842	15,218	2,475	219,683	26.3	41.2	32.5
1939	January	63,000	83,141	73,663	55,715	15,469	2,479	219,803	28.7	37.8	33.5
	February	65,000	86,952	76,269	58,085	15,691	2,493	228,221	28.5	38.1	33.4
	March	60,900	89,323	78,628	60,118	16,016	2,494	228,851	26.6	39.0	34.4
	April	50,800	80,179	80,297	61,564	16,253	2,480	211,276	24.0	38.0	38.0
	May	49,000	76,218	81,756	62,753	16,528	2,475	206,974	23.7	36.8	39.5
	June	45,974	76,121	82,907	63,712	16,721	2,474	205,002	22.4	37.1	40.5
	July	44,407	73,009	83,773	64,432	16,872	2,469	201,189	22.1	36.4	41.5
	August	47,451	61,685	84,161	64,768	16,921	2,472	193,297	24.5	31.9	43.6
	September	56,621	48,024	84,613	65,194	16,957	2,462	189,258	29.9	25.4	44.7
	October	55,485	48,919	84,970	65,502	17,017	2,451	189,374	29.3	25.8	44.9
	November	52,455	56,157	85,294	65,834	17,013	2,447	193,906	27.1	28.9	44.0
	December	49,168	60,365	85,590	66,058	17,083	2,449	195,123	25.2	31.0	43.8

TABLE XXV

MARYLAND

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total	Per Cent of Total: A	Per Cent of Total: B	Per Cent of Total: C
1933	July	30,978	.....	.....	.....	....	...	30,978	100.0	...	...
	August	30,079	.....	.....	.....	....	...	30,079	100.0	...	...
	September	29,169	.....	.....	.....	....	...	29,169	100.0	...	...
	October	31,304	.....	.....	.....	....	...	31,304	100.0	...	...
	November	36,688	9,511	.....	.....	....	...	46,199	79.4	20.6	...
	December	35,229	23,695	.....	.....	....	...	58,924	59.8	40.2	...
1934	January	42,825	42,631	.....	.....	....	...	85,456	50.1	49.9	...
	February	51,068	45,334	.....	.....	....	...	96,402	53.0	47.0	...
	March	62,272	27,948	.....	.....	....	...	90,220	69.0	31.0	...
	April	64,960	3,489	.....	.....	....	...	68,449	94.9	5.1	...
	May	55,804	74	.....	.....	....	...	55,878	99.9	.1	...
	June	50,080	.....	.....	.....	....	...	50,080	100.0	...	...
	July	44,612	.....	.....	.....	....	...	44,612	100.0	...	...
	August	42,577	.....	.....	.....	....	...	42,577	100.0	...	...
	September	41,387	.....	.....	.....	....	...	41,387	100.0	...	...
	October	41,884	.....	.....	.....	....	...	41,884	100.0	...	...
	November	42,551	.....	.....	.....	....	...	42,551	100.0	...	...
	December	44,718	.....	.....	.....	....	...	44,718	100.0	...	...
1935	January	49,029	.....	.....	.....	....	...	49,029	100.0	...	...
	February	52,246	.....	.....	.....	....	...	52,246	100.0	...	...
	March	51,448	.....	.....	.....	....	...	51,448	100.0	...	...
	April	47,787	.....	.....	.....	....	...	47,787	100.0	...	...
	May	44,215	.....	.....	.....	....	...	44,215	100.0	...	...
	June	37,509	.....	.....	.....	....	...	37,509	100.0	...	...
	July	35,080	.....	.....	.....	....	...	35,080	100.0	...	...
	August	34,525	.....	.....	.....	....	...	34,525	100.0	...	...
	September	34,023	21	.....	.....	....	...	34,044	99.9	.1	...
	October	33,745	2,557	.....	.....	....	...	36,302	93.0	7.0	...
	November	32,869	9,109	.....	.....	....	...	41,978	78.3	21.7	...
	December	27,906	17,635	.....	.....	....	...	45,541	61.3	38.7	...
1936	January	19,442	20,716	5,128	5,128	....	...	45,286	42.9	45.7	11.4
	February	13,078	20,942	10,780	5,868*	4,912*	...	44,800	29.2	46.7	24.1
	March	11,480	19,336	11,978	6,707	5,271	...	42,794	26.8	45.2	28.0
	April	8,717	16,795	12,932	7,517	5,415	...	38,444	22.7	43.7	33.6
	May	7,538	15,439	14,471	8,369	5,548	554*	37,448	20.1	41.2	38.7
	June	5,074	14,911	15,853	9,811	5,494	548	35,838	14.2	41.6	44.2
	July	4,942	14,402	16,104	10,137	5,422	545	35,448	13.9	40.6	45.5
	August	5,089	14,428	15,976	10,543	4,880	553	35,493	14.3	40.7	45.0
	September	5,338	13,689	16,349	10,905	4,877	567	35,376	15.1	38.7	46.2
	October	6,012	13,203	16,750	11,224	4,955	571	35,965	16.7	36.7	46.6
	November	6,061	13,514	17,175	11,668	4,933	574	36,750	16.5	36.8	46.7
	December	7,095	12,868	18,038	12,482	4,982	574	38,001	18.7	33.9	47.4

* Federal participation commences.

1937	January	7,851	12,766	18,542	12,826	5,137	579	39,159	20.0	32.6	47.4
	February	8,776	13,370	18,594	12,860	5,144	590	40.740	21.5	32.8	45.7
	March	9,241	13,038	18,629	12,898	5,129	602	40,908	22.6	31.9	45.5
	April	8,709	12,330	19,110	12,988	5,522	600	40,149	21.7	30.7	47.6
	May	6,959	11,960	19,754	13,595	5,578	581	38,673	18.0	30.9	51.1
	June	4,741	10,977	20,195	13,908	5,700	587	35,913	13.2	30.6	56.2
	July	5,001	9,614	20,817	14,386	5,843	588	35,432	14.1	27.1	58.8
	August	5,195	9,247	21,292	14,772	5,927	593	35,734	14.5	25.9	59.6
	September	5,548	8,649	21,676	15,050	6,031	595	35,873	15.5	24.1	60.4
	October	5,666	8,742	22,160	15,474	6,087	599	36,568	15.5	23.9	60.6
	November	5,831	8,713	22,706	15,955	6,165	586	37,250	15.7	23.4	60.9
	December	6,989	9,625	23,175	16,250	6,347	578	39,789	17.6	24.2	58.2
1938	January	8,213	10,827	23,548	16,414	6,579	555	42,588	19.3	25.4	55.3
	Februar	9,264	11,225	23,937	16,515	6,853	569	44,426	20.9	25.3	53.8
	March	9,340	11,852	24,324	16,626	7,123	575	45,516	20.5	26.0	53.5
	April	8,869	12,136	24,554	16,722	7,245	587	45,559	19.5	26.6	53.9
	May	7,765	12,441	24,706	16,829	7,284	593	44,912	17.3	27.7	55.0
	June	7,901	12,943	24,752	16,954	7,201	597	45,596	17.3	28.4	54.3
	July	8,237	14,715	24,937	17,076	7,256	605	47,889	17.2	30.7	52.1
	August	8,524	14,940	25,021	17,115	7,290	616	48,485	17.6	30.8	51.6
	September	9,041	15,912	25,088	17,106	7,367	615	50,041	18.1	31.8	50.1
	October	8,843	16,794	25,246	17,205	7,419	622	50,883	17.4	33.0	49.6
	November	9,187	16,216	25,369	17,248	7,499	622	50,772	18.1	31.9	50.0
	December	10,374	15,676	25,654	17,337	7,692	625	51,704	20.1	30.3	49.6
1939	January	11,405	15,115	25,803	17,365	7,806	632	52,323	21.8	28.9	49.3
	February	11,958	14,996	25,994	17,422	7,937	635	52,948	22.6	28.3	49.1
	March	12,016	15,151	26,104	17,470	7,999	635	53,271	22.6	28.4	49.0
	April	10,863	13,871	26,269	17,702	7,922	645	51,003	21.3	27.2	51.5
	May	9,621	13,378	26,200	17,719	7,835	646	49,199	19.6	27.2	53.2
	June	7,559	13,290	25,976	17,668	7,652	656	46,825	16.1	28.4	55.5
	July	7,522	12,341	25,747	17,646	7,444	657	45,610	16.5	27.0	56.5
	August	8,114	11,422	25,678	17,618	7,401	659	45,214	18.0	25.2	56.8
	September	8,459	9,990	25,626	17,634	7,336	656	44,075	19.2	22.6	58.2
	October	8,468	11,204	25,627	17,721	7,249	657	45,299	18.6	24.8	56.6
	November	8,679	11,431	25,684	17,786	7,230	668	45,794	19.0	25.0	56.0
	December	9,146	12,652	25,894	17,956	7,263	675	47,602	19.2	26.5	54.3

TABLE XXVI
MASSACHUSETTS
CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Dependent Children	Blind	Total	Per Cent of Total A	B	C
1933	July	103,019	.....	.....	.....	.....	.....	103,019	100.0	...	...
	August	95,140	.....	.....	.....	.....	.....	95,140	100.0	...	...
	September	96,905	.....	.....	.....	.....	.....	96,905	100.0	...	...
	October	97,688	.....	.....	.....	.....	.....	97,688	100.0	...	...
	November	100,366	5,013	.....	.....	.....	.....	105,379	95.2	4.8	...
	December	100,715	86,463	.....	.....	.....	.....	187,178	53.8	46.2	...
1934	January	86,135	130,680	.....	.....	.....	.....	216,815	39.8	60.2	...
	February	85,495	123,398	.....	.....	.....	.....	208,893	41.0	59.0	...
	March	91,579	91,281	.....	.....	.....	.....	182,860	50.4	49.6	...
	April	151,981	3,126	.....	.....	.....	.....	155,107	98.0	2.0	...
	May	146,486	.....	.....	.....	.....	.....	146,486	...	...	...
	June	149,608	.....	.....	.....	.....	.....	149,608	...	...	...
	July	152,206	.....	.....	.....	.....	.....	152,206	...	...	...
	August	152,708	.....	.....	.....	.....	.....	152,708	...	...	...
	September	161,760	.....	.....	.....	.....	.....	161,760	...	...	...
	October	166,387	.....	.....	.....	.....	.....	166,387	...	...	...
	November	169,723	.....	.....	.....	.....	.....	169,723	...	...	...
	December	180,784	.....	.....	.....	.....	.....	180,784	...	...	...
1935	January	185,680	.....	.....	.....	.....	.....	185,680	...	...	...
	February	188,817	.....	.....	.....	.....	.....	188,817	...	...	...
	March	192,544	.....	.....	.....	.....	.....	192,544	...	...	...
	April	188,749	.....	.....	.....	.....	.....	188,749	...	...	...
	May	190,216	.....	.....	.....	.....	.....	190,216	...	...	...
	June	183,579	.....	.....	.....	.....	.....	183,579	...	...	...
	July	181,368	.....	.....	.....	.....	.....	181,368	...	...	...
	August	176,947	.....	.....	.....	.....	.....	176,947	...	...	...
	September	169,016	.....	.....	.....	.....	.....	169,016	...	...	...
	October	159,255	2,852	.....	.....	.....	.....	162,107	98.2	1.8	...
	November	150,709	46,018	.....	.....	.....	.....	196,727	76.5	23.5	...
	December	109,329	116,187	.....	.....	.....	.....	225,516	48.5	51.5	...

1936	January	98,616	110,568	32,434	26,927	4,428	1.079	241,618	40.8	45.8	13.4
	February	89,878	114,375	32,208	26,680	4,449	1,079	236,461	38.0	48.4	13.6
	March	86,101	120,579	32,772	27,044	4,636	1.092	239,452	36.0	50.3	13.7
	April	76,993	120,649	33,170	27,475*	4,589*	1,106*	230,812	33.4	52.2	14.4
	May	69,286	115,748	33,371	27,945	4,315	1,111	218,405	31.7	53.0	15.3
	June	65,432	107,023	33,801	28,334	4,378	1,089	206,256	31.6	52.0	16.4
	July	63,819	99,457	34,577	28,764	4,744	1,069	197,853	32.3	50.2	17.5
	August	61,943	96,428	35,113	29,314	4,757	1,042	193,484	32.0	49.8	18.2
	September	59,730	98,078	42,353	36,500	4,811	1,042	200,161	29.8	49.0	21.2
	October	55,851	108,226	47,609	41,935	4,673	1,001	211,686	26.3	51.2	22.5
	November	57,361	110,850	48,812	44,714	3,127	971	217,023	26.5	51.2	22.3
	December	62,352	99,791	51,763	47,979	2,829	955	213,906	29.2	46.6	24.2
1937	January	65,871	93,539	57,501	51,444	5,095	962	216,911	30.4	43.1	26.5
	February	65,505	91,601	60,264	53,951	5,338	975	217,370	30.1	42.2	27.7
	March	63,342	91,050	61,955	55,443	5,555	957	216,347	29.3	42.1	28.6
	April	58,311	89,629	63,460	56,705	5,799	956	211,400	27.5	42.4	30.1
	May	52,349	88,768	64,702	57,745	5,987	970	205,819	25.3	43.4	31.3
	June	51,320	82,353	66,100	58,881	6,238	981	199,773	25.8	41.3	32.9
	July	54,410	64,206	67,445	60,049	6,401	986	186,061	29.2	34.5	36.3
	August	56,116	59,828	68,312	60,733	6,580	999	184,256	30.3	32.4	37.3
	September	57,377	61,125	69,269	61,524	6,737	1,008	187,771	30.5	32.7	36.8
	October	59,511	60,886	70,528	62,568	6,979	981	190,925	31.2	31.9	36.9
	November	69,250	62,446	71,989	63,856	7,144	989	203,685	33.9	30.7	35.4
	December	81,660	67,632	73,240	64,896	7,356	988	222,532	3..8	30.4	32.8
1938	January	88,077	78,775	74,409	65,912	7,503	994	240,261	36.6	32.6	30.8
	February	85,010	82,970	75,397	66,665	7,705	1,027	243,377	34.9	34.1	31.0
	March	83,779	96,781	76,654	67,665	7,951	1,038	257,214	32.6	37.7	29.7
	April	78,046	106,397	77,806	68,504	8,244	1,058	262,249	29.8	40.5	29.7
	May	72,600	106,009	78,847	69,348	8,436	1,063	257,456	28.2	41.4	30.4
	June	71,334	108,882	79,857	70,156	8,639	1,062	260,073	27.6	41.7	30.7
	July	69,731	116,630	80,832	70,973	8,792	1,067	267,193	26.1	43.4	30.5
	August	66,515	124,429	81,350	71,373	8,888	1,089	272,294	24.5	45.6	29.9
	September	64,119	126,458	82,486	72,376	9,015	1,095	273,063	23.4	46.2	30.4
	October	60,884	129,443	83,370	73,212	9,062	1,096	273,697	22.5	47.2	30.3
	November	62,221	130,860	83,791	73,497	9,202	1,092	276,872	22.4	47.2	30.4
	December	66,318	126,601	85,377	74,982	9,298	1,097	278,296	23.6	45.7	30.7
1939	January	73,140	123,970	86,516	75,740	9,664	1,112	283,626	25.7	43.8	30.5
	February	72,034	122,537	87,533	76,643	9,770	1,120	282,104	25.6	43.5	30.9
	March	73,835	125,435	88,559	77,439	9,990	1,130	287,829	25.6	43.7	30.7
	April	69,294	113,010	88,644	77,432	10,072	1,140	270,948	25.5	41.8	32.7
	May	64,925	101,738	89,728	78,242	10,350	1,136	256,391	25.3	39.7	35.0
	June	63,117	100,875	90,694	79,098	10,452	1,144	254,686	24.8	39.6	35.6
	July	62,797	93,730	91,261	79,594	10,521	1,146	247,788	25.4	37.8	36.8
	August	65,203	81,091	91,846	80,084	10,615	1.147	238,140	27.4	34.1	38.5
	September	70,326	69,925	92,334	80,596	10,592	1,146	232,585	30.2	30.0	39.8
	October	68,153	72,028	93,096	81,151	10,781	1,164	233,277	29.3	30.8	39.9
	November	68,452	76,371	94,167	81,945	11,052	1,170	238,990	28.6	32.0	39.4
	December	68,018	83,818	94,792	82,447	11,178	1,167	246,628	27.6	34.0	38.4

* Federal participation commences

TABLE XXVII

MICHIGAN

CASES RECEIVING RELIEF

Year	Month	A	B	C	Special Categories			Total	Per Cent of Total		
		General Assistance	Fed. Work Programs	Total Spec. Categories	Old Age	Dependent Children	Blind		A	B	C
1933	July	158,554	.....	.....	.....	.....	.....	158,554	100.0	....	....
	August	162,482	.....	.....	.....	.....	.....	162,482	100.0	....	....
	September	159,454	.....	.....	.....	.....	.....	159,454	100.0	....	....
	October	171,972	.....	.....	.....	.....	.....	171,972	100.0	....	....
	November	202,130	33,993	.....	.....	.....	.....	236,123	85.6	14.4	....
	December	198,855	121,525	.....	.....	.....	.....	320,380	62.1	37.9	....
1934	January	149,132	176,623	.....	.....	.....	.....	325,755	45.8	54.2	....
	February	126,811	143,093	.....	.....	.....	.....	269,904	47.0	53.0	....
	March	136,059	115,990	.....	.....	.....	.....	252,049	54.0	46.0	....
	April	160,955	1,670	.....	.....	.....	.....	162,625	99.0	1.0	....
	May	153,138	114	.....	.....	.....	.....	153,252	99.9	.1	....
	June	144,638	25	.....	.....	.....	.....	144,663	100.0	....	....
	July	149,838	.....	.....	.....	.....	.....	149,838	100.0	....	....
	August	163,485	.....	.....	.....	.....	.....	163,485	100.0	....	....

	September	176,514	.....	.....	.....	.....	.....	176,514	100.0	....	....
	October	196,492	.....	.....	.....	.....	.....	196,492	100.0	....	....
	November	222,589	.....	.....	.....	.....	.....	222,589	100.0	....	....
	December	222,185	.....	.....	.....	.....	.....	222,185	100.0	....	....
1935	January	215,813	.....	.....	.....	.....	.....	215,813	100.0	....	....
	February	199,541	.....	.....	.....	.....	.....	199,541	100.0	....	....
	March	190,563	.....	.....	.....	.....	.....	190,563	100.0	....	....
	April	179,826	.....	.....	.....	.....	.....	179,826	100.0	....	....
	May	167,829	.....	.....	.....	.....	.....	167,829	100.0	....	....
	June	162,290	.....	.....	.....	.....	.....	162,290	100.0	....	....
	July	164,266	.....	.....	.....	.....	.....	164,266	100.0	....	....
	August	162,480	3,093	.....	.....	.....	.....	165,573	98.1	1.9	....
	September	159,912	8,848	.....	.....	.....	.....	168,760	94.8	5.2	....
	October	153,455	20,459	.....	.....	.....	.....	173,914	88.2	11.8	....
	November	135,555	60,616	.....	.....	.....	.....	196,171	69.1	30.9	....
	December	104,203	88,772	.....	.....	.....	.....	192,975	54.0	46.0	....
1936	January	79,130	94,892	16,795	9,749	7,046	.....	190,817	41.5	49.7	8.8
	February	84,826	97,304	26,099	19,053*	7,046	.....	208,229	40.7	46.8	12.5
	March	84,799	97,979	28,579	21,533	7,046	.....	211,357	40.1	46.4	13.5
	April	77,365	92,063	30,995	23,949	7,046	.....	200,423	38.6	45.9	15.5
	May	67,645	82,888	32,439	25,393	7,046	.....	182,972	37.0	45.3	17.7
	June	60,890	76,418	34,743	27,697	7,046	.....	172,051	35.4	44.4	20.2
	July	58,370	74,549	36,241	29,015	7,046	180*	169,160	34.5	44.1	21.4
	August	59,335	75,034	30,005	29,822	.....	183	164,374	36.1	45.6	18.3
	September	56,300	77,004	36,410	30,588	5,631*	191	169,714	33.2	45.4	21.4
	October	53,608	74,670	38,850	31,555	7,037	258	167,128	32.1	44.7	23.2
	November	54,330	73,203	40,209	32,007	7,862	340	167,742	32.4	43.6	24.0
	December	57,817	67,955	41,229	32,705	8,139	385	167,001	34.6	40.7	24.7
1937	January	66,997	65,514	43,314	33,495	9,387	432	175,825	38.1	37.3	24.6
	February	76,525	65,997	44,754	34,043	10,245	466	187,276	40.9	35.2	23.9
	March	75,595	63,311	45,796	34,435	10,869	492	184,702	40.9	34.3	24.8
	April	64,457	59,102	46,113	34,463	11,112	538	169,672	38.0	34.8	27.2
	May	50,781	55,720	46,768	35,027	11,179	563	153,269	33.1	36.4	30.5
	June	43,711	52,130	47,443	35,883	10,973	587	143,344	30.5	36.4	33.1
	July	40,116	46,550	53,504	42,029	10,888	587	140,170	28.6	33.2	38.2
	August	38,164	44,097	60,411	48,774	11,066	571	142,672	26.7	30.9	42.4
	September	37,530	42,918	64,562	52,835	11,147	580	145,010	25.9	29.6	44.5
	October	37,940	42,318	68,011	56,219	11,227	565	148,269	25.6	28.5	45.9
	November	43,440	42,702	71,847	60,077	11,214	556	157,989	27.5	27.0	45.5
	December	65,887	45,608	75,416	63,318	11,547	551	186,911	35.3	24.4	40.3
1938	January	117,799	57,708	79,403	66,759	12,104	540	254,910	46.2	22.6	31.2
	February	148,006	76,132	83,544	70,487	12,512	545	307,682	48.1	24.7	27.2
	March	161,213	113,120	84,208	71,310	12,354	544	358,541	45.0	31.6	23.4
	April	139,207	136,411	82,960	70,319	12,083	558	358,578	38.8	38.1	23.1
	May	123,561	165,626	82,922	70,383	11,969	570	372,109	33.2	44.5	22.3
	June	113,640	182,411	82,872	70,268	12,022	582	378,923	30.0	48.1	21.9
	July	109,562	191,877	82,641	69,890	12,154	597	384,080	28.5	50.0	21.5
	August	100,069	199,506	81,972	68,993	12,364	615	381,547	26.2	52.3	21.5
	September	67,656	192,828	81,225	68,342	12,255	628	341,709	19.8	56.4	23.8
	October	58,896	170,742	81,592	68,889	12,062	641	11,230	18.9	54.9	26.2
	November	58,107	156,650	83,556	70,786	12,111	659	298,313	19.5	52.5	28.0
	December	66,104	146,712	83,809	70,872	12,262	675	296,626	22.3	49.4	28.3
1939	January	77,405	139,034	84,199	70,911	12,592	696	300,638	25.7	46.3	28.0
	February	84,553	138,861	84,913	70,953	13,258	702	308,327	27.4	45.1	27.5
	March	86,304	139,823	87,550	73,277	13,549	724	313,677	27.5	44.6	27.9
	April	79,291	129,390	91,341	76,999	13,602	740	300,022	26.4	43.2	30.4
	May	70,696	121,528	96,313	81,875	13,690	748	288,537	24.5	42.1	33.4
	June	61,874	122,464	98,361	83,275	14,329	757	282,699	21.9	43.3	34.8
	July	53,869	117,401	97,783	82,516	14,512	755	269,053	20.0	43.6	36.4
	August	56,944	97,046	96,509	81,341	14,408	760	250,499	22.7	38.8	38.5
	September	64,546	78,266	95,224	80,138	14,332	754	238,036	27.1	32.9	40.0
	October	67,653	80,444	93,926	79,114	14,054	758	242,023	27.9	33.3	38.8
	November	67,293	86,386	92,620	78,256	13,619	745	246,299	27.4	35.0	37.6
	December	68,600	87,120	91,482	77,476	13,267	739	247,202	27.7	35.3	37.0

*Federal participation commences.

TABLE XXVIII
NEW JERSEY
CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	102,488	.....	.....	.....	.....	.....	102,488	100.0	...	...
	August	95,599	.....	.....	.....	.....	.....	95,599	100.0	...	...
	September	88,997	.....	.....	.....	.....	.....	88,997	100.0	...	...
	October	89,226	.....	.....	.....	.....	.....	89,226	100.0	...	...
	November	98,513	10,357	.....	.....	.....	.....	108,870	90.5	9.5	...
	December	94,907	55,005	.....	.....	.....	.....	149,912	63.3	36.7	...
1934	January	89,422	115,392	.....	.....	.....	.....	204,814	43.7	56.3	...
	February	101,808	125,723	.....	.....	.....	.....	227,531	44.7	55.3	...
	March	110,840	81,922	.....	.....	.....	.....	192,762	57.5	42.5	...
	April	179,408	6,249	.....	.....	.....	.....	185,657	96.6	3.4	...
	May	142,420	1,663	.....	.....	.....	.....	144,083	98.8	1.2	...
	June	136,801	1	.....	.....	.....	.....	136,802	100.0	...	...
	July	134,845	.....	.....	.....	.....	.....	134,845	100.0	...	...
	August	135,560	.....	.....	.....	.....	.....	135,560	100.0	...	...
	September	137,493	.....	.....	.....	.....	.....	137,493	100.0	...	...
	October	156,886	.....	.....	.....	.....	.....	156,886	100.0	...	...
	November	167,656	.....	.....	.....	.....	.....	167,656	100.0	...	...
	December	175,629	.....	.....	.....	.....	.....	175,629	100.0	...	...
1935	January	175,167	.....	.....	.....	.....	.....	175,167	100.0	...	...
	February	176,734	.....	.....	.....	.....	.....	176,734	100.0	...	...
	March	176,418	.....	.....	.....	.....	.....	176,418	100.0	...	...
	April	170,845	.....	.....	.....	.....	.....	170,845	100.0	...	...
	May	162,190	.....	.....	.....	.....	.....	162,190	100.0	...	...
	June	155,121	.....	.....	.....	.....	.....	155,121	100.0	...	...
	July	153,501	.....	.....	.....	.....	.....	153,501	100.0	...	...
	August	149,021	470	.....	.....	.....	.....	149,491	99.7	.3	...
	September	145,341	6,315	.....	.....	.....	.....	151,656	95.8	4.2	...
	October	139,074	16,234	.....	.....	.....	.....	155,308	89.5	10.5	...
	November	132,393	59,533	.....	.....	.....	.....	191,926	69.0	31.0	...
	December	110,822	89,696	.....	.....	.....	.....	200,518	55.3	44.7	...
1936	January	84,759	94,939	24,641	14,671	9,533	437	204,339	41.5	46.5	12.0
	February	85,455	97,245	24,775	14,820	9,533	432	207,475	41.2	46.9	11.9
	March	83,851	94,612	25,118	15,143	9,533	442	203,581	41.2	46.5	12.3
	April	78,000	88,877	25,642	15,307*	9,895*	440	192,519	40.5	46.2	13.3
	May	59,500	85,977	26,079	15,592	10,038	449	171,556	34.7	50.1	15.2
	June	53,400	81,520	26,456	15,904	10,094	458	161,376	33.1	50.5	16.4
	July	50,094	77,802	28,041	17,216	10,367	458*	155,937	32.1	49.9	18.0
	August	49,557	77,909	29,377	18,504	10,413	460	156,923	31.6	49.7	18.7
	September	48,570	78,674	30,590	19,634	10,500	456	157,834	30.8	49.8	19.4
	October	49,734	80,750	31,399	20,432	10,502	465	161,883	30.7	49.9	19.4
	November	51,379	81,544	32,013	21,040	10,513	460	164,936	31.2	49.4	19.4
	December	56,431	76,422	32,758	21,681	10,602	475	165,611	34.1	46.1	19.8
1937	January	62,900	74,202	33,297	22,212	10,618	467	170,399	36.9	43.6	19.5
	February	64,800	73,896	33,757	22,616	10,658	483	172,453	37.6	42.8	19.6
	March	64,400	74,332	34,200	23,060	10,657	483	172,932	37.2	43.0	19.8
	April	58,552	74,767	34,692	23,507	10,699	486	168,011	34.9	44.5	20.6
	May	51,295	74,511	35,030	23,833	10,715	482	160,836	31.9	46.3	21.8
	June	46,313	69,617	35,175	23,960	10,722	493	151,105	30.6	46.1	23.3
	July	45,416	63,653	35,342	24,087	10,753	502	144,411	31.4	44.1	24.5
	August	46,408	58,532	35,579	24,312	10,759	508	140,519	33.0	41.7	25.3
	September	47,830	56,290	35,791	24,559	10,714	518	139,911	34.2	40.2	25.6
	October	50,363	57,834	36,032	24,807	10,709	516	144,229	34.9	40.1	25.0
	November	55,906	58,300	36,432	25,121	10,778	533	150,638	37.1	38.7	24.2
	December	66,952	57,606	36,795	25,372	10,876	547	161,353	41.5	35.7	22.8
1938	January	81,483	64,099	37,167	25,632	10,996	539	182,749	44.6	35.1	20.3
	February	85,353	71,765	37,467	25,778	11,135	554	194,585	43.9	36.9	19.2
	March	87,991	77,371	37,740	25,956	11,222	562	203,102	43.3	38.1	18.6
	April	84,700	91,095	38,052	26,161	11,322	569	213,847	39.6	42.6	17.8
	May	76,800	90,686	38,839	26,277	11,382	580	206,325	37.2	44.0	18.8
	June	75,300	91,140	38,492	26,442	11,466	584	204,932	36.7	44.5	18.8
	July	76,600	95,765	37,782	26,554	10,649	579	210,147	36.5	45.5	18.0
	August	75,300	101,222	37,888	26,680	10,626	582	214,410	35.1	47.2	17.7
	September	72,800	104,969	38,064	26,807	10,671	586	215,833	33.7	48.7	17.6
	October	71,100	107,335	38,382	26,971	10,813	598	216,817	32.8	49.5	17.7
	November	70,500	108,384	38,704	27,100	11,008	596	217,588	32.4	49.8	17.8
	December	74,900	101,916	39,122	27,332	11,191	599	215,938	34.7	47.2	18.1

* Federal participation commences.

1939	January	78,600	97,401	39,647	27,794	11,245	608	215,648	36.4	45.2	18.4
	February	81,600	92,677	40,312	28,321	11,377	614	214,589	38.0	43.2	18.8
	March	76,600	90,314	40,701	28,656	11,434	611	207,615	36.9	43.5	19.6
	April	71,100	82,647	40,909	29,010	11,286	613	194,656	36.5	42.5	21.0
	May	66,600	78,983	40,881	29,225	11,037	619	186,464	35.7	42.4	21.9
	June	61,900	78,288	40,852	29,417	10,808	627	181,040	34.2	43.2	22.6
	July	60,100	75,776	40,953	29,591	10,725	637	176,829	34.0	42.8	23.2
	August	59,000	64,875	41,188	29,865	10,686	637	165,063	35.8	39.2	25.0
	September	64,600	54,263	41,550	30,130	10,781	639	160,413	40.2	33.8	26.0
	October	60,600	61,943	41,741	30,335	10,760	646	164,284	37.0	37.5	25.5
	November	56,600	61,764	41,994	30,543	10,798	653	160,358	35.3	38.4	26.3
	December	56,000	68,157	42,071	30,661	10,761	649	166,228	33.7	41.0	25.3

TABLE XXIX

NEW YORK

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	370,992	.....	.....	.....	.....	....	370,992	100.0	...	...
	August	363,876	.....	.....	.....	.....	....	363,876	100.0	...	...
	September	335,929	.....	.....	.....	.....	....	335,929	100.0	...	...
	October	332,841	.....	.....	.....	.....	....	332,841	100.0	...	...
	November	382,657	91,892	.....	.....	.....	....	474,549	80.7	19.3	...
	December	251,750	189,747	.....	.....	.....	....	441,497	57.0	43.0	...
1934	January	248,520	321,848	.....	.....	.....	....	570,368	43.5	56.5	...
	February	279,117	334,961	.....	.....	.....	....	614,078	45.4	54.5	...
	March	305,725	290,353	.....	.....	.....	....	596,078	51.2	48.8	...
	April	536,384	5,176	.....	.....	.....	....	541,560	99.9	.9	...
	May	513,484	132	.....	.....	.....	....	513,616	99.8	.2	...
	June	496,872	.....	.....	.....	.....	....	496,872	100.0	...	...
	July	497,766	.....	.....	.....	.....	....	497,766	100.0	...	...
	August	506,554	.....	.....	.....	.....	....	506,554	100.0	...	...
	September	508,254	.....	.....	.....	.....	....	508,254	100.0	...	...
	October	517,866	.....	.....	.....	.....	....	517,866	100.0	...	...
	November	532,926	.....	.....	.....	.....	....	532,926	100.0	...	...
	December	559,233	.....	.....	.....	.....	....	559,233	100.0	...	...
1935	January	584,946	.....	.....	.....	.....	....	584,946	100.0	...	...
	February	594,731	.....	.....	.....	.....	....	594,731	100.0	...	...
	March	593,900	.....	.....	.....	.....	....	593,900	100.0	...	...
	April	582,467	.....	.....	.....	.....	....	582,467	100.0	...	...
	May	566,543	.....	.....	.....	.....	....	566,543	100.0	...	...
	June	551,522	.....	.....	.....	.....	....	551,522	100.0	...	...
	July	549,868	.....	.....	.....	.....	....	549,868	100.0	...	...
	August	536,289	112,020	.....	.....	.....	....	648,309	82.7	17.3	...
	September	453,082	157,062	.....	.....	.....	....	610,144	74.3	25.7	...
	October	411,427	215,460	.....	.....	.....	....	626,887	65.5	34.5	...
	November	367,593	296,200	.....	.....	.....	....	663,793	55.4	44.6	...
	December	361,631	378,098	.....	.....	.....	....	739,729	49.0	51.0	...
1936	January	339,033	374,760	87,058	60,772	24,332	1,954	800,851	42.5	46.7	10.8
	February	346,525	375,594	87,235	60,832	24,449	1,954	809,354	42.8	46.4	10.8
	March	354,208	368,871	87,181	60,729	24,502	1,950	810,260	43.6	45.5	10.9
	April	347,716	345,970	87,694	61,185	24,541	1,968	781,380	44.5	44.3	11.2
	May	331,831	322,014	84,672	58,213*	24,476	1,983	738,517	45.0	43.6	11.4
	June	316,661	309,248	85,230	58,662	24,594	1,974	711,139	44.6	43.5	11.9
	July	295,706	302,992	85,488	59,005	24,479	2,004	684,186	43.2	44.3	12.5
	August	286,271	297,861	86,830	60,289	24,539	2,002	670,962	42.6	44.4	13.0
	September	282,409	299,548	87,474	60,822	24,639	2,013	669,431	42.2	44.8	13.0
	October	276,347	303,965	91,746	65,176	24,543	2,027	672,058	41.1	45.2	13.7
	November	271,788	305,162	95,998	68,920	25,021	2,057	672,948	40.4	45.4	14.2
	December	278,438	287,646	99,606	72,320	25,232	2,054	665,690	41.9	43.2	14.9
1937	January	290,123	265,097	103,594	76,352	25,182	2,060	658,814	44.1	40.2	15.7
	February	294,139	260,727	109,636	82,392	25,172	2,072	664,502	44.2	39.2	16.6
	March	292,789	262,264	114,607	87,233	25,307	2,067	669,660	43.6	39.3	17.1
	April	265,249	257,784	118,961	91,656	25,242	2,063	641,994	41.2	40.2	18.6
	May	244,593	252,480	121,965	94,397	25,215*	2,353*	619,038	39.5	40.8	19.7
	June	224,957	246,114	124,412	96,624	25,469	2,319	595,483	37.8	41.3	20.9
	July	228,822	214,680	125,997	98,377	25,570	2,050	569,499	40.1	37.8	22.1

* Federal participation commences.

	August	238,304	193,042	127,125	99,488	25,667	1,970	558,471	42.6	34.6	22.8
	September	240,698	193,028	128,004	100,272	25,693	2,039	561,730	42.8	34.4	22.8
	October	241,186	191,848	129,259	101,152	25,989	2,118	562,293	42.8	34.1	23.1
	November	253,157	189,114	130,328	101,972	26,157	2,199	572,599	44.1	33.1	22.8
	December	283,179	189,397	131,664	102,924	26,462	2,278	604,240	46.8	31.4	21.8
1938	January	309,652	189,803	132,916	103,801	26,775	2,340	632,371	49.0	30.0	21.0
	February	322,648	194,950	133,753	104,292	27,079	2,382	651,361	49.5	30.0	20.5
	March	319,297	201,668	134,215	104,479	27,317	2,419	655,180	48.8	30.7	20.5
	April	305,084	211,994	134,857	104,807	27,603	2,447	651,935	46.8	32.5	20.7
	May	289,821	218,457	136,065	105,770	27,820	2,475	644,343	45.0	33.9	21.1
	June	278,505	226,337	136,990	106,523	27,971	2,496	641,832	43.3	35.3	21.4
	July	273,467	233,525	137,828	107,132	28,185	2,511	644,820	42.4	36.2	21.4
	August	273,646	237,360	143,035	108,111	32,374	2,550	654,041	41.8	36.3	21.9
	September	274,570	244,138	144,389	108,356	33,454	2,579	663,097	41.4	36.8	21.8
	October	266,582	249,232	145,216	108,644	33,984	2,588	661,030	40.3	37.7	22.0
	November	274,701	250,867	146,116	108,945	34,540	2,631	671,684	40.9	37.3	21.8
	December	287,824	246,041	147,729	110,445	34,646	2,638	681,594	42.2	36.1	21.7
1939	January	299,227	240,064	148,801	110,976	35,188	2,637	688,092	43.5	34.9	21.6
	February	310,692	236,615	148,165	110,032	35,493	2,640	695,472	44.7	34.0	21.3
	March	313,850	239,974	149,737	111,273	35,820	2,644	703,561	44.6	34.1	21.3
	April	298,817	221,402	149,286	110,505	36,138	2,643	669,505	44.6	33.1	22.3
	May	292,272	207,638	148,937	110,014	36,267	2,656	648,847	45.0	32.0	23.0
	June	275,181	201,922	149,317	110,239	36,420	2,658	626,420	44.0	32.2	23.8
	July	265,936	183,326	150,320	110,994	36,642	2,684	599,582	44.4	30.5	25.1
	August	263,751	149,517	151,223	112,010	36,524	2,689	564,491	46.7	26.5	26.8
	September	268,076	128,406	151,843	112,547	36,590	2,706	548,325	49.0	23.4	27.6
	October	273,649	140,571	152,533	113,252	36,587	2,714	566,753	48.2	24.8	27.0
	November	264,365	148,758	154,143	114,942	36,486	2,715	567,266	46.5	26.3	27.2
	December	266,028	150,881	153,702	114,595	36,375	2,732	570,611	46.6	26.4	27.0

TABLE XXX.

OHIO

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	245,758	.....	.....	.....	.....	.....	245,758	100.0	...	...
	August	233,856	.....	.....	.....	.....	.....	233,856	100.0	...	...
	September	220,881	.....	.....	.....	.....	.....	220,881	100.0	...	...
	October	213,924	.....	.....	.....	.....	.....	213,924	100.0	...	...
	November	255,836	60,696	.....	.....	.....	.....	316,532	80.8	19.2	...
	December	191,713	200,696	.....	.....	.....	.....	392,409	48.9	51.1	...
1934	January	170,885	254,465	.....	.....	.....	.....	425,350	40.2	59.8	...
	February	195,451	208,556	.....	.....	.....	.....	404,007	48.4	51.6	...
	March	223,407	164,578	.....	.....	.....	.....	387,985	57.6	42.4	...
	April	274,657	1,792	.....	.....	.....	.....	276,449	99.4	.6	...
	May	261,131	60	.....	.....	.....	.....	261,191	100.0	...	...
	June	256,163	36	.....	.....	.....	.....	256,199	100.0	...	...
	July	260,039	2	.....	.....	.....	.....	260,041	100.0	...	...
	August	275,289	.....	.....	.....	.....	.....	275,289	100.0	...	...
	September	289,611	.....	.....	.....	.....	.....	289,611	100.0	...	...
	October	304,602	.....	.....	.....	.....	.....	304,602	100.0	...	...
	November	312,057	.....	.....	.....	.....	.....	312,057	100.0	...	...
	December	327,325	.....	.....	.....	.....	.....	327,325	100.0	...	...
1935	January	341,053	.....	.....	.....	.....	.....	341,053	100.0	...	...
	February	338,242	.....	.....	.....	.....	.....	338,242	100.0	...	...
	March	331,497	.....	.....	.....	.....	.....	331,497	100.0	...	...
	April	325,123	.....	.....	.....	.....	.....	325,123	100.0	...	...
	May	320,402	.....	.....	.....	.....	.....	320,402	100.0	...	...
	June	315,009	.....	.....	.....	.....	.....	315,009	100.0	...	...
	July	311,701	.....	.....	.....	.....	.....	311,701	100.0	...	...
	August	301,249	20,741	.....	.....	.....	.....	321,990	93.6	6.4	...
	September	280,409	27,972	.....	.....	.....	.....	308,381	90.9	9.1	...
	October	254,985	42,931	.....	.....	.....	.....	297,916	85.6	14.4	...
	November	244,688	123,906	.....	.....	.....	.....	368,594	66.4	33.6	...
	December	171,771	174,252	.....	.....	.....	.....	346,023	49.6	50.4	...

1936	January	141,743	179,501	97,232	85,500	8,000	3,732	418,476	33.9	42.9	23.2
	February	138,346	181,535	96,860	85,128*	8,000	3,732	416,741	33.2	43.6	23.2
	March	133,809	186,831	96,659	84,927	8,000	3,732	417,299	32.1	44.7	23.2
	April	128,561	167,572	97,910	85,957	8,221	3,732	394,043	32.6	42.5	24.9
	May	116,897	157,010	98,401	86,448	8,221	3,732	372,308	31.4	42.2	26.4
	June	108,535	153,891	97,988	86,035	8,221	3,732	360,414	30.1	42.7	27.2
	July	103,907	147,136	100,256	87,927	8,693*	3,636*	351,299	29.6	41.9	28.5
	August	100,805	148,541	103,311	90,984	8,918	3,409	352,657	28.6	42.1	29.3
	September	98,479	148,843	103,608	90,868	9,225	3,515	350,930	28.1	42.4	29.5
	October	95,940	148,943	109,607	96,538	9,563	3,506	354,490	27.1	42.0	30.9
	November	96,708	146,783	111,745	98,504	9,759	3,482	355,236	27.2	41.3	31.5
	December	103,209	135,939	112,778	99,465	9,769	3,544	351,926	29.3	38.6	32.1
1937	January	115,105	130,940	112,917	99,705	9,631	3,581	358,962	32.1	36.5	31.4
	February	117,199	129,911	114,401	101,233	9,558	3,610	361,511	32.4	35.9	31.7
	March	109,944	125,132	115,818	102,509	9,668	3,641	350,894	31.3	35.7	33.0
	April	98,200	120,247	117,293	103,969	9,656	3,668	335,740	29.2	35.8	35.0
	May	78,100	117,550	116,647	103,301	9,670	3,676	312,297	25.0	37.6	37.4
	June	58,200	104,046	116,426	103,125	9,612	3,689	278,672	20.9	37.3	41.8
	July	60,900	90,506	116,831	103,480	9,654	3,697	268,237	22.7	33.7	43.6
	August	61,900	85,051	116,962	103,434	9,809	3,719	263,913	23.5	32.2	44.3
	September	58,100	83,259	117,411	103,773	9,900	3,738	258,770	22.5	32.1	45.4
	October	61,200	84,859	117,539	103,747	10,032	3,760	263,598	23.2	32.2	44.6
	November	72,000	86,921	117,406	103,437	10,220	3,749	276,327	26.0	31.5	42.5
	December	96,900	91,307	118,820	104,614	10,447	3,759	307,027	31.6	29.7	38.7
1938	January	120,971	108,367	118,963	104,619	10,588	3,756	348,301	34.7	31.1	34.2
	February	137,134	133,236	119,969	105,533	10,686	3,750	390,339	35.2	34.1	30.7
	March	144,777	185,104	121,706	107,129	10,789	3,788	451,587	32.0	41.0	27.0
	April	122,981	223,234	123,343	108,718	10,835	3,790	469,558	26.2	47.5	26.3
	May	108,638	235,473	124,398	109,700	10,876	3,822	468,509	23.2	50.2	26.6
	June	104,431	245,775	125,295	110,542	10,900	3,853	475,501	22.0	51.6	26.4
	July	102,851	263,529	125,916	111,145	10,900	3,871	492,296	20.9	53.5	25.6
	August	98,012	268,465	126,732	111,948	10,885	3,899	493,209	19.9	54.4	25.7
	September	92,156	281,909	127,216	112,466†	10,824	3,926	501,281	18.4	56.2	25.4
	October	84,278	286,333	126,906	112,190	10,796	3,920	497,517	16.9	57.6	25.5
	November	82,658	278,367	126,751	112,065*	10,762	3,924	487,776	16.9	57.1	26.0
	December	86,760	265,017	126,549	111,736	10,878	3,935	478,326	18.1	55.4	26.5
1939	January	95,200	250,322	126,029	111,183	10,902	3,944	471,551	20.2	53.1	26.7
	February	106,087	247,925	126,184	111,337	10,912	3,935	480,196	22.1	51.6	26.3
	March	101,574	246,730	126,804	111,985	10,878	3,941	475,108	21.4	51.9	26.7
	April	89,957	227,867	127,318	112,616	10,769	3,933	445,142	20.2	51.2	28.6
	May	89,033	211,943	129,975	115,317	10,729	3,929	430,951	20.7	49.2	30.1
	June	89,958	202,707	130,779	116,275	10,576	3,928	423,444	21.2	47.9	30.9
	July	95,532	186,163	132,096	117,739	10,403	3,954	413,791	23.0	45.1	31.9
	August	110,968	145,276	133,315	119,013	10,351	3,951	389,559	28.5	37.3	34.2
	September	119,761	122,657	135,141	120,925	10,279	3,937	377,559	31.7	32.5	35.8
	October	111,638	129,963	137,826	123,708	10,187	3,931	379,427	29.4	34.3	36.3
	November	100,271	134,163	139,537	125,525	10,111	3,901	373,971	26.8	35.9	37.3
	December	94,161	138,828	139,688	125,699	10,073	3,916	371,677	25.3	37.3	37.4

* Federal participation commences.
† Federal participation ends.

TABLE XXXI

PENNSYLVANIA

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Total	Per Cent of Total: A	Per Cent of Total: B	Per Cent of Total: C
1933	July	449,103	.....	.....	.....	.....	.....	449,103	100.0	....	....
	August	412,477	.....	.....	.....	.....	.....	412,477	100.0	....	....
	September	386,920	.....	.....	.....	.....	.....	386,920	100.0	....	....
	October	369,410	.....	.....	.....	.....	.....	369,410	100.0	....	....
	November	367,802	5,599	.....	.....	.....	.....	373,401	98.5	1.5	....
	December	363,971	81,115	.....	.....	.....	.....	445,086	81.8	18.2	....

1934	January	359,058	316,952	.....	.....	.....	.....	676,010	53.1	46.9	....
	February	359,915	227,405	.....	.....	.....	.....	587,320	61.3	38.7	....
	March	370,375	193,006	.....	.....	.....	.....	563,381	65.7	34.3	....
	April	387,680	3,083	.....	.....	.....	.....	390,763	99.2	.8	....
	May	420,054	217	.....	.....	.....	.....	420,271	100.0	*	....
	June	394,221	11	.....	.....	.....	.....	394,232	100.0	*	....
	July	381,646	4	.....	.....	.....	.....	381,650	100.0	*	....
	August	399,492	.....	.....	.....	.....	.....	399,492	100.0	....	....
	September	387,656	.....	.....	.....	.....	.....	387,656	100.0	....	....
	October	389,057	.....	.....	.....	.....	.....	389,057	100.0	....	....
	November	403,958	.....	.....	.....	.....	.....	403,958	100.0	....	....
	December	441,757	.....	.....	.....	.....	.....	441,757	100.0	....	....
1935	January	464,345	.....	.....	.....	.....	.....	464,345	100.0	....	....
	February	483,792	.....	.....	.....	.....	.....	483,792	100.0	....	....
	March	494,377	.....	.....	.....	.....	.....	494,377	100.0	....	....
	April	490,580	.....	.....	.....	.....	.....	490,580	100.0	....	....
	May	492,274	.....	.....	.....	.....	.....	492,274	100.0	....	....
	June	467,737	.....	.....	.....	.....	.....	467,737	100.0	....	....
	July	463,577	.....	.....	.....	.....	.....	463,577	100.0	....	....
	August	474,160	177	.....	.....	.....	.....	474,337	100.0	*	....
	September	458,599	9,208	.....	.....	.....	.....	467,807	98.0	2.0	....
	October	440,693	78,961	.....	.....	.....	.....	519,654	84.8	15.2	....
	November	411,002	171,019	.....	.....	.....	.....	582,021	70.6	2[illegible]	....
	December	294,919	218,146	.....	.....	.....	.....	513,065	57.5	42.5	....
1936	January	261,670	251,495	52,210	39,345	8,440	4,425	565,375	46.3	44.5	9.2
	February	231,415	271,936	54,784	39,373	8,539	6,872†	558,135	41.5	48.7	9.8
	March	220,513	284,618	55,457	39,157	8,594	7,706	560,588	39.3	50.8	9.9
	April	211,019	262,081	55,683	39,157	8,648	7,878	528,783	40.0	49.5	10.5
	May	203,689	238,199	56,536	39,971	8,662	7,903	498,424	40.9	47.8	11.3
	June	195,674	234,014	56,654	39,598	8,651	8,405	486,342	40.2	48.1	11.7
	July	190,718	238,033	61,394	44,042†	8,654	8,698	490,145	38.9	48.6	12.5
	August	183,187	248,084	65,589	47,929	8,669†	8,991	496,860	36.9	49.9	13.2
	September	156,373	249,060	65,823	48,010	8,634	9,179	481,256	34.6	51.7	13.7
	October	158,448	249,477	70,433	52,451	8,561	9,421	478,358	33.1	52.2	14.7
	November	149,691	248,333	75,519	56,730	9,254	9,535	473,543	31.6	52.4	16.0
	December	156,759	229,875	81,194	62,036	9,530	9,628	467,828	33.5	49.1	17.4
1937	January	165,660	225,211	87,505	67,703	10,064	9,738	478,376	34.6	47.1	18.3
	February	175,257	221,112	91,456	70,917	10,647	9,892	487,825	35.9	45.4	18.7
	March	181,190	215,933	96,576	74,886	11,687	10,003	493,699	36.7	43.7	19.6
	April	176,240	204,582	104,077	81,097	12,824	10,156	484,899	36.3	42.2	21.5
	May	163,454	197,275	112,075	87,623	14,146	10,306	472,804	34.6	41.7	23.7
	June	155,425	183,513	115,864	90,073	15,330	10,461	454,802	34.2	40.3	25.5
	July	160,003	162,104	117,624	91,370	15,743	10,511	439,731	36.4	36.9	26.7
	August	164,762	154,066	119,219	92,453	16,094	10,672	438,047	37.6	35.2	27.2
	September	165,418	149,021	120,628	93,517	16,332	10,779	435,067	38.0	34.3	27.7
	October	165,006	153,859	120,952	93,607	16,531	10,814	439,817	37.5	35.0	27.5
	November	160,838	157,851	122,341	94,684	16,725	10,932	441,030	36.5	35.8	27.7
	December	189,042	159,107	123,505	95,504	16,985	11,016	471,654	40.1	33.7	26.2
1938	January	231,685	172,598	124,214	95,775	17,298	11,141‡	528,497	43.8	32.7	23.5
	February	238,487	193,274	123,656	95,028	17,412	11,216	555,417	42.9	34.8	22.3
	March	218,767	209,310	123,265	94,337	17,633	11,295	551,342	39.7	38.0	22.3
	April	217,238	227,394	123,007	93,871	17,714	11,422	567,639	38.3	40.0	21.7
	May	218,467	237,014	122,965	92,561	17,896	11,508	578,446	37.8	41.0	21.2
	June	228,045	252,065	120,828	91,297	17,905	11,626	600,938	37.9	42.0	20.1
	July	231,243	271,716	119,841	90,147	17,962	11,732	622,800	37.1	43.6	19.3
	August	232,991	268,492	118,495	89,036	17,656	11,803	619,978	37.6	43.3	19.1
	September	243,867	272,533	118,348	88,994	17,460	11,894	634,748	38.4	43.0	18.6
	October	241,681	281,773	118,150	88,958	17,215	11,977	641,604	37.7	43.9	18.4
	November	231,525	288,221	117,593	88,402	17,178	12,013	637,339	36.3	45.2	18.5
	December	236,937	264,343	118,660	88,342	18,290	12,028	619,940	38.2	42.6	19.2
1939	January	260,672	248,570	120,486	87,837	20,601	12,048	629,728	41.4	39.5	19.1
	February	272,728	240,915	123,193	87,231	23,802	12,160	636,836	42.8	37.8	19.4
	March	281,708	238,731	124,986	89,941	22,868	12,177	645,425	43.6	37.0	19.4
	April	273,989	216,052	113,751	85,805	15,713	12,233	603,792	45.4	35.8	18.8
	May	272,322	202,284	114,510	84,320	17,992	12,198	589,116	46.3	34.3	19.4
	June	264,153	182,240	122,606	81,949	28,395	12,262	568,999	46.4	32.0	21.6
	July	279,548	144,538	122,905	81,496	29,073	12,336	546,991	51.0	26.5	22.5
	August	300,355	134,335	122,885	81,029	29,411	12,445	557,575	53.9	24.1	22.0
	September	319,065	120,137	122,755	80,495	29,811	12,449	561,957	56.8	21.4	21.8
	October	287,872	137,576	122,376	79,916	29,935	12,525	547,824	52.6	25.1	22.3
	November	244,731	142,341	121,620	79,297	29,734	12,589	508,692	48.0	28.0	24.0
	December	224,626	142,762	121,308	78,374	30,245	12,689	488,696	46.0	29.2	24.8

*Less than 1/10 of one per cent. †Federal participation commences. ‡Federal participation ends.

TABLE XXXII

WEST VIRGINIA

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	123,055	.....	.....	.....	....	....	123,055	100.0	...	...
	August	127,653	.....	.....	.....	....	....	127,653	100.0	...	...
	September	100,832	.....	.....	.....	....	....	100,832	100.0	...	...
	October	98,199	.....	.....	.....	....	....	98,199	100.0	...	...
	November	105,108	387	.....	.....	....	....	105,495	99.6	.4	...
	December	71,810	51,790	.....	.....	....	....	123,600	58.1	41.9	...
1934	January	63,684	84,976	.....	.....	....	....	148,660	42.8	57.2	...
	February	62,633	61,797	.....	.....	....	....	124,430	50.3	49.7	...
	March	71,283	36,346	.....	.....	....	....	107,629	66.2	33.8	...
	April	60,831	1,036	.....	.....	....	....	61,867	98.3	1.7	...
	May	75,988	8	.....	.....	....	....	75,996	100.0	...	...
	June	79,058	.....	.....	.....	....	....	79,058	100.0	...	...
	July	79,995	.....	.....	.....	....	....	79,995	100.0	...	...
	August	79,889	.....	.....	.....	....	....	79,889	100.0	...	...
	September	82,619	.....	.....	.....	....	....	82,619	100.0	...	...
	October	85,739	.....	.....	.....	....	....	85,739	100.0	...	...
	November	88,709	.....	.....	.....	....	....	88,709	100.0	...	...
	December	92,079	.....	.....	.....	....	....	92,079	100.0	...	...
1935	January	96,760	.....	.....	.....	....	....	96,760	100.0	...	...
	February	93,950	.....	.....	.....	....	....	93,950	100.0	...	...
	March	93,747	.....	.....	.....	....	....	93,747	100.0	...	...
	April	90,945	.....	.....	.....	....	....	91,259	100.0	...	...
	May	90,945	.....	.....	.....	....	....	90,945	100.0	...	...
	June	86,695	.....	.....	.....	....	....	86,695	100.0	...	...
	July	87,908	.....	.....	.....	....	....	87,908	100.0	...	...
	August	86,379	100	.....	.....	....	....	86,479	99.9	.1	...
	September	81,709	2,193	.....	.....	....	....	83,902	97.4	2.6	...
	October	78,418	6,368	.....	.....	....	....	84,786	92.5	7.5	...
	November	71,097	26,694	.....	.....	....	....	97,791	72.7	27.3	...
	December	56,307	50,689	.....	.....	....	....	106,996	52.6	47.4	...
1936	January	38,398	53,285	.....	.....	....	....	91,683	41.9	58.1	...
	February	32,036	55,909	.....	.....	....	....	87,945	36.4	63.6	...
	March	28,402	56,601	.....	.....	....	....	85,003	33.4	66.6	...
	April	27,108	50,724	.....	.....	....	....	77,832	34.8	65.2	...
	May	25,611	46,250	.....	.....	....	....	71,861	35.6	64.4	...
	June	24,642	43,790	.....	.....	....	....	68,432	36.0	64.0	...
	July	23,624	42,553	.....	.....	....	....	66,177	35.7	64.3	...
	August	23,577	42,477	.....	.....	....	....	66,054	35.7	64.3	...
	September	24,091	42,670	.....	.....	....	....	66,761	36.1	63.9	...
	October	24,621	44,513	.....	.....	....	....	69,134	35.6	64.4	...
	November	22,000	44,279	2,875	2,875*	....	....	69,154	31.8	64.0	4.2
	December	17,500	42,175	4,781	4,781	....	....	64,456	27.2	65.4	7.4
1937	January	14,500	39,552	8,507	8,264	205*	38*	62,559	23.2	63.2	13.6
	February	16,800	38,460	10,734	10,418	247	69	65,994	25.5	58.2	16.3
	March	18,400	36,985	15,187	13,589	1 355	243	70,572	26.1	52.4	21.5
	April	21,300	36,818	18,277	15,718	2,143	416	76,395	27.9	48.2	23.9
	May	20,400	36,380	20,503	17,120	2,797	586	77,283	26.4	47.1	26.5
	June	19,600	33,682	22,317	18,128	3,526	663	75,599	25.9	44.6	29.5
	July	16,700	29,782	23,705	19,041	3,949	715	70,187	23.8	42.4	33.8
	August	15,700	28,040	24,211	18,932	4,541	738	67,951	23.1	41.3	35.6
	September	15,200	27,057	24,091	18,687	4,661	743	66,348	22.9	40.8	36.3
	October	15,200	27,032	24,375	18,663	4,976	736	66,607	22.8	40.6	36.6
	November	15,400	27,781	24,474	18,606	5,122	746	67.655	22.8	41.0	36.2
	December	18,100	28,716	24,707	18,659	5,290	758	71,523	25.3	40.2	34.5
1938	January	22,624	32,117	24,833	18,647	5,430	756	79,574	28.4	40.4	31.2
	February	23,688	35,189	24,920	18,649	5,520	751	83,797	28.3	42.0	29.7
	March	24,078	39,513	24,872	18,541	5,575	756	88,463	27.2	44.7	28.1
	April	21,763	42,673	24,971	18,589	5,636	752	89,407	24.3	47.8	27.9
	May	23,985	43,042	24,995	18,538	5,704	753	92,022	26.1	46.8	27.1
	June	24,763	46,411	24,845	18,393	5,708	744	96,019*	25.8	48.3	25.9
	July	20,843	50,325	24,548	18,135	5,677	736	95,716	21.8	52.6	25.6
	August	21,556	51,326	24,372	17,933	5,711	728	97,254	22.2	52.8	25.0

* Federal participation commences.

	September	22,142	52,563	24,383	17,939	5,718	726	99,088	22.3	53.1	24.6
	October	21,937	52,972	24,432	17,925	5,776	731	99,341	22.1	53.3	24.6
	November	21,664	53,125	24,522	17,925	5,850	747	99,311	21.8	53.5	24.7
	December	22,185	50,956	24,678	17,978	5,940	754	97,819	22.7	52.1	25.2
1939	January	22,355	48,365	24,723	17,912	6,050	752	95,443	23.4	50.7	25.9
	February	22,714	47,655	25,151	17,991	6,397	763	95,520	23.8	49.9	26.3
	March	21,451	48,348	25,365	18,032	6,567	766	95,164	22.5	50.8	26.7
	April	19,646	44,645	25,530	17,996	6,765	769	89,821	21.9	49.7	28.4
	May	17,721	44,323	25,837	18,095	6,960	782	87,881	20.2	50.4	29.4
	June	14,137	40,524	26,131	18,168	7,162	801	80,792	17.5	50.2	32.3
	July	11,000	38,382	26,194	18,133	7,254	807	75,576	14.6	50.9	34.5
	August	10,780	31,371	26,000	17,854	7,336	810	68,151	15.8	46.0	38.2
	September	10,363	28,210	25,925	17,796	7,314	815	64,498	16.0	43.7	40.3
	October	10,956	27,140	25,906	17,749	7,338	819	64,002	17.1	42.4	40.5
	November	10,775	29,831	25,505	17,446	7,245	814	66,111	16.3	45.1	38.6
	December	12,223	32,639	25,465	17,362	7,289	814	70,327	17.4	46.4	36.2

TABLE XXXIII

WISCONSIN

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Fed. Work Programs	C Total Spec. Categories	Special Categories Old Age	Special Categories Dependent Children	Special Categories Blind	Total	Per Cent of Total A	Per Cent of Total B	Per Cent of Total C
1933	July	78,896	.....	.....	.....	....	....	78,896	100.0	...	...
	August	72,173	.....	.....	.....	....	....	72,173	100.0	...	...
	September	68,613	.....	.....	.....	....	....	68,613	100.0	...	...
	October	68,730	.....	.....	.....	....	....	68,730	100.0	...	...
	November	75,190	21,108	.....	.....	....	....	96,298	78.1	21.9	...
	December	65,720	142,045	.....	.....	....	....	207,765	31.6	68.4	...
1934	January	54,705	134,436	.....	.....	....	....	189,141	28.9	71.1	...
	February	64,467	75,396	.....	.....	....	....	139,863	46.1	53.9	...
	March	77,312	53,055	.....	.....	....	....	130,367	59.3	40.7	...
	April	112,501	1,552	.....	.....	....	....	114,053	98.6	1.4	...
	May	104,697	141	.....	.....	....	....	104,838	98.6	...	...
	June	107,314	19	.....	.....	....	....	107,333	99.9	.1	...
	July	95,753	.....	.....	.....	....	....	95,753	100.0	...	...
	August	99,700	.....	.....	.....	....	....	99,700	100.0	...	...
	September	105,404	.....	.....	.....	....	....	105,404	100.0	...	...
	October	107,139	.....	.....	.....	....	....	107,139	100.0	...	...
	November	110,038	.....	.....	.....	....	....	110,038	100.0	...	...
	December	116,876	.....	.....	.....	....	....	116,876	100.0	...	...
1935	January	124,724	.....	.....	.....	....	....	124,724	100.0	...	...
	February	128,179	.....	.....	.....	....	....	128,179	100.0	...	...
	March	117,298	.....	.....	.....	....	....	117,298	100.0	...	...
	April	114,988	.....	.....	.....	....	....	114,988	100.0	...	...
	May	108,299	.....	.....	.....	....	....	108,299	100.0	...	...
	June	102,437	.....	.....	.....	....	....	102,437	100.0	...	...
	July	95,442	.....	.....	.....	....	....	95,442	100.0	...	...
	August	91,573	.....	.....	.....	....	....	91,573	100.0	...	...
	September	89,391	4,433	.....	.....	....	....	93,824	95.3	4.7	...
	October	91,267	16,281	.....	.....	....	....	107,548	84.9	15.1	...
	November	88,224	48,866	.....	.....	....	....	137,090	64.4	35.6	...
	December	68,718	60,056	.....	.....	....	....	128,774	53.4	46.6	...
1936	January	57,043	64,971	19,697	10,868	6,844	1,985	141,711	40.3	45.8	13.9
	February	55,022	66,291	25,319	16,164*	7,145*	2,010*	146,632	37.5	45.2	17.3
	March	51,609	64,108	30,559	21,100	7,409	2,050	146,276	35.3	43.8	20.9
	April	46,991	58,773	34,586	24,809	7,681	2,096	140,350	33.5	41.9	24.6
	May	41,041	54,128	37,411	27,402	7,893	2,116	132,580	31.0	40.8	28.2
	June	35,240	49,594	39,435	29,259	8,047	2,129	124,269	28.4	39.9	31.7
	July	33,547	48,391	40,347	30,075	8,153	2,119	122,285	27.4	39.6	33.0
	August	33,181	51,213	41,489	31,118	8,249	2,122	125,883	26.4	40.6	33.0
	September	33,016	63,453	42,380	31,985	8,305	2,090	138,849	23.8	45.7	30.5
	October	34,284	75,860	43,292	32,821	8,403	2,068	153,436	22.3	49.5	28.2
	November	36,595	74,871	44,052	33,482	8,528	2,042	155,518	23.5	48.2	28.3
	December	40,924	53,069	44,653	33,992	8,627	2,034	138,646	29.5	38.3	32.2

* Federal participation commences.

1937	January	45,708	48,440	43,253	34,536	8,717	2,017	137,401	33.3	35.3	31.4
	February	47,425	50,796	45,838	35,004	8,834	2,000	144,059	32.9	35.3	31.4
	March	44,945	51,089	46,370	35,463	8,904	2,003	142,404	31.6	35.9	32.5
	April	40,217	47,621	46,841	35,815	9,031	1,995	134,679	29.9	35.3	34.8
	May	35,813	44,616	46,958	35,936	9,040	1,982	127,392	28.1	35.0	36.9
	June	31,336	42,405	47,210	36,208	9,022	1,580	120,951	25.9	35.1	39.0
	July	28,312	37,996	47,413	36,358	9,076	1,979	113,721	24.9	33.4	41.7
	August	26,971	35,624	47,720	36,594	9,151	1,975	110,315	24.4	32.3	43.3
	September	27,775	33,698	47,975	36,809	9,190	1,976	109,448	25.4	30.8	43.8
	October	31,216	33,977	48,162	36,927	9,263	1,970	113,355	27.5	30.0	42.5
	November	35,824	34,544	48,676	37,310	9,385	1,981	119,044	30.1	29.0	40.9
	December	44,688	37,408	49,393	37,816	9,589	1,988	131,489	34.0	28.4	37.6
1938	January	54,517	43,381	49,985	38,276	9,727	1,982	147,883	36.9	29.3	33.8
	February	57,372	49,011	50,578	38,784	9,819	1,975	156,961	36.6	31.2	32.2
	March	55,657	61,716	51,130	39,236	9,928	1,966	168,503	33.0	36.6	30.4
	April	49,141	69,526	51,664	39,699	10,001	1,964	170,331	28.9	40.8	30.3
	May	44,616	71,589	52,218	40,190	10,064	1,964	168,423	26.5	42.5	31.0
	June	42,452	72,726	52,783	40,714	10,110	1,959	167,961	25.3	43.3	31.4
	July	39,930	77,018	53,271	41,148	10,164	1,959	170,219	23.4	45.3	31.3
	August	39,440	80,133	53,709	41,542	10,209	1,958	173,282	22.8	46.2	31.0
	September	39,380	82,621	54,246	41,997	10,288	1,961	176,274	22.3	46.9	30.8
	October	42,727	85,917	54,818	42,482	10,370	1,966	183,462	23.3	46.8	29.9
	November	44,848	85,775	55,527	43,035	10,526	1,966	186,150	24.1	46.1	29.8
	December	48,948	80,043	56,325	43,659	10,701	1,965	185,316	26.4	43.2	30.4
1939	January	52,717	77,703	57,074	44,211	10,884	1,979	187,494	28.1	41.4	30.5
	February	53,547	75,332	57,789	44,747	11,058	1,984	186,668	28.7	40.4	30.9
	March	54,277	74,334	58,292	45,163	11,168	1,961	186,903	29.0	39.8	31.2
	April	51,570	69,485	58,923	45,660	11,293	1,970	179,978	28.7	38.6	32.7
	May	48,205	63,714	59,447	46,087	11,390	1,970	171,366	28.1	37.2	34.7
	June	44,746	62,723	59,970	46,566	11,425	1,979	167,439	26.7	37.5	35.8
	July	43,733	57,394	60,520	47,042	11,486	1,992	161,647	27.0	35.5	37.5
	August	44,248	48,037	61,144	47,560	11,588	1,996	153,429	28.7	31.3	40.0
	September	49,800	43,425	61,846	48,137	11,711	1,998	155,071	32.0	28.0	40.0
	October	49,950	47,744	62,463	48,709	11,764	1,990	160,157	31.2	29.8	39.0
	November	49,350	45,987	63,096	49,257	11,841	1,998	158,433	31.0	29.0	40.0
	December	50,599	51,166	63,606	49,652	11,942	2,012	165,371	30.3	31.2	38.5

TABLE XXXIV.

STATE AND LOCAL EXPENDITURES PER CAPITA FOR ALL FORMS OF RELIEF

1933-1938

Year	State	Population Estimated July 1 (000)	Direct Relief	Special* Categories	Sponsorship of Fed. Wrk. Programs (000)	Total	Per Capita Direct Relief	Special Categories	Spon. of Fed. Wrk. Program	Total
1933	ILL.	7,756	$18,775,538	.....	$1,055	$19,830,538	$2.42	....	$0.14	$2.56
1934		7,790	34,691,820	.....	4,247	38,938,820	4.45	....	.55	5.00
1935		7,817	22,421,473	.....	1,087	23,508,473	2.87	....	.14	3.01
1936		7,845	48,177,370	$ 5,396,553	20,733	74,306,923	6.14	$0.69	2.64	9.47
1937		7,878	49,279,518	16,010,490	26,693	91,983,008	6.25	2.03	3.39	11.67
1938		7,878	53,482,961	17,413,060	33,395	104,291,021	6.79	2.21	4.24	13.24
1933	IND.	3,364	5,798,790	.....	1,059	6,857,790	1.72	....	.32	2.04
1934		3,400	10,764,092	.....	2,878	13,642,092	3.16	....	.85	4.01
1935		3,429	11,958,169	.....	919	12,877,169	3.49	....	.27	3.76
1936		3,459	6,324,839	2,055,283	6,776	15,156,122	1.83	.59	1.96	4.38
1937		3,474	6,182,072	5,779,828	9,013	20,974,900	1.78	1.66	2.59	6.04
1938		3,474	10,414,375	7,679,000	13,518	31,611,375	3.00	2.21	3.89	9.10
1933	MD.	1,657	4,896,023	.....	94	4,990,023	2.95	....	.06	3.01
1934		1,664	5,130,228	.....	428	5,558,228	3.08	....	.26	3.34
1935		1,669	2,540,447	.....	95	2,635,447	1.52	....	.06	1.58
1936		1,674	2,653,717	1,795,690	1,164	5,613,407	1.59	1.07	.69	3.35
1937		1,679	2,140,525	2,886,591	2,045	7,072,116	1.27	1.72	1.22	4.21
1938		1,679	2,570,339	3,627,000	2,428	8,625,339	1.53	2.16	1.45	5.14

*Estimated.

1933	MASS.	4,309	33,299,784	.....	772	34,071,784	7.73	....	.18	7.91
1934		4,326	32,768,610	.....	3,013	35,781,610	7.57	....	.70	8.27
1935		4,375	38,416,318	.....	212	38,628,318	8.78	....	.05	8.83
1936		4,425	23,580,020	8,011,596	9,274	40,865,616	5.33	1.81	2.10	9.24
1937		4,426	22,539,862	12,869,242	13,330	48,739,104	5.09	2.91	3.01	11.01
1938		4,426	26,916,644	17,708,000	16,624	61,248,644	6.08	4.00	3.76	13.84
1933	MICH.	4,716	8,101,726	.....	622	8,723,726	1.72	....	.13	1.85
1934		4,680	19,651,364	.....	1,916	21,567,364	4.20	....	.41	4.61
1935		4,731	16,605,125	.....	734	17,339,125	3.51	....	.16	3.67
1936		4,783	20,780,055	3,974,742	9,161	33,915,797	4.34	.83	1.92	7.09
1937		4,830	17,136,490	8,177,735	15,792	41,106,225	3.55	1.69	3.27	8.51
1938		4,830	33,260,692	10,900,000	18,793	62,953,692	6.89	2.25	3.89	13.03
1933	N. J.	4,202	15,338,520	.....	393	15,731,520	3.65	....	.09	3.74
1934		4,249	15,412,337	.....	1,905	17,317,337	3.63	....	.45	4.08
1935		4,288	19,448,437	.....	218	19,666,437	4.54	....	.05	4.59
1936		4,328	17,910,626	3,493,089	4,317	25,720,715	4.14	.81	1.00	5.94
1937		4,343	17,130,498	5,596,840	17,111	39,838,338	3.94	1.29	3.94	9.17
1938		4,343	23,458,431	6,000,000	22,318	51,776,431	5.40	1.38	5.14	11.92
1933	N. Y.	12,791	75,087,496	.....	2,248	77,335,496	5.87	....	.18	6.05
1934		12,846	117,838,758	.....	9,460	127,298,758	9.17	....	.74	9.91
1935		12,890	131,771,125	.....	4,117	135,888,125	10.22	....	.32	10.54
1936		12,935	143,789,798	23,239,557	30,916	197,945,355	11.12	1.79	2.39	15.30
1937		12,959	138,526,971	24,081,968	32,570	195,178,939	10.69	1.86	2.51	15.06
1938		12,959	149,518,009	30,000,000	47,735	227,253,009	11.54	2.32	3.68	17.54
1933	OHIO	6,691	16,832,307	.....	1,310	18,142,307	2.52	....	.19	2.71
1934		6,701	21,440,097	.....	3,768	25,208,097	3.20	....	.56	3.76
1935		6,707	12,339,620	.....	1,117	13,456,620	1.84	....	.17	2.01
1936		6,713	27,950,011	13,002,578	14,565	55,517,589	4.16	1.94	2.17	8.27
1937		6,733	20,611,797	16,084,664	19,194	55,890,461	3.06	2.39	2.85	8.30
1938		6,733	25,250,244	19,000,000	25,386	69,636,244	3.75	2.82	3.77	10.34
1933	PENNA.	9,918	39,809,928	.....	791	40,600,928	4.01	....	.08	4.09
1934		10,000	40,517,136	.....	5,643	46,160,136	4.05	....	.56	4.62
1935		10,067	52,403,910	.....	1,076	53,479,910	5.21	....	.10	5.31
1936		10,136	72,762,695	9,851,992	12,204	94,818,687	7.18	.97	1.20	9.35
1937		10,176	63,283,130	19,624,584	21,861	104,768,714	6.23	1.93	2.15	10.30
1938		10,176	83,549,496	20,000,000	32,809	136,358,496	8.22	1.96	3.22	13.40
1933	W. VA.	1,786	786,278	.....	120	906,278	.44	....	.07	.51
1934		1,802	2,762,397	.....	387	3,149,397	1.53	....	.22	1.75
1935		1,816	3,028,197	.....	108	3,136,197	1.67	....	.06	1.73
1936		1,830	3,691,654	32,500	3,238	6,962,154	2.01	.02	1.77	3.80
1937		1,865	2,873,899	1,839,126	4,753	9,466,025	1.54	.99	2.55	5.08
1938		1,865	3,504,158	2,400,000	5,990	11,894,158	1.88	1.29	3.21	6.38
1933	WISC.	2,917	7,849,729	.....	620	8,469,729	2.69	....	.21	2.90
1934		2,908	8,419,185	.....	1,311	9,730,185	2.90	....	.45	3.35
1935		2,908	13,963,784	.....	843	14,806,784	4.80	....	.29	5.09
1936		2,908	12,130,646	4,726,068	8,019	24,875,714	4.17	1.62	2.76	8.55
1937		2,926	11,546,694	6,825,233	8,798	27,169,927	3.95	2.33	3.01	9.29
1938		2,926	12,723,385	8,652,000	11,466	32,841,385	4.35	2.95	3.92	11.22

TABLE XXXV

STATE AND LOCAL EXPENDITURES FOR DIRECT RELIEF

1933-38

Year	State	Population Estimated July 1 (000)	Local Expenditures Direct Relief	State Expenditures Direct Relief	Total State and Local Expenditures Direct Relief	Per Capita Local	Per Capita State	Per Capita Total	Per Cent State	Per Cent Local
1933	ILL.	7,756	$4,947,314	$13,828,224	$18,775,538	$0.64	$1.78	$2.42	73.7	26.3
1934		7,790	4,241,800	30,450,020	34,691,820	.54	3.91	4.45	87.8	12.2
1935		7,817	4,572,208	17,849,265	22,421,473	.59	2.28	2.87	79.6	20.4
1936		7,845	5,048,636	43,128,734	48,177,370	.64	5.50	6.14	89.5	10.5
1937		7,873	14,823,476	34,456,022	49,279,518	1.88	4.37	6.25	69.9	30.1
1938		7,878	17,811,164	35,671,797	53,482,961	2.26	4.53	6.79	66.7	33.3

1933	IND.	3,364	5,786,153	12,637	5,798,790	1.72	...	1.72	.2	99.8
1934		3,400	10,743,603	20,489	10,764,092	3.16	.01	3.17	.2	99.8
1935		3,429	11,826,659	131,510	11,958,169	3.45	.04	3.49	1.1	98.9
1936		3,446	6,315,961	8,878	6,324,839	1.83	...	1.84	.1	99.9
1937		3,467	6,177,883	4,184	6,182,072	1.78	...	1.78	.1	99.9
1938		3,467	10,304,198	110,177	10,414,375	2.97	.03	3.00	1.1	98.9
1933	MD.	1,657	124,100	4,771,923	4,896,023	.07	2.88	2.95	97.5	2.5
1934		1,664	733,871	4,396,357	5,130,228	.44	2.64	3.08	85.7	14.3
1935		1,669	296,118	2,244,329	2,540,447	.18	1.34	1.52	88.3	11.7
1936		1,674	1,293,798	1,359,919	2,653,717	.77	.81	1.58	51.2	48.8
1937		1,677	1,178,616	961,909	2,140,525	.70	.57	1.27	44.9	55.1
1938		1,677	2,057,310	513,029	2,570,339	1.23	.30	1.53	19.9	80.1
1933	MASS.	4,309	33,008,671	291,093	33,299,784	7.66	.07	7.73	.9	99.1
1934		4,326	32,619,624	148,986	32,768,610	7.54	.03	7.57	.5	99.5
1935		4,375	38,298,541	117,777	38,416,318	8.75	.03	8.78	.3	99.7
1936		4,425	23,523,000	57,020	23,580,020	5.32	.01	5.33	.2	99.8
1937		4,426	21,229,635	1,310,227	22,539,862	4.80	.29	5.09	5.8	94.2
1938		4,426	26,856,644	60,000	26,916,644	6.07	.01	6.08	.2	99.8
1933	MICH.	4,716	2,892,466	5,209,260	8,101,726	.62	1.10	1.72	64.3	35.7
1934		4,680	7,662,740	11,988,624	19,651,364	1.64	2.56	4.20	61.0	39.0
1935		4,731	7,336,704	9,268,421	16,605,125	1.55	1.96	3.51	55.8	44.2
1936		4,783	8,837,368	11,942,687	20,780,055	1.84	2.50	4.34	57.5	42.5
1937		4,830	6,315,738	10,820,752	17,136,490	1.31	2.24	3.55	63.2	36.8
1938		4,830	12,344,234	20,916,458	33,260,692	2.56	4.33	6.89	62.9	37.1
1933	N. J.	4,202	2,968,023	12,370,497	15,338,520	.71	2.94	3.65	80.6	19.4
1934		4,249	2,615,559	12,796,778	15,412,337	.62	3.01	3.63	83.0	17.0
1935		4,288	4,122,990	15,325,447	19,448,437	.96	3.57	4.54	78.8	21.2
1936		4,328	5,522,998	12,387,628	17,910,626	1.28	2.86	4.14	69.2	30.8
1937		4,343	4,499,524	12,630,974	17,130,498	1.03	2.91	3.94	73.7	26.3
1938		4,343	5,771,761	17,686,670	23,458,431	1.33	4.07	5.40	75.4	24.6
1933	N. Y.	12,791	61,515,101	13,572,395	75,087,496	4.81	1.06	5.87	18.1	81.9
1934		12,846	72,171,200	45,667,558	117,838,758	5.62	3.55	9.17	38.8	61.2
1935		12,890	81,916,334	49,854,791	131,771,125	6.35	3.87	10.22	37.8	62.2
1936		12,935	82,183,121	61,606,677	143,789,798	6.35	4.77	11.12	42.9	57.1
1937		12,959	83,026,771	55,500,200	138,526,971	6.41	4.28	10.69	40.1	59.9
1938		12,959	89,360,643	60,157,366	149,518,009	6.90	4.64	11.54	40.2	59.8
1933	OHIO	6,691	8,556,112	8,276,195	16,832,307	1.28	1.24	2.52	49.2	50.8
1934		6,701	3,542,832	17,897,265	21,440,097	.53	2.67	3.20	83.5	16.5
1935		6,707	3,825,545	8,514,075	12,339,620	.51	1.27	1.84	69.0	31.0
1936		6,713	2,753,452	25,196,559	27,950,011	.41	3.75	4.16	90.1	9.9
1937		6,733	9,589,636	11,022,161	20,611,797	1.42	1.64	3.06	53.5	46.5
1938		6,733	17,030,533	8,219,711	25,250,244	2.53	1.22	3.75	32.6	67.4
1933	PENNA.	9,918	5,174,157	34,635,771	39,809,928	.52	3.49	4.01	87.0	13.0
1934		10,000	10,451,799	30,065,337	40,517,136	1.04	3.01	4.05	74.2	25.8
1935		10,067	9,346,873	43,057,047	52,403,910	.93	4.28	5.21	82.2	17.8
1936		10,136	60,943	72,701,752	72,762,695	.01	7.17	7.18	99.9	.1
1937		10,158	1,040	63,282,090	63,283,130	....	6.23	6.23	100.0	*
1938		10,158	64	83,549,432	83,549,496	....	8.22	8.22	100.0	*
1933	W. VA.	1,786	783,955	2,323	786,278	.44	....	.44	.3	99.7
1934		1,802	462,938	2,299,459	2,762,397	.25	1.28	1.53	83.2	16.8
1935		1,816	312,991	2,715,206	3,028,197	.17	1.50	1.67	89.7	10.3
1936		1,830	225,534	3,466,120	3,691,654	.12	1.89	2.01	93.9	6.1
1937		1,865	591,465	2,282,434	2,873,899	.32	1.22	1.54	79.4	20.6
1938		1,865	876,038	2,628,120	3,504,158	.47	1.41	1.88	75.0	25.0
1933	WISC.	2,917	7,004,868	845,043	7,849,729	2.40	.29	2.69	10.8	89.2
1934		2,908	8,209,834	209,351	8,419,185	2.82	.08	2.90	2.5	97.5
1935		2,908	10,783,862	3,179,922	13,963,784	3.71	1.09	4.80	22.8	77.2
1936		2,908	9,089,484	3,041,162	12,130,646	3.13	1.04	4.17	25.1	74.9
1937		2,926	9,664,939	1,881,755	11,546,694	3.30	.65	3.95	16.3	83.7
1938		2,926	10,699,786	2,023,599	12,723,385	3.66	.69	4.35	15.9	84.1

* Less than 1/10 of one per cent.

TABLE XXXVI

STATE, LOCAL AND FEDERAL EXPENDITURES FOR DIRECT RELIEF

(Amounts in Thousands)

State	Year	Population	Expenditures for Direct Relief				Per Cent			Per Capita			
			Local	State	Federal	Total	Local	State	Fed.	Local	State	Fed.	Total
ILL.	1933	7,756	$4,947	$13,828	$59,943	$78,718	6.3	17.5	76.2	$0.64	$1.78	$7.72	$10.14
	1934	7,790	4,242	30,450	72,219	106,911	4.0	28.5	67.5	.54	3.91	9.28	13.73
	1935	7,817	4,572	17,849	100,505	122,927	3.7	14.8	81.5	.59	2.28	12.95	15.82
	1936	7,845	5,049	43,129	918	49,095	10.2	88.0	1.8	.64	5.50	.12	6.26
	1937	7,878	14,823	34,456	376	49,656	29.8	69.4	.8	1.88	4.37	.05	6.30
	1938	7,878	17,811	35,672	17	53,500	33.0	67.0	*	2.26	4.53	.02	6.81
IND.	1933	3,364	5,786	13	8,308	14,107	41.0	*	59.0	1.72	....	2.47	4.19
	1934	3,400	10,744	20	20,713	31,477	34.0	*	66.0	3.16	.01	6.09	9.26
	1935	3,429	11,827	132	22,762	34,720	34.1	.4	65.5	3.45	.04	6.64	10.12
	1936	3,459	6,316	9	678	7,002	90.3	.1	9.6	1.83	....	.20	2.03
	1937	3,474	6,178	4	491	6,673	92.5	*	7.5	1.78	....	.14	1.92
	1938	3,474	10,304	110	287	10,701	96.5	1.0	2.5	2.97	.03	.08	3.08
MD.	1933	1,657	124	4,772	4,248	9,144	1.4	52.2	46.4	.07	2.88	2.57	5.52
	1934	1,664	734	4,396	14,717	19,847	3.7	22.3	74.0	.44	2.64	8.84	11.92
	1935	1,669	296	2,244	14,384	16,925	1.7	13.2	85.1	.18	1.34	8.62	10.14
	1936	1,674	1,294	1,360	58	2,712	47.6	50.3	2.1	.77	.81	.04	1.62
	1937	1,679	1,179	962	.....	2,141	55.3	44.7	*	.70	.57	....	1.27
	1938	1,679	2,057	513	.....	2,570	80.0	20.0	*	1.23	.30	....	1.53
MASS	1933	4,309	33,009	291	7,157	40,457	81.6	.7	17.7	7.66	.07	1.66	9.39
	1934	4,326	32,620	149	40,498	73,267	44.5	.2	55.3	7.54	.03	9.36	16.93
	1935	4,375	38,299	118	67,151	105,568	36.2	.1	63.7	8.75	.03	15.35	24.13
	1936	4,425	6,316	9	678	7,002	90.2	.1	9.7	5.32	.01	.25	5.58
	1937	4,426	21,300	1,310	16	22,556	94.2	5.8	*	4.80	.29	....	5.09
	1938	4,426	26,857	60	.....	26,917	99.8	.2	...	6.07	.01	....	6.08
MICH.	1933	4,716	2,892	5,209	37,617	45,719	6.3	11.7	82.0	.62	1.10	7.97	9.69
	1934	4,680	7,663	11,989	41,185	60,837	12.6	19.7	67.7	1.64	2.56	8.80	13.00
	1935	4,731	7,337	9,268	49,839	66,444	11.0	14.0	75.0	1.55	1.96	10.53	14.04
	1936	4,783	8,837	11,943	445	21,225	41.7	56.2	2.1	1.84	2.50	.09	4.43
	1937	4,830	6,316	10,821	7	17,143	36.8	63.2	*	1.31	2.24	....	3.55
	1938	4,830	12,344	20,916	.....	33,261	37.0	63.0	*	2.56	4.33	....	6.89
N. J.	1933	4,202	2,968	12,370	10,512	25,851	11.5	48.0	40.5	.71	2.94	2.50	6.15
	1934	4,249	2,616	12,797	34,518	49,931	5.2	25.6	69.3	.62	3.01	8.12	11.75
	1935	4,288	4,123	15,325	43,191	62,639	6.5	24.5	69.0	.96	3.58	10.07	14.61
	1936	4,328	5,523	12,388	1,913	19,824	27.7	62.7	9.6	1.28	2.86	.44	4.58
	1937	4,343	4,500	12,631	1	17,131	26.3	73.7	*	1.03	2.91	....	3.94
	1938	4,343	5,772	17,687	.....	23,458	24.7	75.3	*	1.33	4.07	....	5.40
N. Y.	1933	12,791	61,515	13,572	68,644	143,732	42.7	9.5	47.8	4.81	1.06	5.37	11.24
	1934	12,846	72,171	45,668	157,588	275,427	26.1	16.5	57.4	5.62	3.55	12.27	21.44
	1935	12,890	81,916	49,855	177,370	309,141	26.6	16.1	57.3	6.35	3.87	13.76	23.98
	1936	12,935	82,183	61,607	5,689	149,478	55.0	41.2	3.8	6.35	4.77	.44	11.56
	1937	12,959	83,027	55,500	226	138,753	60.0	40.0	*	6.41	4.28	.02	10.71
	1938	12,959	89,361	60,157	36	149,554	60.0	40.0	*	6.90	4.64	....	11.54
OHIO	1933	6,691	8,556	8,276	29,365	46,197	18.5	17.9	63.6	1.28	1.24	4.38	6.90
	1934	6,701	3,543	17,897	59,138	80,578	4.4	22.2	73.4	.53	2.67	8.82	12.02
	1935	6,707	3,826	8,514	85,330	97,670	3.9	8.7	87.4	.57	1.27	12.72	14.56
	1936	6,713	2,753	25,197	1,136	29,086	9.5	86.6	3.9	.41	3.75	.17	4.33
	1937	6,733	9,590	11,022	107	20,719	46.3	53.2	.5	1.42	1.64	.02	3.08
	1938	6,733	17,031	8,220	.....	25,250	67.4	32.6	...	2.53	1.22	....	3.75
PENNA.	1933	9,918	5,174	34,636	47,397	87,206	5.9	39.7	54.4	.52	3.49	4.78	8.79
	1934	10,000	10,452	30,065	105,643	146,161	7.1	20.6	72.3	1.04	3.01	10.56	14.61
	1935	10,067	9,347	43,057	160,584	212,988	4.4	20.2	75.4	.93	4.28	15.95	21.16
	1936	10,136	61	72,702	154	72,916	.1	99.7	.2	.01	7.17	.01	7.19
	1937	10,158	1	63,282	.....	63,284	...	100.0	...	....	6.23	....	6.23
	1938	10,158	.....	83,549	.....	83,549	...	100.0	...	....	8.22	....	8.22
W. VA.	1933	1,786	784	2	16,244	17,030	4.6	...	95.4	.44	....	9.09	9.53
	1934	1,802	463	2,299	16,769	19,531	2.4	11.8	85.8	.25	1.28	9.31	10.84
	1935	1,816	313	2,715	17,681	20,710	1.5	13.1	85.4	.17	1.50	9.73	11.40
	1936	1,830	226	3,466	244	3,936	5.7	88.1	6.2	.12	1.89	.14	2.15
	1937	1,865	591	2,282	.....	2,874	20.6	79.4	...	.32	1.22	....	1.55
	1938	1,865	876	2,628	.....	3,504	25.0	75.0	...	.47	1.41	....	1.88

* Less than 1/10 of one per cent.

WISC.	1933	2,917	7,005	845	13,707	21,556	32.5	3.9	63.6	2.40	.29	4.70	7.39
	1934	2,908	8,210	209	30,732	39,151	21.0	.5	78.5	2.82	.07	10.57	13.46
	1935	2,908	10,784	3,180	35,225	49,188	21.9	6.5	71.6	3.71	1.09	12.11	16.91
	1936	2,908	9,089	3,041	1,051	13,182	68.9	23.1	8.0	3.13	1.04	.36	4.53
	1937	2,926	9,665	1,882	307	11,854	81.5	15.9	2.6	3.30	.65	.10	4.05
	1938	2,926	10,700	2,024	2	12,725	84.1	15.9	...	3.66	.69	....	4.35

TABLE XXXVII

RELIEF EXPENDITURES IN RELATION TO ESTIMATED TAX COLLECTION

(Amounts in thousands of dollars)

State	Year	Estimated Tax Collection*			Expenditures for Direct Relief			State & Local Expenditures for Dir. Rel. plus Categories & Share of WPA	Per Cent of			
		State	Local	Total	State	Local	Total		State Taxes for Dir. Relief	Local Taxes for Dir. Relief	State & Local Taxes for Dir. Relief	State Taxes for Rel. plus Categories & WPA
ILL.	1933	$79,304	$290,661	$369,965	$13,828	$4,947	$18,776	$19,831	17.4	1.7	5.1	5.4
	1934	102,647	280,472	383,119	30,450	4,242	34,692	38,939	29.7	1.5	9.1	10.2
	1935	108,836	325,311	434,147	17,849	4,572	22,421	23,503	16.4	1.4	5.2	5.4
	1936	127,856	292,901	420,757	43,129	5,049	48,177	74,307	33.7	1.7	11.4	18.4
	1937	152,589	304,343	456,932	34,456	14,823	49,280	91,983	22.6	4.9	10.8	20.1
	1938	172,253	303,119	475,372	35,672	17,811	53,483	104,291	20.7	5.9	11.3	21.9
IND	1933	30,897	104,328	135,225	13	5,786	5,799	6,858	*	5.5	4.3	5.1
	1934	47,635	83,200	130,835	20	10,744	10,764	13,642	*	12.9	8.2	10.4
	1935	51,597	94,827	146,424	132	11,827	11,958	12,877	.3	12.5	8.2	8.8
	1936	58,686	91,815	150,501	9	6,316	6,325	15,156	*	6.9	4.2	10.0
	1937	68,461	98,463	166,924	4	6,178	6,182	20,975	*	6.3	3.7	12.6
	1938	74,065	98,864	172,929	110	10,304	10,414	31,611	.1	10.4	6.0	18.3
MD.	1933	21,616	50,935	72,551	4,772	124	4,896	4,990	22.1	.2	6.7	6.9
	1934	22,813	50,222	73,035	4,396	734	5,130	5,558	19.3	1.4	7.0	7.6
	1935	24,485	56,335	80,820	2,244	296	2,540	2,635	9.2	.5	3.1	3.3
	1936	29,161	55,111	84,272	1,360	1,294	2,654	5,613	4.7	2.3	3.1	6.7
	1937	30,281	56,281	86,562	962	1,179	2,141	7,072	3.1	2.1	2.5	8.2
	1938	32,716	56,281	88,997	513	2,057	2,570	8,625	1.6	3.7	2.9	9.7
MASS.	1933	49,325	233,979	283,304	291	33,009	33,300	34,072	.6	14.1	11.8	12.0
	1934	53,819	242,718	296,537	149	32,620	32,769	35,782	.3	13.4	11.1	12.1
	1935	58,000	248,324	306,324	118	38,299	38,416	38,628	.2	15.4	12.5	12.6
	1936	62,407	255,265	317,672	57	23,523	23,580	40,866	*	9.2	7.4	12.9
	1937	73,900	250,458	324,358	1,310	21,230	22,540	48,739	1.8	8.5	6.9	15.0
	1938	73,900‡	250,458‡	324,358‡	60	26,857	26,917	61,249	.1	10.7	8.3	18.9
MICH.	1933	50,119	207,519	257,638	5,209	2,892	8,102	8,724	10.4	1.4	3.1	3.4
	1934	81,375	172,006	253,381	11,989	7,663	19,651	21,567	14.7	4.5	7.8	8.5
	1935	92,194	172,988	265,182	9,268	7,337	16,605	17,339	10.1	4.2	6.3	6.5
	1936	99,097	169,852	266,949	11,943	8,837	20,780	33,916	12.1	5.2	7.8	12.7
	1937	134,853	148,741	28[illegible],594	10,821	6,316	17,136	41,106	8.0	4.2	6.0	14.5
	1938	152.189	150,194	302,383	20,916	12,344	33,261	62,954	13.7	8.2	11.0	20.8
N. J	1933	76,057	231,625	307,682	12,370	2,968	15,339	15,732	16.3	1.3	5.0	5.1
	1934	71,127	240,721	311,848	12,797	2,616	15,412	17,317	18.0	1.1	4.9	5.6
	1935	78,576	238,120	316,696	15,325	4,123	19,448	19,666	19.5	1.7	6.1	6.2
	1936	105,788	242,840	348,628	12,388	5,523	17,911	25,721	11.7	2.3	5.1	7.4
	1937	92,404	248,244	340,648	12,631	4,500	17,130	39,838	13.7	1.8	5.0	[illegible]
	1938	95,370	245,876	341,246	17,687	5,772	23,458	51,776	18.5	2.3	6.0	15.2
N. Y.	1933	208,829	747,194	956,023	13,572	61,515	75,087	77,335	6.5	8.2	7.9	8.1
	1934	247,437	815,245	1,062,682	45,668	72,171	117,839	127,299	18.5	8.9	11.1	12.0
	1935	240,614	869,657	1,110,271	49,855	81,916	131,771	135,888	20.1	9.4	11.2	12.2
	1936	318,723	877,262	1,195,985	61,607	82,183	143,790	197,945	19.3	9.4	12.0	16.6
	1937	348,927	887,527	1,236,454	55,500	83,027	138,527	195,179	15.9	9.4	11.2	15.8
	1938	377,495	891,796	1,269,291	60,157	89,361	149,518	227,253	15.9	10.0	11.8	17.9
OHIO	1933	51,956	228,302	280,258	8,276	8,556	16,832	18,142	15.9	3.7	6.0	6.5
	1934	66,160	233,054	299,214	17,897	3,543	21,440	25,208	27.1	1.5	4.8	8.4
	1935	71,830	254,827	326,657	8,514	3,826	12,340	13,457	11.9	1.5	3.8	4.1
	1936	107,596	269,794	377,390	25,197	2,753	27,950	55,518	23.4	1.0	7.4	14.7
	1937	149,741	237,309	387,050	11,022	9,590	20,612	55,890	7.4	4.0	5.3	14.4
	1938	148,556	238,025	386,581	8,220	17,031	25,250	69,636	5.5	7.2	6.5	18.0

PENNA.	1933	139,393	291,897	431,290	34,636	5,174	39,810	40,601	24.8	1.8	9.2	9.4
	1934	121,209	291,708	412,917	30,065	10,452	40,517	46,160	24.8	3.6	9.8	11.2
	1935	134,581	304,379	438,960	43,057	9,347	52,404	53,480	32.0	3.1	11.9	12.2
	1936	173,495	315,728	489,223	72,702	61	72,763	94,819	41.9	*	14.9	19.4
	1937	266,899	319,596	586,495	63,282	1	63,283	104,769	23.7	*	10.8	17.9
	1938	268,500	323,500	592,000	83,549	.....	83,549	136,358	31.1	*	14.1	23.0
W. VA.	1933	15,034	41,150	56,184	2	784	786	906	*	1.9	1.4	1.6
	1934	24,530	26,356	50,886	2,299	463	2,762	3,149	9.4	1.8	5.4	6.2
	1935	35,303	25,791	61,094	2,715	313	3,028	3,136	7.7	1.2	5.0	5.1
	1936	37,038	25,468	62,506	3,466	226	3,692	6,962	9.4	.9	5.9	11.1
	1937	43,058	25,221	68,279	2,282	591	2,874	9,466	5.3	2.3	4.2	13.9
	1938	45,228	24,997	70,225	2,628	876	3,504	11,894	5.8	3.5	5.0	16.9
WISC.	1933	47,564	110,647	158,211	845	7,005	7,850	8,470	1.8	6.3	5.0	5.4
	1934	47,248	104,630	151,878	209	8,210	8,419	9,730	.4	7.8	5.5	6.4
	1935	46,898	106,252	153,150	3,180	10,784	13,964	14,807	6.8	10.1	9.2	9.7
	1936	53,074	111,592	164,666	3,041	9,090	12,131	24,876	5.7	8.1	7.4	15.1
	1937	61,669	124,005	185,674	1,882	9,665	11,547	27,170	3.1	7.8	6.2	14.6
	1938	64,144	131,567	195,711	2,024	10,700	12,723	32,841	3.2	8.1	6.5	16.8

† 1933 to 1937 Estimated by the Industrial Conference Board; 1938 Estimated by Pennsylvania Economy League.
* Less than 1/10 of one per cent.
‡ 1937 figures repeated due to 1938 being unavailable.

APPENDIX II

SOURCES OF DATA

TABLES I, II, AND III

The figures from which these tables were prepared were furnished by the Bureau of Research and Statistics of the Department of Public Assistance. In the preparation of these tables we have taken the average of the monthly figures for each quarter in order to simplify the plotting of the charts (Nos. 1, 2 and 3) based on this information. Two inconsistencies in the figures in these tables should be noted. Table I includes expenditures on N.Y.A. work projects (but not student aid) while no corresponding case or person figures are included in Tables II and III. Table I, under the heading Local Work Programs, includes expenditures for materials and supplies as well as wages of relief labor in the second and third quarters of 1934, whereas all other figures in Table I include only the amount received by the relief recipient either in cash or in kind. Since the preparation of Table I and Chart I, the Department of Public Assistance has revised its figures on Local Work Programs to show only the relief wages. This adjustment would reduce the figures shown in the table for local work programs during the two quarters affected as follows:

Year	Quarter	Figure Quoted	Relief Wages Only
1934	2	3,993,796	2,565,872
	3	1,632,543	1,192,763

TABLES IV-XXXIII

Tables IV to XI, inclusive, are based on computations made from the information contained in Tables XII-XXXIII. Tables XII to XXII show the expenditures by states and by months for General Assistance (including Local Work Programs, if any), Federal Work Programs, and Special Categories. The expenditures used here purport to be the amount of relief granted, excluding the cost of administration, materials and supplies, burials, medical aid and other incidentals. Tables XXIII to XXXIII show by states and by months the number of cases receiving relief under any of the programs covered here.

General Assistance expenditures for the period, July, 1933 through December, 1935, were taken from an undated publication of the Federal Emergency Relief Administration, prepared under the direction of T. E. Whiting, entitled "Statistical Summary of Emergency Relief Activities January, 1933, through December, 1935," Table 6 of which is headed "Amount of Obligation Incurred for Emergency Relief Extended to Cases Under the General Relief Program, by States, July, 1933 through December, 1935." Case figures for this period were taken from the same publication Table 4 of which shows "Number of Cases Receiving Emergency Relief under the General Relief Program' by States, July 1933 through December 1935." Data on General Assistance for the period, January 1936 through March 1937, was taken from tabulations prepared by the Division of Statistics, Works Progress Administration, dated June 6, 1939. The figures in these tabulations are a final revision of those originally published in April 1938 under the title "General Relief Statistics for the Fifteen Month Period, January 1936 through March 1937." These tabulations, entitled respectively, "Obligations incurred for General Relief Extended to Cases in Individual States, by Sources of Funds, January 1936 through March 1937" and "Number of Cases Receiving General Relief in Individual States, by Months, January 1936 through March 1937." It should be noted that these latter titles say "General Relief" instead of "Emergency Relief Under the General Relief Program," and are therefore somewhat more inclusive than the earlier tables. For an explanation of the differences see the foreword to the publication covering the 1933-35 period. For the period from April 1937 through December 1938, General Assistance figures were supplied by the Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board in the form of typed tables dated September 18, 1939 and apparently on the same basis as the 1936-37 figures supplied by the Works Progress Administration. For the year 1939 General Assistance figures were taken from the monthly tables published in the Social Security Bulletin, a publication of the Social Security Board.

Throughout, the expenditure figures are reported on

the basis of obligations incurred rather than on the basis of the date the bills were actually paid. The case figures represent in each instance the whole number of cases receiving relief at some time during the month rather than the average number receiving relief during the month. This causes an overstatement of the relief load at all times and the degree of overstatement varies with the case turnover.

The Federal Work Programs figures for the period from November 1933 through July 1934 were taken from "An Analysis of Civil Works Program Statistics" published by the Works Progress Administration in June 1939. The case figures differ from others used in the accompanying tables in that they are the number of persons employed during the week ending nearest the middle of the month rather than the average number employed during the month or the total number of different persons employed at any time during the month. This case count is not closely geared to the earnings of persons employed under the program as evidenced by wide and in some cases preposterous fluctuations of earnings per case per month and in several cases reported earnings with no reported employment. In this latter case an employment figure has been supplied by taking average monthly earnings for the state during months where both employment and earnings are reported and dividing it into the reported earnings.

For the period from August 1935 through September 1939 the Federal Work Programs figures were taken from mimeographed tabulations distributed by the Work Projects Administration showing the earnings of persons employed on projects operated by W.P.A. and the average number of persons employed on such projects during each month. Three factors need comment in connection with these figures:

1—Both the employment and earnings figures include some amount of non-relief labor which properly should be excluded from the tables but which cannot be segregated from any figures available. The figures do not, however, include any administrative personnel or expense.

2—The figures are restricted to projects operated by W.P.A., whereas there are in most states a few projects operated by other Federal Agencies with W.P.A. funds which should be included in the tables. It can only be hoped that this exclusion roughly offsets the inclusion of non-relief labor already mentioned.

3—The employment or case figures used here are the average number employed arrived at by averaging the number of employes appearing on each payroll for a pay period ending within the month. These figures are not therefore overstated as are the General Assistance and Special Categories cases. There is, however, the possibility that more than one person from the same family or general assistance case is employed under the Federal Works Program at the same time which would tend to overstate the W.P.A. case load in terms of comparable units and perhaps to some degree offset the known overstatement of the general assistance case load.

For the three months, October through December 1939, exactly similar figures were supplied in a typed tabulation dated February 27, 1940, prepared by the Work Projects Administration, Division of Statistics.

Special Categories payments to recipients were supplied by the Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board for the period from January 1936 through December 1938 in the form of typed tabulations. During this period payments are reported whether the state plan was approved for Federal participation or not. Case figures for the period from February 1936 through June 1938 were taken from the appendices to the First, Second, and Third Annual Reports of the Social Security Board where, however, cases are reported only for those states and categories in which there was Federal participation. Cases from July 1938 through December 1939 and payments for the year 1939 were taken from the monthly tabulations appearing in the Social Security Bulletin published by the Social Security Board. The Social Security Bulletin reports only those states and categories approved for Federal Participation. As a result of the method of presentation by the Social Security Board, payment figures for the year 1939 for some categories in some states are not available. In another section of the Social Security Bulletin, headed Statistics by States, there is an estimate to the nearest thousand of the cost of all three special categories even though not approved for Federal participation. This figure has been used as the total for the special categories where any category was not otherwise reported and if only one category was not otherwise reported, the difference has been taken between this total and the reported categories as the amount of payments for the unreported category except in the case of Pennsylvania where the actual state reported figure for Blind Pensions is used to supplement the categories reported in the Social Security Bulletin. In the section of the Social Security Bulletin, headed Statistics by States, are found estimates of the case load on categories not approved by the Social Security Board which have been used for the year 1939 except in Illinois for the period February to June 1939 where what appeared to be a better figure is found in the State Emergency Relief Board reports, and Pennsylvania where the figures were supplied from tabulations prepared by the Department of Public Assistance. For the period prior to 1939 wherever case figures are not reported the number of cases has been estimated by applying to the reported payments the average payment per case of the first six months for which cases are reported.

Many states had one or more well-developed categories prior to 1936 but it was found necessary to exclude all categories prior to 1936 since it was found to be impossible to get any reliable figures by months for either payments or cases in enough states to make comparisons of any value.

TABLE XXXIV

The Direct Relief expenditures used in Table XXXIV were supplied by the Division of Statistics W.P.A. in typewritten tables dated September 11, 1939 and September 28, 1939. According to the footnote on those tables the figures include "relief extended to cases under the general relief program, cost of administration and special programs: beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rental of equipment, earnings of non-relief persons, and other costs of the emergency relief program."

The Special Categories expenditures were estimated by

taking the total payments to recipients for each year as set forth in Tables XII-XXII and deducting the payments from the Federal treasury for Federal participation in payments to recipients as reported in the Annual Reports of the Social Security Board. The annual reports, however, cover only the period down to June 30, 1938 and for the remaining six months the Federal participation has been estimated on the basis of the participation during the first six months of 1938. For an explanation of the omission of categories prior to 1936, see the comments in this appendix on Tables XII-XXXIII.

State and local expenditures for the sponsorship of Federal Work Projects were furnished by the Bureau of Research and Statistics of W.P.A., in the form of mimeographed tables entitled "State by State Comparison of State and Local Funds Used for Direct and Work Relief—," comprising tables 7-12 of a larger but unnamed report, with a covering letter dated September 11, 1939.

TABLES XXXV AND XXXVI

The Direct Relief expenditures shown in Tables XXXV and XXXVI were taken from the tabulations supplied by the Division of Statistics W.P.A. used as the source of Direct Relief expenditures in Table XXXIV.

TABLE XXXVII

Direct Relief expenditures used in this table are the same as those used in Tables XXXIV-XXXVI and the expenditure for direct relief, categories and share of W.P.A. is the amount arrived at in Table XXXIV. Tax collection figures used here are estimates published by the National Industrial Conference Board for the years 1933-37, inclusive. For 1938 tax collections were estimated, based on the method of distribution between state and local taxes used by the Conference Board applied to collection figures obtained from state financial reports and the December 1938-January 1939 issue of "Tax Policy" published by the Tax Policy League, 309 E. 34th Street, New York City. (Vol. VI Nos. 2-3). Collections of local taxes are not available for the year 1938; from the 1937 local collections reported by the Conference Board, there was deducted the state collected locally shared taxes of 1937 and then the 1938 collections of the same taxes were added back to secure the figure used for 1938 local collections. For Massachusetts neither state nor local collections are available for 1938 and the 1937 collections were repeated.

GENERAL NOTE ON POPULATION FIGURES

Throughout all of the tables wherever population figures are used they are estimates published by the census bureau. For each of the years 1933-37, inclusive, the estimate as of July 1 of the respective years was used for the whole year. Since July 1, 1937 the census bureau has made no new estimates by states and, therefore, the July 1, 1937 estimate was used for all subsequent years.

RELIEF IN THREE SOUTHERN STATES COMPARED WITH PENNSYLVANIA

In an earlier study, "Relief in Pennsylvania and Ten Other States," a comparison was made of eleven states east of the Mississippi River. All but Maryland and West Virginia were north of the Mason-Dixon line. It was the intention at that time to make comparison with neighboring and industrially competitive states. It has often been recognized that the relief problem in the south is not properly comparable with that in the north. The question of the extent and nature of the diversity in relief in the south as compared with the north has been raised and it is in reply to that question that this supplemental study has been made comparing relief in Alabama, North Caroline, and Texas with relief in Pennsylvania.

The comparisons made here are similar to those made in Part II of the earlier study. The sources of data and the treatment of the data are identical with the sources and methods used in the earlier study.

ALL TYPES OF RELIEF—CASES PER THOUSAND POPULATION

In overall case load per thousand population, the three southern states used here follow the general pattern found in the overall case load of eleven northern states but at a lower level. Texas shows a sharp increase in relief cases from the spring of 1936 to the spring of 1937 similar to that in Illinois, but contrary to the general downward trend.

The total case load per thousand population at the low point in the summer and fall of 1937 was 9.4 in North Carolina, 12.8 in Alabama, and 26.4 in Texas, as compared with 42.7 in Pennsylvania. At the high point late in 1938, the overall case loads per thousand population were: North Carolina 29.6, Alabama 30.7, and Texas 38.6, as compared with Pennsylvania which had 63.04 cases per thousand population. If the three southern states were added to Chart 4 of the earlier report, both Alabama and North Carolina would appear consistently below the Maryland line which was the lowest on that chart, and Texas would appear from 5 to 7 cases per thousand above the Maryland line, but below that of any other state shown in the chart.

GENERAL ASSISTANCE—CASES PER THOUSAND POPULATION

In general assistance cases per thousand population, the southern states show a still greater variance from Pennsylvania than in overall cases per thousand. Alabama and Texas show sharp decreases in the number of general assistance cases per thousand population during the first six months of 1936, occasioned apparently by the transfer of cases to the special categories and particularly to old age assistance. North Carolina shows a similar decrease for the same reason, but not until the third quarter of 1937. After the special categories got under way in these three states, the number of cases per thousand population receiving general assistance never exceeded 2.6 as compared with a range of from 14.76 to 31.35 cases per thousand population in Pennsylvania during the same period. Since July 1936 the general assistance cases in Alabama have exceeded one case per thousand population in only two months—July and August 1938—when it rose to 1.4 and 1.3 respectively. Since August 1937, the general assistance cases per thousand population in North Carolina have ranged from 1.4 to 2.2. The range in the state of Texas was from 1.4 cases to 2.6 cases per thousand population in the period from July 1936 through December 1939.

The general assistance case loads in all three of the southern states studied have been so small that it is virtually impossible to tell from an ordinary chart whether the minute variations from month to month follow the

general trends shown in the comparison of relief loads in the northern states. Comparison on a logarithmic chart showing the rate of change from period to period would establish the similarity or dissimilarity of the trends but such a comparison becomes meaningless when it is realized that an increase of 2,600 cases, or from 0.4 to 1.4 cases per thousand population, from August 1937 to August 1938, represents more than a trebling of the general assistance case load in Alabama, while in Pennsylvania during the same period there was an increase of 68,000 cases, or more than 6.5 cases per thousand population, but that this increase amounts to only 40% of the August 1937 case load.

FEDERAL WORK PROGRAMS—CASES PER THOUSAND POPULATION

In W.P.A. cases per thousand population the three southern states conform very closely to the general pattern found in the previous study of eleven northern states, but on a generally lower level. The W.P.A. cases per thousand in the three states here under consideration, if plotted on the similar chart (6) in the earlier study, would fall in the area between the Maryland line and the lowest of the ten other states except for Alabama, which exceeded New York after August 1938, and Pennsylvania after July 1939; and Texas, which exceeded New York after August 1939.

The following tabulation shows the W.P.A. cases per thousand population in the three southern states, as compared with Pennsylvania, New York, and Maryland for January of each year since W.P.A. started, plus September 1939, the recent low point of W.P.A. employment, and December 1939:

	Jan. 1936	Jan. 1937	Jan. 1938	Jan. 1939	Sept. 1939	Dec. 1939
Alabama	16.8	9.8	9.7	20.6	12.9	17.8
Texas	16.5	12.1	10.0	17.1	10.8	14.4
North Carolina	12.3	7.9	7.2	13.7	9.1	11.6
Pennsylvania	24.8	22.1	17.0	24.4	11.8	14.0
Maryland	12.4	7.6	6.4	9.0	6.0	7.5
New York	29.0	20.5	14.6	18.5	9.9	11.6

In must be remembered in connection with this tabulation that both New York and Pennsylvania shifted from top rank to a low rank among the eleven northern states in the early months of 1938, as shown in a previous study. It is not surprising, therefore, to find states which had been substantially behind Pennsylvania and New York in W.P.A. cases per thousand population catching up with them in 1939, not so much because of an increase in cases in the southern states as because of the decrease in Pennsylvania and New York.

PER CENT OF CASES ON FEDERAL WORK PROGRAMS

In per cent of the total case load carried by W.P.A. the three southern states start in a very high position because of the almost complete absence of cases on general assistance and the special categories. Alabama continues in this very high position throughout the years 1936 to 1939 inclusive and exceeds any of the eleven northern states included in the previous study. Texas with the very rapid development of old age assistance in the summer of 1936 falls below Pennsylvania in per cent of cases on W.P.A. by the fall of 1936 and thereafter follows the general course of the northern states, catching up with Pennsylvania in the spring of 1938 and going ahead of Pennsylvania in November 1938. North Carolina continued high in per cent of cases on W.P.A. until the summer of 1937 when it very rapidly expanded the special categories. By December 1937, cases on W.P.A. in North Carolina were less than 40% of the total case load and thereafter the per cent of cases of W.P.A. follows that of the higher of the northern states, ranging roughly from five to ten per cent higher than Pennsylvania.

SPECIAL CATEGORIES—CASES PER THOUSAND POPULATION

In both general assistance and W.P.A. cases per thousand population, the three southern states stay fairly close together. In the special categories, however, this is no longer true. Alabama, which had more special category cases per thousand population than the other two in January 1936, has, since December 1937, had considerably fewer. The increase in special category cases per thousand population in Alabama has been relatively slight, (from 3.1 in January 1936 to 8.4 in December 1939), and in December 1939 there were fewer cases per thousand population than in any of the northern states previously studied. North Carolina had almost no special category cases prior to July 1937 (0.1 cases per thousand population), but by July 1938 had 11.3 cases per thousand, and in December 1939 had reached 13.0 cases per thousand population, which is more than the 11.92 in Pennsylvania, 11.86 in New York, and 9.68 in New Jersey. Texas, like North Carolina, had only 0.1 special category cases per thousand population from January to June 1936, but with the advent of old age assistance in July 1936, jumped to 9.8 cases in that month and increased rapidly to a peak of 21.1 cases per thousand population in May 1937. This peak in May 1937 was more than twice the Pennsylvania figure of 10.22 cases per thousand population and was considerably above any of the northern states previously studied. From the peak in May 1937, the number of special category cases per thousand population in Texas receded to 18.0 in March, April and May 1938, to be exceeded by Ohio, and then grew again slowly to 19.6 cases per thousand in December 1939, which was equalled by Illinois and exceeded by Indiana, Massachusetts, Ohio, and Wisconsin. The December 1939 number of cases per thousand on special categories in Texas was approximately 65% larger than the number in Pennsylvania.

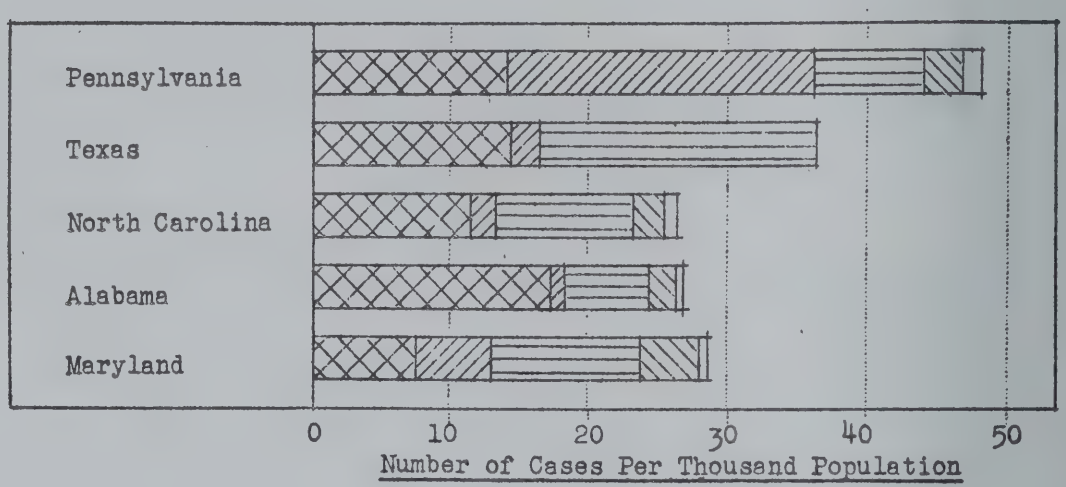
In all three of the southern states, old age assistance stands out as the most fully developed of the special categories. The following tabulation illustrates the relative development of the various categories, as of December 1939:

	Old Age Assistance Cases per 1000 Population 65 years and over	Aid to Dependent Children Cases per 1000 Population 16 years and under	Aid to the Blind Cases per 100,000 Population
Alabama	167	16	19
North Carolina	251	16	56
Texas	423	*	0
Pennsylvania	126	24	124

*Not a federally approved program—there are estimated to be only 103 cases which would be a very small fraction of a case per 1,000 population under 16.

RELIEF CASES PER THOUSAND POPULATION*

December 1939



* Based on estimated population July 1, 1937.

GENERAL ASSISTANCE GRANTS

General assistance grants per case in the three southern states are relatively low. Since 1936, when grants in all the states began to be relatively stable at or near their present levels, the monthly grants have exceeded $10.00 only in one month in one of the three southern states. The grants in North Carolina, since January 1936, have ranged from $5.00 to $6.50 per month, ending at $6.17 in December 1939. In Alabama and Texas the fluctuations have been somewhat greater for the most part between $7.50 and $10.00 per month per case, with an average grant in December 1939 of $9.11 in Alabama and $7.59 in Texas. The Alabama and Texas grants approximate those in West Virginia but are slightly less on the whole,

and are very considerably less than in any of the other northern states, all but two of which had average grants of over $20.00 per month.

FEDERAL WORK PROGRAM EARNINGS

In federal work program earnings per case, the three southern states stay very close together on a level substantially below that in any of the northern states. The earnings per case on W.P.A. have shown a slightly upward trend throughout the whole period 1936-1939. The following tabulation shows the earnings per case in January of each year and December 1939 in the three southern states, in Pennsylvania and in West Virginia, the lowest of the eleven northern states previously studied:

	Jan. 1936	Jan. 1937	Jan. 1938	Jan. 1939	Dec. 1939
Alabama	$26.80	$34.73	$32.65	$35.55	$40.12
North Carolina	24.98	29.46	29.82	33.57	41.10
Texas	27.98	26.85	29.62	32.65	41.01
Pennsylvania	55.64	62.79	60.80	62.35	56.13
West Virginia	39.35	44.12	42.63	43.54	48.81

SPECIAL CATEGORY GRANTS

Grants per case per month on the special categories are, like general assistance grants and W.P.A. earnings, lower in the southern states than in any of the northern states. Alabama and North Carolina have stabilized their grants at about $11.00 per month. In Texas the grants have been approximately $14.00 per month except for the last three months of 1939 when the average grant fell to $8.60 a month.

SUMMARY

In summary it appears that the southern states have fewer cases per thousand population receiving relief than the northern states and that the grants per case are less. In general assistance the southern states are far behind the northern states both in cases per thousand population and in grant per case. In W.P.A. the southern states are behind in cases per thousand population and in earnings per case, but in per cent of the total case load carried by W.P.A. they are higher than the northern states because of the absence of any sizeable general assistance program. Special category grants are lower in the southern states but one of the three southern states compares favorably with the leading northern states in number of special category cases per thousand population, while another equals Pennsylvania. In all three of the southern states the emphasis has been on old age assistance rather than either of the other special categories.

TABLE XXXVIII

Alabama

Number of Cases Receiving Relief

Year	Month	A	B	C	Special Categories				Per Cent of Total			Cases per Thousand Population			
		General Assistance	Federal Work Programs	Total Special Categories	Old Age	Dependent Children	Blind	Totals	A	B	C	A	B	C	Total
1933	July	87,638	.....	.....	.....	.....	....	87,638	100.0	....	....	31.6	....	....	31.6
	August	104,592	.....	.....	.....	.....	....	104,592	100.0	....	....	37.7	....	....	37.7
	September	116,193	.....	.....	.....	.....	....	116,193	100.0	....	....	41.9	....	....	41.9
	October	102,748	.....	.....	.....	.....	....	102,748	100.0	....	....	37.1	....	....	37.1
	November	115,831	29,480	.....	.....	.....	....	145,311	79.7	20.3	....	41.8	10.6	....	52.4
	December	98,542	57,638	.....	.....	.....	....	156,180	63.1	36.9	....	35.6	20.8	....	56.4
1934	January	89,508	100,904	.....	.....	.....	....	190,412	47.0	53.0	....	31.9	35.9	....	67.8
	February	76,942	112,778	.....	.....	.....	....	189,702	40.6	59.4	....	27.4	40.2	....	67.6
	March	88,754	44,398	.....	.....	.....	....	133,152	66.7	33.3	....	31.6	15.8	....	47.4
	April	108,734	908	.....	.....	.....	....	109,642	99.2	.8	....	38.7	.3	....	39.0
	May	99,797	.....	.....	.....	.....	....	99,797	100.0	....	....	35.5	....	....	35.5
	June	89,993	.....	.....	.....	.....	....	89,993	100.0	....	....	32.0	....	....	32.0
	July	95,694	.....	.....	.....	.....	....	95,694	100.0	....	....	34.1	....	....	34.1
	August	109,636	.....	.....	.....	.....	....	109,636	100.0	....	....	39.0	....	....	39.0
	September	113,411	.....	.....	.....	.....	....	113,411	100.0	....	....	40.4	....	....	40.4
	October	84,315	.....	.....	.....	.....	....	84,315	100.0	....	....	30.0	....	....	30.0
	November	63,005	.....	.....	.....	.....	....	63,005	100.0	....	....	22.4	....	....	22.4
	December	60,609	.....	.....	.....	.....	....	60,609	100.0	....	....	21.6	....	....	21.6
1935	January	61,134	.....	.....	.....	.....	....	61,134	100.0	....	....	21.5	....	....	21.5
	February	58,871	.....	.....	.....	.....	....	58,871	100.0	....	....	20.7	....	....	20.7
	March	57,851	.....	.....	.....	.....	....	57,851	100.0	....	....	20.4	....	....	20.4
	April	62,684	.....	.....	.....	.....	....	62,684	100.0	....	....	22.1	....	....	22.1
	May	64,032	.....	.....	.....	.....	....	64,032	100.0	....	....	22.5	....	....	22.5
	June	64,133	.....	.....	.....	.....	....	64,133	100.0	....	....	22.6	....	....	22.6
	July	68,406	.....	.....	.....	.....	....	68,406	100.0	...	....	24.1	....	....	24.1
	August	66,902	24,458	.....	.....	.....	....	91,360	73.2	26.8	....	23.6	8.6	....	32.2
	September	39,782	26,065	.....	.....	.....	....	65,847	60.4	39.6	....	14.0	9.2	....	23.2
	October	46,563	32,273	.....	.....	.....	....	78,836	59.1	40.9	....	16.4	11.4	....	27.8
	November	29,514	38,906	.....	.....	.....	....	68,420	43.1	56.9	....	10.4	13.7	....	24.1
	December	16,614	48,330	.....	.....	.....	....	64,944	25.6	74.4	....	5.9	17.0	....	22.9
1936	January	8,227	48,095	9,000	4,000	5,000	....	65,322	12.6	73.6	13.8	2.9	16.8	3.1	22.8
	February	5,629	46,454	12,346	6,239*	6,107*	....	64,429	8.7	72.1	19.2	1.9	16.2	4.3	22.4
	March	3,628	42,254	8,846	4,390	4,456	....	54,728	6.6	77.2	16.2	1.3	14.8	3.0	19.1
	April	3,019	37,212	11,026	5,890	5,136	....	51,257	5.9	72.6	21.5	1.1	12.9	3.8	17.8
	May	2,865	34,531	10,891	5,932	4,959	....	48,287	5.9	71.5	22.6	1.0	12.1	3.8	16.9
	June	3,259	32,926	13,264	8,353	4,911	....	49,449	6.6	66.6	26.8	1.1	11.5	4.7	17.3
	July	2,651	31,308	15,096	9,614	5,482	....	49,055	5.4	63.8	30.8	.9	10.9	5.3	17.1
	August	2,123	31,047	16,195	10,523	5,672	....	49,365	4.3	62.9	32.8	.7	10.8	5.7	17.2
	September	2,110	31,211	15,916	10,594	5,322	....	49,237	4.3	63.4	32.3	.7	10.9	5.6	17.2
	October	2,062	31,007	15,757	10,492	5,265	....	48,826	4.2	63.5	32.3	.7	10.8	5.5	17.0
	November	2,178	31,215	15,888	10,619	5,269	....	49,281	4.4	63.3	32.3	.8	10.9	5.5	17.2
	December	2,255	30,382	16,049	10,733	5,316	....	48,686	4.6	62.4	33.0	.8	10.6	5.6	17.0

TABLE XXXVIII—Continued

Year	Month	A	B	C	Special Categories				Per Cent of Total			Cases per Thousand Population			
		General Assistance	Federal Work Programs	Total Special Categories	Old Age	Dependent Children	Blind	Totals	A	B	C	A	B	C	Total
1937	January	2,268	28,244	16,050	10,686	5,364	....	46,562	4.9	60.7	34.4	.8	9.8	5.5	16.1
	February	2,214	27,955	16,158	10,799	5,359	....	46,327	4.8	60.3	34.9	.8	9.7	5.5	16.0
	March	2,114	27,093	16,167	10,885	5,282	....	45,374	4.7	59.7	35.6	.7	9.4	5.6	15.7
	April	1,864	26,121	15,668	10,553	5,011	104*	43,653	4.3	59.9	35.8	.6	9.0	5.4	15.0
	May	1,820	26,887	15,737	10,737	4,842	158	44,444	4.1	60.5	35.4	.6	9.3	5.4	15.3
	June	1,747	23,405	16,427	11,408	4,827	192	41,579	4.2	56.3	39.5	.6	8.1	5.7	14.4
	July	1,459	20,731	16,973	11,937	4,779	257	39,163	3.7	52.9	43.4	.5	7.2	5.8	13.5
	August	1,256	20,155	17,382	12,374	4,759	249	38,793	3.2	52.0	44.8	.4	7.0	6.0	13.4
	September	1,321	18,251	17,485	12,521	4,695	269	37,057	3.6	49.3	47.1	.5	6.3	6.0	12.8
	October	1,372	20,073	18,246	13,128	4,815	303	39,691	3.4	50.6	46.0	.5	6.9	6.3	13.7
	November	1,537	21,469	18,829	13,637	4,861	331	41,835	3.7	51.3	45.0	.5	7.4	6.5	14.4
	December	2,176	23,931	19,438	13,968	5,120	350	45,545	4.8	52.5	42.7	.7	8.3	6.7	15.7
1938	January	3,044	27,990	19,786	14,205	5,208	373	50,820	6.0	55.1	38.9	1.0	9.7	6.8	17.5
	February	1,930	29,854	20,119	14,498	5,236	385	51,903	3.7	57.5	38.8	.7	10.3	6.9	17.9
	March	2,053	34,560	20,630	14,875	5,345	410	57,243	3.6	60.4	36.0	.7	11.9	7.1	19.7
	April	2,157	38,807	20,824	15,049	5,356	419	61,788	3.5	62.8	33.7	.7	13.4	7.2	21.3
	May	2,243	41,643	20,690	14,933	5,337	420	64,576	3.5	64.5	32.0	.8	14.4	7.1	22.3
	June	2,464	45,242	20,925	15,110	5,384	431	68,631	3 6	65.9	30.5	.9	15.6	7.2	23.7
	July	4,150	46,624	21,152	15,053	5,664	435	71,926	5.8	64.8	29.4	1.4	16.1	7.3	24.8
	August	3,839	53,381	21,108	14,963	5,693	452	78,328	4.9	68.1	27.0	1.3	18.4	7.3	27.0
	September	2,469	59,911	21,544	15,348	5,727	469	83,924	2.9	71.4	25.7	.8	20.7	7.4	28.9
	October	2,490	61,149	21,528	15,599	5,462	467	85,167	2.9	71.8	25.3	.9	21.1	7.4	29.4
	November	2,523	64,614	21,739	15,751	5,516	472	88,876	2.8	72.7	24.5	.9	22.3	7.5	30.7
	December	2,646	62,131	21,944	15,897	5,573	474	86,721	3.0	71.6	25.4	.9	21.5	7.6	30.0
1939	January	2,733	59,674	21,948	15,939	5,529	480	84,355	3.2	70.7	26.1	.9	20.6	7.6	29.1
	February	2,716	59,304	22,084	16,013	5,592	479	84,104	3.2	70.5	26.3	.9	20.5	7.6	29.0
	March	2,492	58,228	22,212	16,125	5,593	494	82,932	3.0	70.2	26.8	.9	20.1	7.7	28.7
	April	2,173	54,077	22,404	16,333	5,569	502	78,659	2.8	68.7	28.5	.8	18.7	7.7	27.2
	May	2,047	51,331	22,565	16,506	5,541	518	75,943	2.7	67.6	29.7	.7	17.7	7.8	26.2
	June	2,019	49,877	22,659	16,614	5,519	526	74,555	2.7	66.9	30.4	.7	17.2	7.9	25.8
	July	2,067	47,195	23,192	17,108	5,543	541	72,454	2.9	65.1	32.0	.7	16.3	8.0	25.0
	August	2,142	40,771	23,404	17,320	5,536	548	66,317	3.2	61.4	35.4	.7	14.1	8.1	22.9
	September	2,193	37,499	23,457	17,426	5,480	551	63,149	3.4	59.4	37.2	.8	12.9	8.1	21.8
	October	2,175	40,685	23,633	17,675	5,410	548	66,493	3.3	61.2	35.5	.7	14.1	8.2	23.0
	November	2,259	38,751	24,332	18,300	5,483	549	65,342	3.5	59.3	37.2	.8	13.4	8.4	22.6
	December	2,284	50,174	24,383	18,386	5,444	553	76,841	3.0	65.3	31.7	.8	17.3	8.4	26.5

* Federal participation commences.

TABLE XXXIX

North Carolina

Cases Receiving Relief

Year	Month	A	B	C	Special Categories				Per Cent of Total			Cases per Thousand Population			
		General Assistance	Federal Work Programs	Total Special Categories	Old Age	Dependent Children	Blind	Totals	A	B	C	A	B	C	Total
1933	July	72,888	.....	.....	.....	.....	....	72,888	100.0	....	....	21.9	....	....	21.9
	August	61,756	.....	.....	.....	.....	....	61 756	100.0	....	....	18.5	....	..	18.5
	September	55.054	.....	.....	.....	.....	....	55,054	100.0	....	....	16.5	....	....	16.5
	October	57,512	.....	.....	.....	.....	....	57,512	100.0	....	....	17.3	....	....	17.3
	November	70,584	726	.....	.....	.....	....	71,310	99.0	1.0	....	21.2	0.2	....	21.4
	December	64.240	43,728	.....	.....	.....	....	107,968	59.4	40.6	....	19.3	13.1	....	32.4
1934	January	75,336	75,606	.....	.....	.....	....	150,942	49.9	50.1	....	22.3	22.4	....	44.7
	February	82,329	75,825	.....	.....	.....	....	158 154	52.1	47.9	....	24.4	22.4	....	46.8
	March	96,230	37,154	.....	.....	.....	....	133,384	72.1	27.9	....	28.5	11.0	....	39.5
	April	74,174	1,035	.....	.....	.....	....	75,209	98.6	1.4	....	21.9	.3	....	22.2
	May	73,111	.....	.....	.....	.....	....	73,111	100.0	....	....	21.6	....	....	21.6
	June	74,413	.....	.....	.....	.....	....	74,413	100.0	....	....	22.0	....	....	22.0
	July	75,551	.....	.....	.....	.....	....	75,551	100.0	....	....	22.4	....	....	22.4
	August	80.656	.....	.....	.....	.....	....	80.656	100.0	....	....	23.9	....	....	23.9
	September	77,105	.....	.....	.....	.....	....	77,105	100.0	....	....	22.8	....	....	22.8
	October	62,207	.....	.....	.....	.....	....	62 207	100.0	....	....	18.4	....	....	18.4
	November	67,853	.....	.....	.....	.....	....	67,853	100.0	....	....	20.1	....	....	20.1
	December	73.813	.....	.....	.....	.....	....	73,813	100.0	....	....	21.9	....	....	21.9
1935	January	74,155	.....	.....	.....	.....	....	74.155	100 0	....	....	21.7	....	....	21.7
	February	69 724	.....	.....	.....	.....	....	69,724	100.0	....	....	20.4	....	....	20.4
	March	70,549	.....	.....	.....	.....	....	70,549	100.0	....	....	20.6	....	....	20.6
	April	70,857	.....	.....	.....	.....	....	70,857	100.0	....	....	20.7	....	....	20.7
	May	66.149	.....	.....	.....	.....	....	66 149	100 0	....	....	19.4	....	....	19.4
	June	62.010	.....	.....	.....	.....	....	62.010	100.0	....	....	18.1	....	....	18.1
	July	59,614	.....	.....	.....	.....	....	59 614	100.0	....	....	17.4	....	....	17.4
	August	53,913	.....	.....	.....	.....	....	53,913	100.0	....	....	15.8	....	....	15.8
	September	49,357	546	.....	.....	.....	....	49,903	98.9	1.1	....	14.4	.2	....	14.6
	October	47,545	4,131	.....	.....	.....	....	51.676	92.0	8.0	....	13.9	1.2	....	15.1
	November	42.919	25.614	.....	.....	.....	....	68,533	62 6	37.4	....	12.6	7.5	....	20.1
	December	15,161	37,530	.....	.....	.....	....	52.691	28.8	71.2	....	4.4	11.0	....	15.4

TABLE XXXIX—Continued

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Dependent Children	Blind	Totals	Per Cent of Total: A	B	C	Cases per Thousand Population: A	B	C	Total
1936	January	15,400	42,659	310	.....	310	....	58,369	26.4	73.1	0.5	4.5	12.3	0.1	16.9
	February	15,400	44,516	898	.....	310	588	60,814	25.3	73.2	1.5	4.4	12.9	.3	17.6
	March	13,700	42,121	866	.....	310	556	56,687	24.2	74.3	1.5	4.0	12.2	.2	16.4
	April	12,800	36,763	955	.....	310	645	50,518	25.3	72.8	1.9	3.7	10.6	.3	14.6
	May	14,700	33,261	392	.....	310	82	48,353	30.4	68.6	.8	4.2	9.6	.1	13.9
	June	14,400	30,428	330	.....	310	20	45,158	31.9	67.4	.7	4.2	8.8	.1	13.1
	July	14,600	28,817	314	.....	314	....	43,731	33.4	65.9	.7	4.2	8.3	.1	12.6
	August	14,900	30,817	457	.....	317	140	46,174	32.3	66.7	1.0	4.3	8.9	.1	13.3
	September	13,300	28,219	455	.....	325	130	41,974	31.7	67.2	1.1	3.8	8.2	.1	12.1
	October	13,500	28,865	470	.....	350	120	42,835	31.5	67.4	1.1	3.9	8.4	.1	12.4
	November	11,719	28,756	464	.....	334	130	40,939	28.6	70.2	1.2	3.4	8.3	.1	11.8
	December	12,395	28,403	471	.....	335	136	41,269	30.0	68.8	1.2	3.6	8.2	.1	11.9
1937	January	12,541	27,488	342	.....	342	....	40,371	31.1	68.1	.8	3.6	7.9	.1	11.6
	February	12,490	27,139	333	.....	333	....	39,962	31.3	67.9	.8	3.6	7.8	.1	11.5
	March	11,983	25,377	336	.....	336	....	37,696	31.8	67.3	.9	3.4	7.3	.1	10.8
	April	12,580	24,938	357	.....	357	....	37,875	33.2	65.8	1.0	3.6	7.2	.1	10.9
	May	11,994	24,685	383	.....	383	....	37,062	32.3	66.6	1.1	3.5	7.1	.1	10.7
	June	11,343	23,177	355	.....	355	....	34,875	32.5	66.4	1.1	3.3	6.7	.1	10.1
	July	7,997	20,316	4,437	3,417*	530*	490*	32,750	24.4	62.0	13.6	2.3	5.8	1.3	9.4
	August	6,715	19,207	9,980	7,689	1,313	978	35,902	18.7	53.4	27.9	1.9	5.5	2.9	10.3
	September	5,943	18,882	15,134	11,760	2,064	1,310	39,962	14.9	47.2	37.9	1.7	5.4	4.4	11.5
	October	5,516	18,691	19,091	14,897	2,629	1,565	43,298	12.7	43.2	44.1	1.6	5.4	5.5	12.5
	November	5,796	19,560	23,074	18,051	3,284	1,739	48,430	12.0	40.4	47.6	1.7	5.6	6.6	13.9
	December	6,858	21,735	26,732	20,868	4,043	1,821	55,325	12.4	39.3	48.3	2.0	6.3	7.7	16.0
1938	January	7,458	25,011	28,868	22,490	4,549	1,829	61,337	12.2	40.8	47.0	2.1	7.2	8.3	17.6
	February	7,735	27,996	31,390	24,284	5,283	1,823	67,121	11.5	41.7	46.8	2.2	8.1	9.0	19.3
	March	7,099	30,545	34,238	26,302	6,051	1,911	76,083	8.8	43.2	48.0	1.9	9.5	10.5	21.9
	April	6,693	32,877	36,513	27,962	6,640	1,885	71,882	9.9	42.5	47.6	2.0	8.8	9.8	20.6
	May	6,854	34,566	38,020	29029	7,032	1,959	79,440	8.6	43.5	47.9	2.0	9.9	10.9	22.8
	June	6,683	36,833	39,189	29,842	7,375	1,972	82,705	8.1	44.5	47.4	1.9	10.6	11.3	23.8
	July	6,185	40,661	39,278	30,066	7,258	1,954	86,124	7.2	47.2	45.6	1.8	11.7	11.3	24.8
	August	5,695	45,069	39,486	30,146	7,308	2,032	90,250	6.3	49.9	43.8	1.6	13.0	11.4	26.0
	September	5,422	48,120	40,081	30,698	7,401	1,982	93,623	5.8	51.4	42.8	1.6	13.8	11.5	26.9
	October	4,825	50,396	40,647	31,193	7,471	1,983	95,868	5.0	52.6	42.4	1.4	14.5	11.7	27.6
	November	4,918	54,874	41,255	31,670	7,624	1,961	101,047	4.9	54.3	40.8	1.4	15.8	11.9	29.1
	December	6,111	55,150	41,615	31,934	7,719	1,962	102,876	5.9	53.6	40.5	1.8	15.9	11.9	29.6
1939	January	6,064	47,536	41,679	31,977	7,759	1,943	95,279	6.4	49.9	43.7	1.7	13.7	12.0	27.4
	February	6,681	47,087	42,130	32,265	7,912	1,953	95,898	7.0	49.1	43.9	1.9	13.5	12.1	27.5
	March	6,774	48,635	42,238	32,292	8,006	1,940	97,647	6.9	49.8	43.3	1.9	14.0	12.2	28.1
	April	6,123	45,618	42,391	32,383	8,075	1,933	94,132	6.5	48.5	45.0	1.8	13.1	12.2	27.1
	May	5,971	44,204	42,567	32,497	8,139	1,931	92,742	6.4	47.7	45.9	1.7	12.7	12.3	26.7
	June	5,932	41,397	42,643	32,580	8,157	1,906	89,972	6.6	46.0	47.4	1.7	11.9	12.3	25.9
	July	4,985	39,103	43,660	33,594	8,133	1,933	87,748	5.7	44.6	49.7	1.4	11.2	12.6	25.2
	August	5,796	32,382	44,250	34,091	8,129	2,030	82,428	7.0	39.2	53.8	1.7	9.3	12.7	23.7
	September	5,727	31,675	44,484	34,430	8,078	1,976	81,886	7.0	38.7	54.3	1.6	9.1	12.8	23.5
	October	5,840	33,569	44,664	34,651	8,072	1,941	84,073	7.0	39.9	53.1	1.7	9.7	12.8	24.2
	November	5,911	36,512	44,880	34,859	8,063	1,958	87,303	6.8	41.8	51.4	1.7	10.5	12.9	25.1
	December	6,404	40,360	45,109	35,009	8,128	1,972	91,873	7.0	43.9	49.1	1.8	11.6	13.0	26.4

* Federal participation commences.

TABLE XL

TEXAS

CASES RECEIVING RELIEF

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Dependent Children	Blind	Totals	Per Cent of Total: A	B	C	Cases per Thousand Population: A	B	C	Total
1933	July	200,944	.....	.....	.....	.....	....	200,944	100.0	....	....	33.5	....	....	33.5
	August	182,357	.....	.....	.....	.....	....	182,357	100.0	....	....	30.4	....	....	30.4
	September	103,784	.....	.....	.....	.....	....	103,784	100.0	....	....	17.3	....	....	17.3
	October	119,196	.....	.....	.....	.....	....	119,196	100.0	....	....	19.9	....	....	19.9
	November	145,522	133,177	.....	.....	.....	....	287,759	52.2	47.8	....	24.3	22.2	....	46.5
	December	123,344	166,785	.....	.....	.....	....	290,129	42.5	57.5	....	20.6	27.8	....	48.4
1934	January	112,395	239,264	.....	.....	.....	....	351,659	32.0	68.0	....	18.6	39.6	....	58.2
	February	129,708	178,209	.....	.....	.....	....	307,917	42.1	57.9	....	21.5	29.5	....	51.0
	March	160,538	102,027	.....	.....	.....	....	262,565	61.1	38.9	....	26.6	16.9	....	43.5
	April	197,297	2,722	.....	.....	.....	....	200,019	98.6	1.4	....	32.7	.4	....	33.1
	May	201,465	.....	.....	.....	.....	....	201,465	100.0	....	....	33.4	....	....	33.4
	June	188,347	.....	.....	.....	.....	....	188,347	100.0	....	....	31.2	....	....	31.2
	July	223,583	.....	.....	.....	.....	....	223,583	100.0	....	....	37.0	....	....	37.0
	August	248,052	.....	.....	.....	.....	....	248,052	100.0	....	....	41.1	....	....	41.1
	September	228,640	.....	.....	.....	.....	....	228,640	100.0	....	....	37.9	....	....	37.9
	October	236,742	.....	.....	.....	.....	....	236,742	100.0	....	....	39.2	....	....	39.2
	November	254,619	.....	.....	.....	.....	....	254,619	100.0	....	....	42.2	....	....	42.2
	December	269,276	.....	.....	.....	.....	....	269,276	100.0	....	....	44.6	....	....	44.6

TABLE XL—Continued

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Totals	Per Cent of Total: A	Per Cent of Total: B	Per Cent of Total: C	Cases per Thousand Population: A	Cases per Thousand Population: B	Cases per Thousand Population: C	Cases per Thousand Population: Total
1935	January	278,216	.....	.....	.....	.....	....	278,216	100.0	....	....	46.3	....	....	46.3
	February	271,007	.....	.....	.....	.....	....	271,007	100.0	....	....	45.1	....	....	45.1
	March	253,890	.....	.....	.....	.....	....	253,890	100.0	....	....	42.3	....	....	42.3
	April	228,042	.....	.....	.....	.....	....	228,042	100.0	....	....	38.0	....	....	38.0
	May	203,493	.....	.....	.....	.....	....	203,493	100.0	....	....	33.9	....	....	33.9
	June	172,794	.....	.....	.....	.....	....	172,794	100.0	....	....	28.8	....	....	28.8
	July	154,340	.....	.....	.....	.....	....	154,340	100.0	....	....	25.7	....	....	25.7
	August	149,024	24	.....	.....	.....	....	149,048	99.9	.1	....	24.7	.1	....	24.8
	September	139,206	1,312	.....	.....	.....	....	140,518	99.1	.9	....	23.2	.2	....	23.4
	October	131,926	7,306	.....	.....	.....	....	139,232	94.8	5.2	....	22.0	1.2	....	23.2
	November	133,437	43,640	.....	.....	.....	....	177,077	75.3	24.7	....	22.2	7.3	....	29.5
	December	121,451	73,752	.....	.....	.....	....	195,203	62.2	37.8	....	20.2	12.3	....	32.5
1936	January	50,139	101,210	212	.....	212	....	151,561	33.1	66.7	0 2	8.2	16.5	0.1	24.8
	February	48,462	119,515	218	.....	218	....	168,195	28.8	71.0	.2	7.9	19.5	.1	27.5
	March	43,338	112,209	217	.....	217	....	160,664	30.0	69.9	.1	7.9	18.3	.1	26.3
	April	43,962	92,837	219	.....	219	....	142,048	34.4	65.4	.2	8.0	15.2	.1	23.3
	May	45,361	84,081	223	.....	223	....	130,665	35.4	64.3	.3	7.6	13.7	.1	21.4
	June	45,698	80,975	223	.....	223	....	126,896	36.0	63.8	.2	7.5	13.1	.1	20.7
	July	13,394	76,764	60,223	59,999[a]	229	....	150,386	8.9	51.0	40.1	2.2	12.5	9.8	24.5
	August	14,091	77,387	75,835	75,604	231	....	167,316	8.4	46.2	45.4	2.3	12.7	12.3	27.3
	September	13,337	77,498	81,499	81,269	230	....	172 334	7.7	45.0	47.3	2.2	12.7	13.3	28.2
	October	12 872	76,898	87,022	86,792	230	....	176,792	7.3	43.4	49.3	2.1	12.6	14.2	28.9
	November	11,316	77,911	90,482	90,256	226	....	179,709	6.3	43.3	50.4	1.9	12.7	14.8	29.4
	December	13,044	77,269	101,537	101,319	218	....	191,850	6.8	40.2	53.0	2.1	12.6	16.6	31.3
1937	January	14,416	74,914	93,342	93,126	216	....	182 672	7.9	41.0	51.1	2.3	12.1	15.1	29.5
	February	13,439	75,568	103,412	103,195	217	....	192,469	7.0	39.2	53.8	2.2	12.2	16.8	31.2
	March	12,633	79,238	121,984	121,771	213	....	213,855	5.9	37.0	57.1	2.0	12.8	19.8	34.6
	April	11,690	79,308	127,988	127,772	216	....	218,696	5.2	36.2	58.6	1.9	12.8	20.7	35.4
	May	11,400	78,588	130,011	129,805	206	....	219,999	5.1	35.7	59.2	1.8	12.7	21.1	35.6
	June	10 690	71,559	128,429	128,226	203	....	210 588	5.0	34.0	61.0	1.7	11.6	20.8	34.1
	July	10,300	60,809	120,492	120,293	199	....	191,691	5.4	31.8	62 8	1.7	9.9	19.5	31.1
	August	9,290	55,021	116,769	116,579	190	....	180 690	5.1	30.4	64.5	1.5	8.9	18.9	29.3
	September	8,509	44,247	115,610	115,454	186	....	168,387	5.0	26.3	68.7	1.4	7.2	18.7	27.3
	October	8,500	40,852	113,736	113,555	181	....	163,088	5 2	25.0	69.8	1.4	6.6	18.4	26.4
	November	9,500	44,242	114,811	114,645	166	....	168,673	5.6	26.3	68.1	1.5	7.2	18.6	27.3
	December	11,930	52,892	113,835	113,703	162	....	173,657	6.7	29.6	63.7	1.9	8.6	18.4	28.9
1938	January	14,000	61,770	112,652	112,576	76	....	188,422	7.4	32.8	59.8	2.3	10.0	18.3	30.6
	February	13,426	68,849	111,687	111,617	70	....	193,932	6.9	35.5	57.6	2.2	11.1	18.1	31.4
	March	13,389	74,880	111,131	111,061	70	....	199,960	6.9	37.5	55 6	2.3	12.1	18.0	32.4
	April	12,929	79,850	111,173	111,103	70	....	203,952	6.3	39.2	54.5	2.1	12.9	18.0	33.0
	May	12,897	81,192	111,268	111,198	70	....	205,267	6.2	39.6	54.2	2.1	13.1	18.0	33.2
	June	12,570	81,059	111,413	111,343	70	....	205,042	6.1	39.5	54.4	2.0	13.1	18.1	33.2
	July	11,714	83,799	111,689	111,619	70	....	207 202	5.7	40.4	53.9	1.9	13.6	18.1	33.6
	August	12,442	89,621	111,883	111,808	75	....	213,946	5.8	41.9	52.3	2.0	14.5	18.1	34.6
	September	11,637	91,537	112,469	112,389	80	....	215,673	5.4	42.5	52.1	1.9	14.8	18.2	34.9
	October	12,336	98,420	113,427	113,342	85	....	224,183	5.5	43.9	50.6	2.0	15.9	18.4	36.3
	November	12,593	112,687	113,107	113,017	90	....	238,387	5.3	47.3	47.4	2.0	18.3	18.3	38.6
	December	13,534	108,312	113,325	113,230	95	....	235 171	5.8	46.1	48.1	2.2	17.5	18.4	38.1
1939	January	15,300	105,752	113,505	113,393	112	....	234,557	6.5	45.1	48.4	2.5	17.1	18.4	38.0
	February	15,950	105,194	113,899	113,786	113	....	235,043	6.8	44.8	48.4	2.6	17.0	18.4	38.0
	March	16,300	106,614	114,432	114,322	110	....	237,346	6.9	44.9	48.2	2.6	17.3	18.5	38.4
	April	14 720	99 043	115,643	115,533	110	....	229,406	6.4	43.2	50.4	2.4	16.0	18.7	37.1
	May	14,513	93,635	116,857	116,737	120	....	225,005	6.5	41.6	51.9	2.3	15.2	18.9	36.4
	June	13,471	91,102	118,162	118,047	115	....	222,735	6.0	40.9	53.1	2.2	14.8	19.1	36.1
	July	12,295	85,389	117,329	117,213	116	....	215,013	5.7	39.7	54.6	2.0	13.8	19.0	34.8
	August	12,344	77,729	118,481	118,369	112	....	208,564	5.9	37.3	56.8	2.0	12.6	19.2	33.8
	September	11 227	63,620	120,632	120,520	112	....	198,489	5.7	33.6	60.7	1.8	10.8	19.5	32.1
	October	12 617	70,982	121,051	120,936	115	....	204,650	6.2	34.7	59.1	2.0	11.5	19.6	33.1
	November	12,103	74,644	121,151	121,042	109	....	207,895	5.8	35.9	58.3	2.0	12.1	19.6	33.7
	December	13,327	88,680	120,728	120,625	103	....	222,735	6.0	39.8	54.2	2.1	14.4	19.6	36.1

[a] Federal participation starts.
[b] Estimated very roughly through 1938 and 1939 from Social Security Bulletin, Statistics by States.

TABLE XLI

ALABAMA

RELIEF IN DOLLARS TO RECIPIENTS

(Excludes Administration)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Catagories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Totals	Dollars per Case: A	Dollars per Case: B	Dollars per Case: C
1933	July	$ 441,220	.....	.....	.....	.....	.....	$ 441,220	$5.03	.....	.....
	August	764,026	.....	.....	.....	.....	.....	764,026	7.30	.....	.....
	September	810,665	.....	.....	.....	.....	.....	810,665	6.97	.....	.....
	October	1,010,626	.....	.....	.....	.....	.....	1,010,626	9.89	.....	.....
	November	1,168,492	$ 682,663	.....	.....	.....	.....	1,851,155	10.08	$23.15	.....
	December	811,495	3,195,125	.....	.....	.....	.....	4,006,620	8.23	55.43	.....

TABLE XLI—Continued

1934	January	693,303	4,074,291	.....	.....	.....	.....	4,767,597	7.74	40.37	.....
	February	548,333	3,176,702	.....	.....	.....	.....	3,725,035	7.12	28.16	.....
	March	754,986	1,846,728	.....	.....	.....	.....	2,601,714	8.50	41.59	.....
	April	931,596	89,022	.....	.....	.....	.....	1,020,618	8.56	98.04	.....
	May	1,107,728	1,080	.....	.....	.....	.....	1,108,808	11.09	.....	.....
	June	1,082,607	.....	.....	.....	.....	.....	1,082,607	12.02	.....	.....
	July	1,185,210	.....	.....	.....	.....	.....	1,185,210	12.38	.....	.....
	August	1,744,144	.....	.....	.....	.....	.....	1,744,144	15.90	.....	.....
	September	1,563,658	.....	.....	.....	.....	.....	1,563,658	13.78	.....	.....
	October	1,078,836	.....	.....	.....	.....	.....	1,078,836	12.79	.....	.....
	November	1,008,779	.....	.....	.....	.....	.....	1,008,779	16.01	.....	.....
	December	864,146	.....	.....	.....	.....	.....	864,146	14.25	.....	.....
1935	January	1,059,516	.....	.....	.....	.....	.....	1,059,516	17.33	.....	.....
	February	909,447	.....	.....	.....	.....	.....	909,447	15.44	.....	.....
	March	931,352	.....	.....	.....	.....	.....	931,352	16.09	.....	.....
	April	1,046,368	.....	.....	.....	.....	.....	1,046,368	16.69	.....	.....
	May	1,290,492	.....	.....	.....	.....	.....	1,290,492	20.15	.....	.....
	June	1,071,078	.....	.....	.....	.....	.....	1,071,078	16.70	.....	.....
	July	1,166,700	2,000	.....	.....	.....	.....	1,168,700	17.05	.....	.....
	August	1,300,780	175,000	.....	.....	.....	.....	1,475,780	19.44	7.15	.....
	September	592,171	613,000	.....	.....	.....	.....	1,205,171	14.88	23.51	.....
	October	715,894	727,000	.....	.....	.....	.....	1,442,894	15.37	22.18	.....
	November	201,710	1,046,000	.....	.....	.....	.....	1,247,710	6.83	26.88	.....
	December	142,632	1,174,000	.....	.....	.....	.....	1,316,632	8.58	24.29	.....
1936	January	34,477	1,289,000	$ 87,980	$ 32,203	$ 55,777	.....	1,411,457	4.19	26.80	$9.77
	February	24,539	1,287,000	116,423	48,446[a]	67,977[a]	.....	1,427,962	4.35	27.70	9.43
	March	18,088	1,213,000	41,712	17,330	24,162	.....	1,272,800	4.98	28.70	4.71
	April	17,018	914,000	79,080	34,861	44,219	.....	1,010,098	5.63	24.56	7.17
	May	15,887	1,071,000	79,547	36,097	43,450	.....	1,166,434	5.54	31.01	7.30
	June	9,719	1,079,000	133,010	89,476	43,534	.....	1,221,729	2.90	32.77	10.02
	July	17,215	1,064,000	152,241	101,394	50,847	.....	1,233,456	6.49	33.98	10.08
	August	14,694	1,088,000	163,125	113,093	53,032	.....	1,268,819	6.92	35.04	10.25
	September	14,165	1,092,000	168,871	113,617	55,254	.....	1,275,036	6.71	34.98	10.61
	October	17,218	1,055,000	171,775	113,436	58,339	.....	1,243,993	8.35	34.02	10.98
	November	17,386	1,065,000	173,516	114,635	58,881	.....	1,255,902	7.98	34.11	10.92
	December	17,879	1,060,000	173,931	115,023	58,908	.....	1,251,810	7.92	34.88	10.83
1937	January	18,219	981,000	171,414	111,909	59,505	.....	1,170,633	8.03	34.73	10.68
	February	17,984	985,000	171,760	112,916	58,844	.....	1,174,744	8.12	35.23	10.63
	March	16,257	931,000	174,898	114,934	59,964	.....	1,122,155	7.69	34.36	10.81
	April	15,246	918,000	176,999	120,103	55,928	968[a]	1,110,245	8.17	35.14	11.29
	May	15,172	942,000	172,004	116,758	53,668	1,578	1,129,176	8.33	35.03	10.92
	June	14,763	897,000	179,694	123,031	54,801	1,862	1,091,457	8.45	38.32	10.93
	July	12,750	736,000	186,870	128,703	55,508	2,659	935,620	8.73	35.50	11.00
	August	11,553	734,000	196,785	136,045	58,206	2,534	942,338	9.19	36.41	11.32
	September	12,758	664,000	200,040	138,596	58,696	2,748	876,798	9.65	36.38	11.44
	October	14,139	724,000	217,581	149,067	65,325	3,189	955,720	10.30	36.06	11.92
	November	15,196	747,000	219,562	151,829	64,392	3,341	981,758	9.88	34.79	11.66
	December	17,586	813,000	226,028	154,535	68,000	3,493	1,056,614	8.08	33.97	11.62
1938	January	25,981	914,000	228,620	155,544	69,427	3,649	1,168,601	8.53	32.65	11.55
	February	17,795	1,006,000	228,258	156,527	67,948	3,783	1,252,053	9.22	33.69	11.34
	March	20,123	1,097,000	233,288	159,473	69,766	4,049	1,350,411	9.80	31.74	11.30
	April	20,679	1,209,000	232,074	158,797	69,171	4,106	1,461,753	9.58	31.15	11.14
	May	21,890	1,343,000	223,509	151,932	67,558	4,019	1,588,399	9.75	32.25	10.80
	June	22,848	1,443,000	226,065	151,925	70,074	4,066	1,691,913	9.27	31.89	10.80
	July	32,970	1,565,000	255,880	150,892	100,892	4,096	1,853,850	7.94	33.56	12.09
	August	28,767	1,875,000	255,588	149,184	102,078	4,326	2,159,355	7.49	35.12	12.10
	September	21,526	2,120,000	250,174	144,154	101,911	4,109	2,391,700	8.71	35.38	11.61
	October	22,699	2,197,000	223,251	149,803	69,225	4,223	2,442,950	9.11	35.92	10.37
	November	23,212	2,248,000	224,778	150,060	70,544	4,174	2,495,990	9.20	34.79	10.33
	December	24,424	2,237,000	226,034	151,257	70,496	4,281	2,487,458	9.23	36.00	10.30
1939	January	25,622	2,122,000	223,860	150,217	69,374	4,269	2,371,482	9.37	35.55	10.19
	February	24,929	2,111,000	223,540	149,764	69,598	4,178	2,359,469	9.17	35.59	10.12
	March	22,624	2,119,000	224,922	151,389	69,193	4,340	2,366,546	9.07	36.39	10.12
	April	19,436	2,037,000	226,664	153,141	69,109	4,414	2,283,100	8.92	37.66	10.11
	May	18,515	1,988,000	227,185	153,673	68,982	4,530	2,233,700	9.04	38.72	10.06
	June	18,403	1,876,000	227,592	154,273	68,650	4,669	2,121,995	9.11	37.61	10.04
	July	19,095	1,769,000	236,566	161,255	70,507	4,804	2,024,661	9.23	37.48	10.20
	August	19,597	1,569,000	240,339	163,502	71,973	4,864	1,828,936	9.14	38.48	10.26
	September	18,347	1,622,000	227,809	157,536	65,597	4,676	1,868,156	8.36	43.25	9.71
	October	21,425	1,832,000	251,040	172,647	73,300	5,093	2,104,465	9.85	45.03	10.62
	November	20,621	1,748,000	249,053	173,770	70,419	4,864	2,017,674	9.12	45.11	10.23
	December	20,820	2,013,000	248,273	173,238	70,116	4,919	2,282,093	9.11	40.12	10.18

[a] Federal participation starts.

TABLE XLII

NORTH CAROLINA

RELIEF IN DOLLARS TO RECIPIENTS

(Excludes Administration)

Year	Month	A Federal Assistance	B Federal Work Programs	C Total Special Catagories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Totals	Dollars per Case: A	Dollars per Case: B	Dollars per Case: C
1933	July	$531,434	.....	.....	.....	.....	.....	$ 531,434	$7.29	.....	.....
	August	436,731	.....	.....	.....	.....	.....	436,731	7.07	.....	.....
	September	394,984	.....	.....	.....	.....	.....	394,984	7.17	.....	.....
	October	483,937	.....	.....	.....	.....	.....	483,937	8.41	.....	.....
	November	543,358	$ 283,648	.....	.....	.....	.....	827,006	7.69	$390.69	.....
	December	456,414	2,631,547	.....	.....	.....	.....	3,087,961	7.10	60.17	.....
1934	January	502,857	3,255,888	.....	.....	.....	.....	3,758,745	6.67	43.06	.....
	February	531,229	2,502,884	.....	.....	.....	.....	3,034,113	6.45	33.00	.....
	March	764,470	1,200,925	.....	.....	.....	.....	1,965,395	7.94	32.32	.....
	April	607,434	48,273	.....	.....	.....	.....	655,707	8.18	46.64	.....
	May	672,742	1,655	.....	.....	.....	.....	674,397	9.20	.....	.....
	June	714,077	.....	.....	.....	.....	.....	714,077	9.59	.....	.....
	July	756,673	.....	.....	.....	.....	.....	756,673	10.01	.....	.....
	August	925,837	.....	.....	.....	.....	.....	925,837	11.47	.....	.....
	September	730,409	.....	.....	.....	.....	.....	730,409	9.47	.....	.....
	October	704,066	.....	.....	.....	.....	.....	704,066	11.31	.....	.....
	November	978,717	.....	.....	.....	.....	.....	978,717	14.42	.....	.....
	December	1,009,889	.....	.....	.....	.....	.....	1,009,889	13.68	.....	.....
1935	January	1,078,987	.....	.....	.....	.....	.....	1,078,987	14.55	.....	.....
	February	828,324	.....	.....	.....	.....	.....	828,324	11.88	.....	.....
	March	954,960	.....	.....	.....	.....	.....	954,960	13.53	.....	.....
	April	964,888	.....	.....	.....	.....	.....	964,888	13.61	.....	.....
	May	1,057,196	.....	.....	.....	.....	.....	1,057,196	15.98	.....	.....
	June	881,283	.....	.....	.....	.....	.....	881,283	14.21	.....	.....
	July	842,737	.....	.....	.....	.....	.....	842,737	14.13	.....	.....
	August	646,185	.....	.....	.....	.....	.....	646,185	11.98	.....	.....
	September	626,258	6,000	.....	.....	.....	.....	632,258	12.68	10.98	.....
	October	679,570	42,000	.....	.....	.....	.....	721,570	14.29	10.16	.....
	November	444,315	350,000	.....	.....	.....	.....	794,315	10.35	13.66	.....
	December	72,385	830,000	.....	.....	.....	.....	902,385	4.77	22.11	.....
1936	January	79,000	1,066,000	$ 5,000	.....	$5,000	.....	1,150,000	5.12	24.98	$16.12
	February	83,000	1,125,000	10,496	.....	5,000	$5,496	1,218,496	5.38	25.27	11.68
	March	70,000	1,134,000	8,347	.....	5,000	3,347	1,212,347	5.10	26.92	9.63
	April	69,000	1,091,000	7,675	.....	5,000	2,675	1,167,675	5.39	29.67	8.03
	May	70,000	995,000	5,444	.....	5,000	444	1,070,444	4.76	29.91	13.88
	June	82,000	956,000	5,368	.....	5,000	368	1,043,368	5.69	31.41	16.26
	July	89,000	785,000	5,055	.....	5,055	.....	879,055	6.09	27.24	16.09
	August	79,000	848,000	7,218	.....	5,098	2,120	934,218	5.30	27.51	15.79
	September	63,000	849,000	7,214	.....	5,233	1,981	919,214	4.73	30.08	15.85
	October	63,000	861,000	7,425	.....	5,632	1,793	931,425	4.66	29.82	15.79
	November	56,373	909,000	7,320	.....	5,379	1,941	972,693	4.81	31.61	15.77
	December	59,688	826,000	7,433	.....	5,386	2,047	893,121	4.81	29.08	15.78
1937	January	59,702	810,000	5,512	.....	5,512	.....	875,214	4.76	29.46	16.11
	February	59,232	809,000	5,366	.....	5,366	.....	873,598	4.74	29.80	16.11
	March	58,670	787,000	5,409	.....	5,409	.....	851,079	4.89	31.01	16.09
	April	59,901	798,000	5,755	.....	5,755	.....	863,656	4.76	31.99	16.12
	May	55,886	764,000	6,175	.....	6,175	.....	826,061	4.65	30.94	16.12
	June	55,216	761,000	5,719	.....	5,719	.....	821,935	4.86	32.83	16.10
	July	38,410	656,000	48,903	32,102[a]	9,416[a]	7,385[a]	743,313	4.80	32.28	11.02
	August	34,357	611,000	104,333	68,243	22,144	13,946	749,690	5.11	31.81	10.45
	September	31,523	591,000	157,389	106,683	32,888	17,818	779,912	5.30	31.29	10.39
	October	30,555	596,000	199,471	135,817	42,020	21,634	826,026	5.53	31.88	10.44
	November	32,661	610,000	243,616	166,779	52,478	24,359	886,277	5.63	31.18	10.55
	December	39,746	667,000	283,572	193,759	64,280	25,533	990,318	5.79	30.68	10.60
1938	January	43,009	746,000	306,032	208,233	72,044	25,755	1,095,041	5.76	29.82	10.60
	February	39,623	840,000	337,218	227,356	84,320	25,542	1,216,841	5.12	30.00	10.74
	March	37,693	900,000	369,670	246,703	96,359	26,608	1,307,363	5.30	29.46	10.79
	April	34,928	969,000	399,464	264,859	107,348	27,257	1,403,392	5.21	29.47	10.94
	May	39,328	1,022,000	416,447	274,877	113,507	28,063	1,477,775	5.73	29.56	10.95
	June	39,247	1,075,000	430,848	283,497	119,182	28,169	1,545,095	5.87	29.18	10.99
	July	33,135	1,265,000	416,033	277,107	110,971	27,955	1,714,168	5.35	31.11	10.59
	August	31,106	1,472,000	419,166	277,978	111,088	30,100	1,922,272	5.46	32.66	10.61
	September	29,759	1,570,000	425,296	283,976	112,506	28,814	2,025,055	5.48	32.62	10.61
	October	26,333	1,639,000	431,408	288,806	113,521	29,081	2,096,741	5.45	32.52	10.61
	November	27,594	1,757,000	438,755	294,332	115,911	28,512	2,223,349	5.61	32.01	10.63
	December	34,926	1,805,000	445,061	298,924	117,686	28,451	2,284,987	5.71	32.72	10.69
1939	January	34,070	1,596,000	448,989	301,758	118,676	28,555	2,079,059	5.61	33.57	10.77
	February	36,245	1,566,000	456,973	306,399	121,935	28,639	2,059,218	5.42	33.25	10.84
	March	37,812	1,651,000	460,395	307,971	123,986	28,438	2,149,207	5.58	33.94	10.90
	April	34,800	1,598,000	463,210	309,349	125,653	28,208	2,096,010	5.68	35.03	10.92
	May	35,698	1,557,000	464,904	311,028	125,644	28,232	2,057,602	5.97	35.22	10.92
	June	38,141	1,482,000	465,763	312,535	125,416	27,812	1,985,904	6.42	35.79	10.92
	July	30,822	1,418,000	487,038	333,525	125,148	28,365	1,935,860	6.18	36.26	11.15
	August	35,226	1,188,000	492,630	337,198	124,051	31,381	1,715,856	6.07	36.68	11.13
	September	35,762	1,306,000	493,207	340,817	122,776	29,614	1,834,969	6.24	41.23	11.08
	October	38,050	1,437,000	497,652	346,331	122,563	28,758	1,972,702	6.51	42.81	11.14
	November	37,298	1,527,000	498,188	346,251	122,861	29,076	2,062,486	6.30	41.82	11.10
	December	39,553	1,659,000	503,366	349,762	124,224	29,380	2,201,919	6.17	41.11	11.15

[a] Federal participation commences.

TABLE XLIII

Texas

Relief in Dollars to Recipients

(Excludes Administration)

Year	Month	A General Assistance	B Federal Work Programs	C Total Special Categories	Special Categories: Old Age	Special Categories: Dependent Children	Special Categories: Blind	Totals	Dollars per Case: A	Dollars per Case: B	Dollars per Case: C
1933	July	$1,324,124	.....	.....	.....	.....	.....	$1,324,124	$6.58	.....	.....
	August	1,373,095	.....	.....	.....	.....	.....	1,373,095	7.52	.....	.....
	September	822,118	.....	.....	.....	.....	.....	822,118	7.92	.....	.....
	October	958,025	.....	.....	.....	.....	.....	958,025	8.03	.....	.....
	November	1,344,948	$3,023,534	.....	.....	.....	.....	4,368,482	9.23	$22.70	.....
	December	925,640	8,193,047	.....	.....	.....	.....	9,118,687	7.50	49.12	.....
1934	January	708,665	8,560,654	.....	.....	.....	.....	9,269,319	6.30	35.77	.....
	February	926,156	6,025,729	.....	.....	.....	.....	6,951,885	7.14	33.81	.....
	March	1,067,146	3,930,041	.....	.....	.....	.....	4,997,187	6.64	38.52	.....
	April	1,462,142	109,449	.....	.....	.....	.....	1,571,591	7.41	40.20	.....
	May	1,980,118	100	.....	.....	.....	.....	1,980,218	9.82	.....	.....
	June	1,727,247	.....	.....	.....	.....	.....	1,727,247	9.17	.....	.....
	July	2,353,419	.....	.....	.....	.....	.....	2,353,419	10.52	.....	.....
	August	2,902,633	.....	.....	.....	.....	.....	2,902,633	11.70	.....	.....
	September	2,672,110	.....	.....	.....	.....	.....	2,672,110	11.68	.....	.....
	October	2,972,197	.....	.....	.....	.....	.....	2,972,197	12.55	.....	.....
	November	3,820,097	.....	.....	.....	.....	.....	3,820,097	15.00	.....	.....
	December	3,928,168	.....	.....	.....	.....	.....	3,928,168	14.58	.....	.....
1935	January	4,497,902	.....	.....	.....	.....	.....	4,497,902	16.16	.....	.....
	February	3,927,425	.....	.....	.....	.....	.....	3,927,425	14.49	.....	.....
	March	3,324,624	.....	.....	.....	.....	.....	3,324,624	13.09	.....	.....
	April	3,164,111	.....	.....	.....	.....	.....	3,164,111	13.87	.....	.....
	May	3,029,197	.....	.....	.....	.....	.....	3,029,197	14.88	.....	.....
	June	1,928,239	.....	.....	.....	.....	.....	1,928,239	11.15	.....	.....
	July	2,015,842	.....	.....	.....	.....	.....	2,015,842	13.06	.....	.....
	August	1,622,523	.....	.....	.....	.....	.....	1,622,523	10.88	.....	.....
	September	1,376,988	7,000	.....	.....	.....	.....	1,383,988	9.89	5.33	.....
	October	1,386,274	176,000	.....	.....	.....	.....	1,562,274	10.50	24.08	.....
	November	1,154,253	668,000	.....	.....	.....	.....	1,822,253	8.65	15.30	.....
	December	891,219	1,904,000	.....	.....	.....	.....	2,795,219	7.33	25.81	.....
1936	January	526,788	2,832,000	$ 3,187	.....	$ 3,187	.....	3,361,975	10.50	27.98	$15.03
	February	503,309	3,211,000	3,282	.....	3,282	.....	3,717,591	10.38	26.86	15.05
	March	519,423	3,308,000	3,264	.....	3,264	.....	3,830,687	10.76	29.48	15.04
	April	522,600	2,945,000	3,284	.....	3,284	.....	3,470,884	10.67	31.71	14.99
	May	383,051	2,542,000	3,349	.....	3,349	.....	2,928,400	8.26	30.23	15.01
	June	373,539	2,455,000	3,343	.....	3,343	.....	2,831,882	8.17	30.31	14.99
	July	911,111	2,233,000	943,697	$ 940,267*	3,430	.....	3,267,808	6.80	29.08	15.66
	August	95,487	2,242,000	1,181,214	1,177,752	3,462	.....	3,518,701	6.77	28.97	15.57
	September	96,932	2,056,000	1,265,925	1,262,472	3,453	.....	3,418,857	7.26	26.52	15.53
	October	91,688	2,165,000	1,340,120	1,336,673	3,447	.....	3,596,808	7.12	28.15	15.39
	November	94,031	2,296,000	1,375,442	1,372,051	3,391	.....	3,765,473	8.30	29.46	15.20
	December	105,734	2,242,000	1,508,957	1,505,682	3,275	.....	3,856,691	8.10	29.01	14.86
1937	January	99,414	2,012,000	1,376,714	1,373,470	3,244	.....	3,488,128	6.89	26.85	14.74
	February	96,295	2,459,000	1,497,311	1,494,056	3,255	.....	4,052,606	7.13	32.54	14.47
	March	102,067	2,327,000	1,700,444	1,697,249	3,195	.....	4,129,511	8.07	29.36	13.93
	April	99,000	2,531,000	1,764,507	1,761,337	3,170	.....	4,394,507	8.53	31.91	13.78
	May	92,000	2,523,000	1,769,204	1,766,109	3,095	.....	4,384,204	8.07	32.10	13.60
	June	89,000	2,386,000	1,735,638	1,732,593	3,045	.....	4,210,638	8.39	33.34	13.51
	July	94,000	2,025,000	1,656,149	1,653,162	2,987	.....	3,775,149	9.12	33.25	13.74
	August	86,000	1,799,000	1,606,515	1,603,671	2,844	.....	3,491,515	9.34	32.69	13.75
	September	80,000	1,489,000	1,586,524	1,583,753	2,771	.....	3,155,524	9.41	33.65	13.71
	October	84,000	1,377,000	1,559,025	1,556,301	2,724	.....	3,020,025	9.88	33.70	13.70
	November	93,000	1,465,000	1,574,023	1,571,530	2,493	.....	3,132,023	9.78	33.03	13.70
	December	100,000	1,556,000	1,560,671	1,558,247	2,424	.....	3,216,671	8.40	29.41	13.70
1938	January	125,000	1,830,000	1,543,185	1,542,046	1,139	.....	3,498,185	8.92	29.62	13.69
	February	111,704	2,051,000	1,531,885	1,530,840	1,045	.....	3,694,589	8.31	29.78	13.71
	March	115,247	2,291,000	1,525,805	1,524,832	973	.....	3,932,052	8.29	30.59	13.72
	April	111,571	2,353,000	1,526,831	1,525,856	975	.....	3,991,402	8.62	29.46	13.72
	May	106,569	2,503,000	1,528,100	1,527,122	978	.....	4,137,669	8.32	30.82	13.73
	June	110,398	2,541,000	1,531,200	1,530,112	1,088	.....	4,182,598	8.78	31.34	13.74
	July	107,761	2,592,000	1,537,223	1,536,164	1,059	.....	4,236,984	9.19	30.93	13.76
	August	114,631	3,100,000	1,541,704	1,540,646	1,058	.....	4,756,335	9.21	34.59	13.77
	September	108,149	3,300,000	1,552,537	1,551,521	1,016	.....	4,960,686	9.29	36.03	13.80
	October	112,679	3,317,000	1,567,522	1,566,540	982	.....	4,997,201	9.14	33.69	13.81
	November	117,894	3,834,000	1,564,123	1,563,177	946	.....	5,516,017	9.36	34.02	13.82
	December	131,189	3,782,000	1,568,176	1,567,322	854	.....	5,481,365	9.69	34.91	13.83
1939	January	142,500	3,453,000	1,572,000	1,571,345	655	.....	5,167,500	9.31	32.65	13.84
	February	142,300	3,580,000	1,583,000	1,582,263	737	.....	5,305,300	8.92	34.03	13.89
	March	148,300	3,846,000	1,597,000	1,595,714	1,386	.....	5,591,300	9.09	36.07	13.95
	April	132,360	3,602,000	1,621,000	1,619,741	1,259	.....	5,355,360	8.99	36.36	14.01
	May	127,246	3,445,000	1,645,000	1,644,599	401	.....	5,217,246	8.76	36.79	14.07
	June	104,261	3,350,000	1,673,000	1,671,704	1,296	.....	5,127,261	7.73	36.77	14.15
	July	104,447	3,089,000	1,660,000	1,659,018	982	.....	4,853,447	8.49	36.17	14.14
	August	97,547	2,991,000	1,680,000	1,679,359	641	.....	4,768,547	7.90	38.47	14.17
	September	90,806	2,806,000	1,716,000	1,715,450	550	.....	4,612,806	8.08	42.11	14.22
	October	91,992	3,098,000	1,024,000	1,023,527	473	.....	4,213,992	7.29	43.64	8.45
	November	93,000	3,101,000	1,042,000	1,041,577	423	.....	4,236,000	7.68	41.54	8.60
	December	101,200	3,638,000	1,057,000	1,055,694	1,306	.....	4,796,200	7.59	41.02	8.75

* Federal participation commences.

FEDERAL SURPLUS MARKETING ADMINISTRATION

When certain types of farm products are produced in such excess as to force prices down to extremely low levels, both farmers and consumers stand to lose.

In an effort to benefit both the farmer, the consumer, and in addition help states provide for their needy citizens, in Pennsylvania the distribution of such commodities is handled through the Department of Public Assistance.

The program began operation in Pennsylvania in 1933 and during the past three years, 1938, 1939, to October 31, 1940, forty-four commodities with a retail value of more than $15,000,000 have been distributed by the Department.

Under this program surplus foods are purchased by the Federal department at points where surpluses exist and are transported and furnished free of charge to the states for distribution to eligible persons certified by the Department.

During the same period (1938-1940) the Department spent more than $750,000 to defray the cost of distribution, with nearly 400,000 D.P.A. cases participating including schools, public institutions, and demonstration projects.

Under the Food Stamp plan which is now operating in several Pennsylvania localities, 50 cents worth of blue stamps are given free for each $1.00 worth of orange stamps purchased by eligible persons.

With the single present exception of Philadelphia (only D.P.A.), both D.P.A. and W.P.A. eligibles are permitted to buy food under the stamp plan in the various sections where it is operating.

FROM DENT REPORT—1939

"The conclusion the commission draws from this section of its report is that the burden of corporation state taxes, and particularly on the capital of corporations, is heavier than in most other states, that this burden adds to the difficulties of operating industries in Pennsylvania at a profit, tends to eat up the working capital of business, retards the development of industries located here, and acts as a deterrent to the location of new industries in this state."

LEGISLATIVE COMMITTEES TO INVESTIGATE RELIEF AND RELIEF ADMINISTRATION PURSUANT TO LEGISLATIVE RESOLUTIONS, 1932-1940

1932

Committee to Make an Investigation of the Special Poor Districts of Philadelphia House Resolution Serial No. 58 (Not printed), Adopted Aug. 2, 1932; Report p. 7296 of the 1933 Legislative Journal.

1933

Special Committee to Make a Study of All Legislation Relative to Unemployment Relief, House Resolution No. 3, Adopted Jan. 17; Report presented March 14, 1933, p. 7281 of 1933 Legislative Journal.

Committee to Investigate Unemployment and Work Relief, House Resolution No. 64, Adopted April 12; Report presented May 1, 1933, p. 5070 of 1933 Legislative Journal.

Committee to Investigate Needs for Relief and Methods of Administration, Concurrent Resolution Serial No. 136 (Not Printed), Adopted by Senate May 4, by House May 5.

1933 Special

Committee to Investigate SERB as to Expenses, Wages, etc., House Res. No. 15, Adopted Dec. 13, 1933.

Investigation of Allegheny County Relief Board (By SERB), Concurrent Resolution Serial No. 206, Adopted by House Dec. 13, by Senate Dec. 20.

1934 Special

Study of Conditions and Causes Resulting in the "Overlooked Man" in the Problem of Unemployment Relief, House Resolution No. 15, Adopted Sept. 19.

1935

Joint Legislative Committee to Investigate the Distribution of Public Relief in Pa., H. Res. No. 110. Adopted in House April 4, Senate April 8; Report presented June 19, p. 7637 of 1935 Legislative Journal and pp. 1680 and 1765 of 1936 Legislative Journal.

Committee to Investigate Allegheny County Emergency Relief Board, House Resolution No. 44, Adopted February 13; Report presented May 14, p. 7567 of 1935 Legislative Journal.

Committee to Investigate Berks County Emergency Relief Board. House Resolution No. 150, Adopted May 15.

Committee to Investigate Blair County Emergency Relief Board. House Resolution No. 130, Adopted May 6.

Committee to Investigate Cambria County Emergency Relief Board, House Resolution No. 59, Adopted March 5.

Committee to Investigate Beaver County Emergency Relief Board. House Resolution No. 112, Adopted April 3; Report June 17, p. 7634 of 1935 Legislative Journal.

Committee to Investigate Lawrence County Emergency Relief Board, House Resolution No. 111, Adopted April 1.

Committee to Investigate Lehigh County Emergency Relief Board, House Resolution No. 107, Adopted April 4.

Committee to Investigate Luzerne County Emergency Relief Board, House Resolution No. 157, Adopted June 3.

Committee to Investigate Northampton County Emergency Relief Board. House Resolution No. 124, Adopted April 22; Report June 21, p. 7614 of 1935 Legislative Journal and p. 1728 of 1936 Legislative Journal.

Committee to Investigate Schuylkill County Emergency Relief Board. House Resolution No. Serial No. 180, Adopted April 18.

Committee to Investigate Washington and Greene County Relief Board. House Resolution No. 80, Adopted March 19; Report June 18, p. 7635 of 1935 Legislative Journal.

Committee to Investigate Westmoreland County Emergency Relief Board. House Resolution No. 97, Adopted April 1; Report June 18, p. 7636 of 1935 Legislative Journal.

Committee to Investigate Operation of Emergency Relief Boards in Certain Districts, H. Res. 53, Adopted

Feb. 25; Report June 21, p. 7644 of 1935 Legislative Journal.

1936 Special

Joint Legislative Committee to Prepare a Plan of Permanent Administration of Unemployment Relief, Senate Concurrent Resolution Serial No. 103 (Not Printed), Adopted by Senate June 21, House July 23; Approved by Governor July 30, 1936.

1939

Joint State Government Commission to Make a Study of the Unemployment Relief Problems, House Resolution Serial No. 134, Adopted May 26, 1939.

PRELIMINARY REPORT OF THE JOINT COMMITTEE TO INVESTIGATE THE DISTRIBUTION OF PUBLIC RELIEF THROUGHOUT THE COMMONWEALTH PURSUANT TO HOUSE RESOLUTION No. 110, 1935

LOCAL CONTROL

One of the chief defects in the present system, is the lack of responsible, efficient control in a local board or director in each of the several counties or areas in the State. Employment relief in these areas has been conducted under various branches such as the Division of Direct Relief, the Works Relief Division, the Financial Division, Disbursing Office, the Employment Bureau, etc. In the past there has been a lack of coordination between these divisions each operating separately under various rules and regulations promulgated from Harrisburg and Washington and without any one locally having authority to bring them into cooperation. As the conditions in the several counties and areas differ widely it is wholly impossible for uniform rules to apply satisfactorily. The result is necessarily confusion, inefficiency and waste, and what was intended for equality becomes gross inequity. One of two examples may be sufficient to illustrate this condition. For instance, relief checks have been mailed to persons for weeks after such recipients have been reported by employers or others to have been given employment. This is due to the fact that such information must go around-about course from system of files and cards so that a long time elapses before the paymaster obtains the knowledge which stops the taxpayers' money from going where it is not needed.

Again by reason of the fact that a uniform budget system is set up applying to all counties or areas, persons on farms or small tracts of land or in other favorable situations may be given the same relief as those without the aid which these circumstances might have afforded if properly used. Even in the same county, different sections produce different conditions which cannot be met by any standard set of rules.

Relief administration, therefore, in the opinion of a majority of the Committee should be decentralized to a much greater extent than at present and the local boards should be given authority to make such rules as will provide reasonable relief at a minimum of expense to the taxpayers. With such powers there would go, of course, a responsibility for which the boards would be held accountable.

CHISELING

The subject of chiseling was one that was brought to the attention of all the committees appointed to investigate the administration of relief. This term in its narrow sense may be limited to those who deliberately accept relief while having money in bank or elsewhere and those who receive relief checks while fully employed in private business. In its broader sense it may apply to all those who take more relief than needed, to those who fail to aid themselves by planting their farms and gardens and those who in work relief fail to render the service reasonably to be required for their pay.

The number of chiselers in the narrower sense the Committee feels is not so large as indicated in certain of the testimony. However, it is sufficiently large to take a considerable amount of money unlawfully. A few prosecutions of the flagrant offenders in each area should have a wholesome effect in discouraging this form of cheating the public.

The other form of chiseling to which we have referred is more serious in its lasting results. The giving of relief in itself has demoralizing features attached to it. The recipient at first reluctant to accept aid soon comes to feel that the State owes him a living without undue effort on his part. We feel that the attitude of the professional social worker too often encourages the relief worker to assume a position of dependence upon the State. More efficient local control with the employment of investigators who discourage giving relief to all who can help themselves, will have a salutary effect in stopping all forms of chiseling.

SOCIAL WORKERS

In the investigation by the Committee, no criticism occured more frequently than that relating to the type of employes administering relief. Under Federal rules and regulations, the administration of relief has passed to a large extent into the hands of professional social workers and conducted from their point of view. The testimony of the Assistant Administrator of Direct Relief showed the large measure of free play given to the social influence in the whole administration of relief.

Unfortunately many of these persons have been salaried men and women who do not have the viewpoint of the taxpayer who conducts a business with great difficulty to avoid insolvency or who only by most strenuous efforts is able to save himself and family from going on the relief rolls. Everyone desires, of course, to uplift the standard of living of those in want but the danger today from the enormous increase in the cost of relief, is that the whole of society will be precipitated into the same ruin so that the standard of all will be eventually lowered.

The Committee feels that the minimum of relief that will reasonably support the unemployed and take from the overburdened taxpayer as little money as possible in this emergency is the best solution at this time. As the comprehensive report of the House Investigating Committee for Allegheny County puts it "The taxpayer cannot perpetually support one-fourth of the population as a social workers' experimental laboratory."

A common cause of complaint by recipients of relief was the rule requiring that investigators must have a college or high school education and in some cases must pass an oral examination by a "social welfare" supervisor. It was urged that many of those on relief would make better investigators and would save money for the

taxpayers by being taken from the rolls. The Committee feels that too much stress has been laid on the social training qualification and that sound judgment in business and family training qualification and that sound judgment in business and family affairs is more important than a course in college, and that a policy should be adopted for the administration of relief on a basis of sound common sense rather than on a social basis.

WORK RELIEF

Considerable evidence was presented to the Committee indicating that the tangible results obtained through Work Relief were extremely expensive from the taxpayers' point of view. For example, several of the County Relief Investigating Committees presented evidence showing that Public Works Projects in their Counties were costing four to five times the amount of money which private contractors would have charged for the same work. Members of the unemployed groups appearing before the Committee complained about the method of administering such work and themselves pointing out that many of these projects were costing too much money.

Some of the reasons for this were pointed out by one of the auditors in the State Auditor General's Department. He produced evidence to show that on certain Works Projects in Berks County the overhead was running as high as forty per cent of the total cost of the project and that one of the reasons for this high overhead was the fact that foremen, timekeepers, etc. were on a straight salary basis instead of a per diem basis and were paid whether they worked or not. As few of those in a supervisory position come from the relief rolls, these high costs seem to be unjustifiable.

It is hoped that the Auditor General's Department may continue its audits with reasonable promptness as the moneys spent for relief purposes are larger in amount than the expenditures for all other purposes. We recommend that an appropriation be granted sufficient for this work.

The members of the Committee feel that relief projects would be more effective in their accomplishment and work done and in real benefit by submitting the same to contractors to be performed in accordance with general business rules.

As heretofore stated in this report, the committee has not completed its work. We submit this report at this time so that the General Assembly may take further action if it so desires on the whole subject at this Session.

Respectfully submitted,

MILES HORST, Chairman
WILLIAM J. EROE, JR.
JOSEPH DAVID BUSH
CHARLES H. EALY
N. B. RODGERS

Harrisburg, Pa., June 18, 1935.

COMPARISON BETWEEN LOCALLY SUPPORTED WELFARE COSTS OF 1936 AND 1939

IN 1936		
Counties expended for Welfare	$8,577,000	
Poor District expended	14,082,000	
Producing total locally-supported expenditures for welfare of	$22,659,000	
However, counties and poor districts earned and received ..	2,137,000	
Thus, the welfare cost that was locally supported amounted to		$20,522,000
IN 1939		
Counties expended for welfare	$6,655,000	
Institution Districts expended ..	9,808,000	
Producing total locally-supported expenditures for welfare of	$16,463,000	
However, counties and institution districts earned and received	1,766,000	
Thus, the welfare cost that was locally supported amounted to		$14,697,000
FROM 1936 TO 1939		
LOCALLY SUPPORTED WELFARE COSTS DECREASE		$5,825,000

COPY OF LETTER FROM EARLE SURVEY COMMITTEE

Harrisburg, Pa.,
December 16, 1937.

Honorable George H. Earle
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Sir:

Complying with your directions of November 16, 1937, appointing us as a special committee, we have made an investigation of the Department of Public Assistance as to its administration and the provision of relief in accordance with the law of the Commonwealth; also to determine if the expenditures of the department will exceed the amount appropriated by the legislature for the biennium ending May 31, 1939 and, if so, the reason therefor.

We met the day following receipt of your instructions and planned as extensive an inquiry as the allotted time would permit.

We appreciate the significance and importance of this survey, as the administration of relief constitutes one of the most important problems confronting Pennsylvania at the present time. Our investigation was conducted with sincerity and thoroughness and the conclusions, based on the findings of the survey, represent our unbiased and impartial opinion.

Respectfully submitted,

(s) D. M. Livingston
D. M. Livingston, Chairman
Public Utility Commissioer

(s) Harry Margolis
Harry Margolis
Deputy Auditor General

(s) William A. Sponsler, III
William A. Sponsler, III
Assistant Budget Secretary

COST OF GENERAL ASSISTANCE

Source: Department of Public Assistance, Harrisburg, Penna., 1932 to 1939, Inclusive

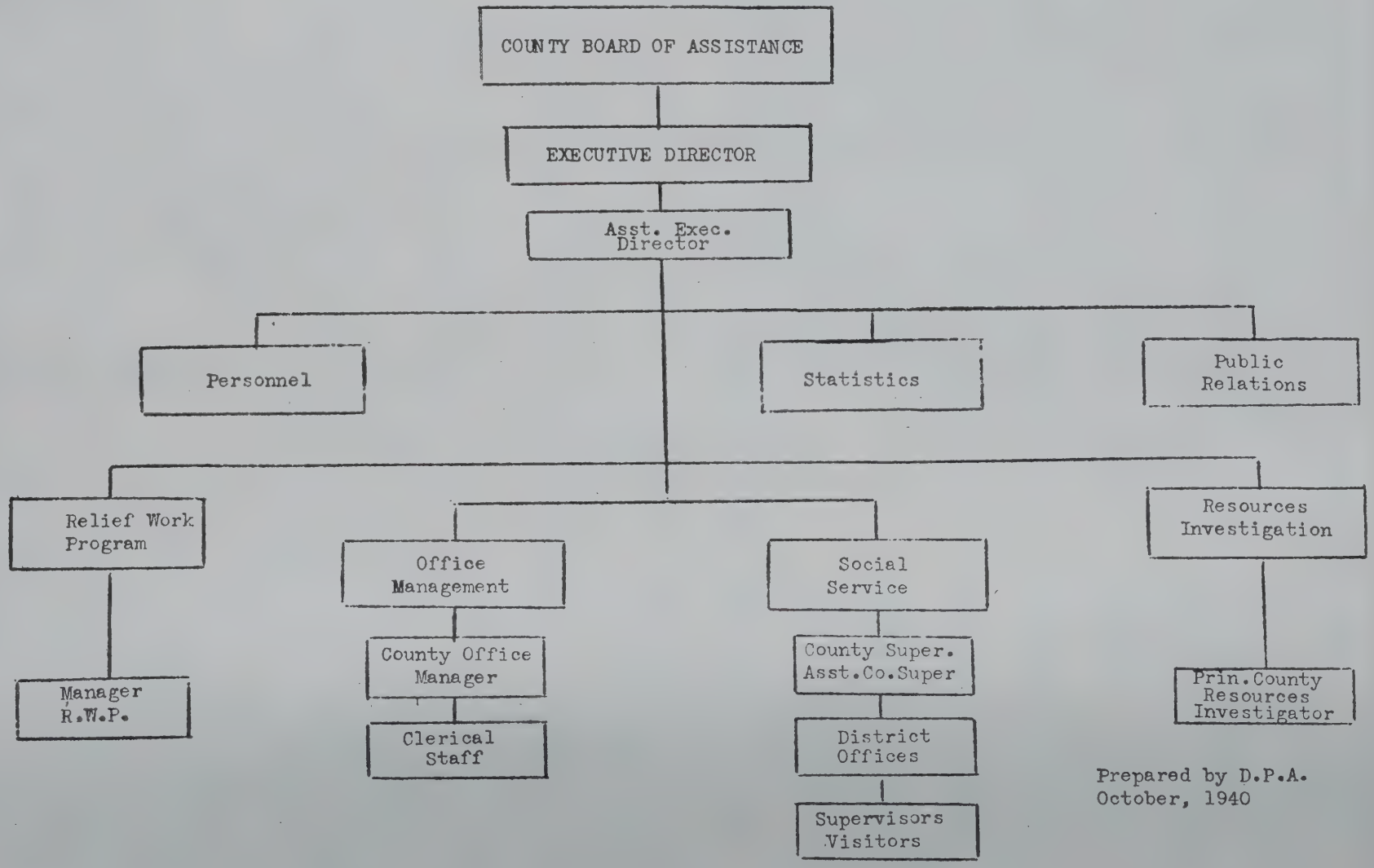
YEAR	SOURCE	AMOUNT	TOTAL
1932	Federal	$7,646,000	
	State	3,801,000	
	County	.....	$11,446,948
1933	Federal	44,318,000	
	State	30,473,000	
	County	.....	74,793,556
1934	Federal	70,386,000	
	State	21,598,000	
	County	.....	91,983,557
1935	Federal	119,448,000	
	State	29,961,000	
	County	.....	149,408,645
1936	Federal	.....	
	State	63,443,715	
	County	.....	63,443,715
1937	Federal	.....	
	State	57,813,000	
	County	.....	57,813,215
1938	Federal	.....	
	State	75,979,000	
	County	.....	75,979,000
1939	Federal	.....	
	State	91,646,000	
	County	.....	91,646,000

DEPARTMENT OF PUBLIC ASSISTANCE CLASSIFICATION OF "EMPLOYABLE"

Relief recipients are considered employable by the Department of Public Assistance as classified and registered as employable by the State Employment Service at the time of their application for assistance. However, as pointed out in previous studies of this nature, employability does not lend itself to iron clad definitions. It is virtually impossible to determine the exact point at which the factors of age temperament or apparent handicaps pass from relative disadvantages to complete barriers to employment. In addition, all of these factors which affect a worker's chances of reemployment vary from industry to industry with economic conditions, duration of unemployment, opportunities for retraining and employment rehabilitation. Local and individual characteristics playing an important part. Likewise, the elements of supply and demand in specific labor markets, a factor rapidly assuming a large significance in today's expanding national defense machinery determine to a large extent the employability of an individual worker. Thus, in some areas a surplus of labor may make it impossible for elderly persons with little or no training to obtain employment, whereas in others an expanding industry may create a demand which will absorb the same type of workers. These considerations must be kept in evaluating the possible reduction in the state's relief roll, assistance with increasing employment opportunity.

CO'NTY BOARDS OF ASSISTANCE
TYPICAL ORGANIZATIONAL PATTERN
CLASS I

Chart No. 3

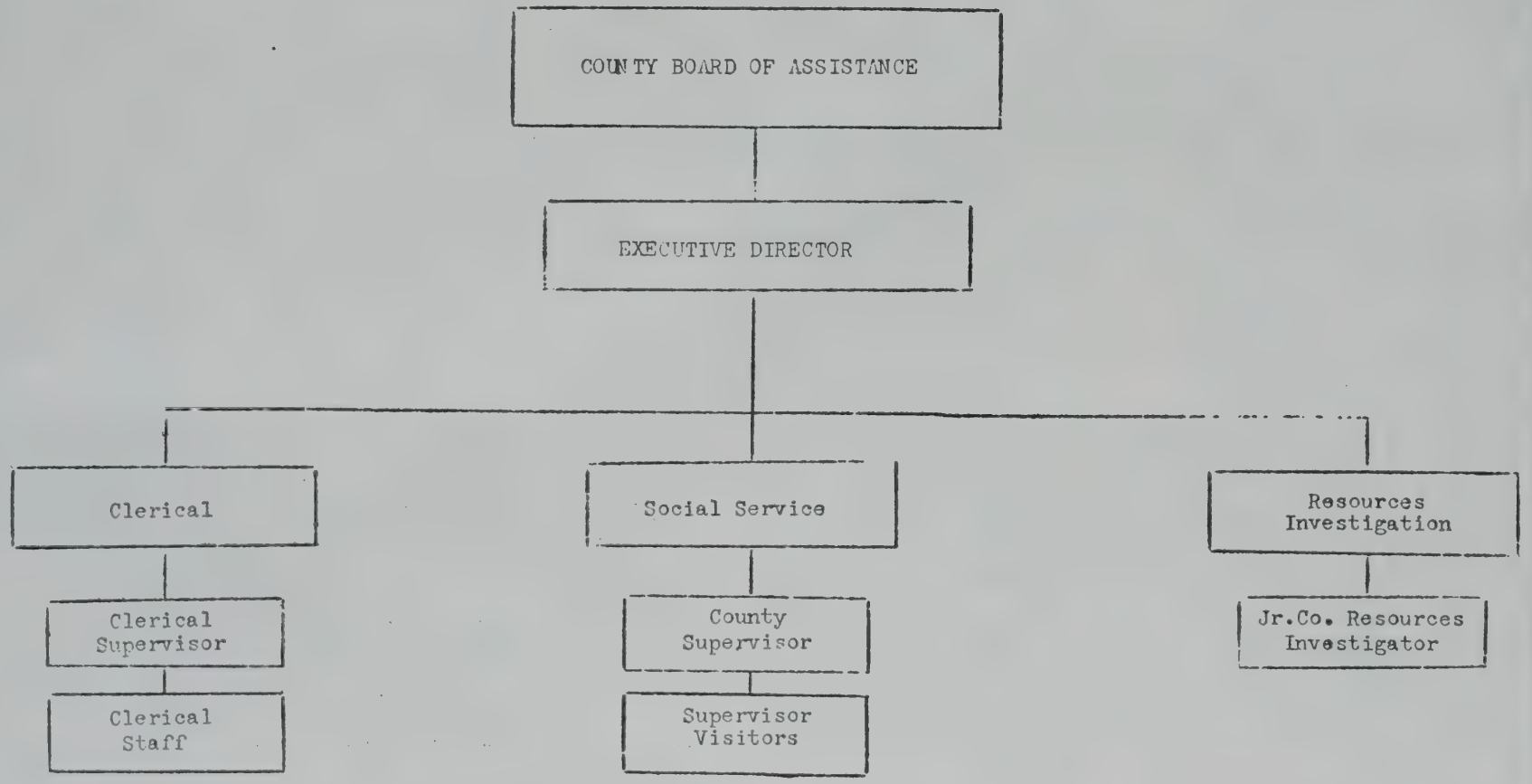


Prepared by D.P.A.
October, 1940

Chart No. 4

COUNTY BOARDS OF ASSISTANCE

TYPICAL ORGANIZATIONAL PATTERN
CLASS V - VI



Prepared by D.P.A.
October, 1940

ADMINISTRATION OF GENERAL RELIEF*

Prepared by

Council of State Governments

Chicago, Ill.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
ALABAMA	State Dept. of Public Welfare	Both State and local funds used for general relief. State and local governments share expenses for relief to unemployables and employable persons on a 50-50 basis.	County departments of public welfare administer general relief under supervision of State Department of Public Welfare. Supervision exercised through visits by field representatives, audits of accounts, and required reporting. Standards of personnel are maintained on both State and county level through qualifications set up by State Board.	Cash relief predominates since State matches only cash payments. Grocery orders sometimes given.
ARIZONA	State Dept. of Social Security and Welfare	State funds used for all general relief except hospitalization and medical care, which must be provided from county medical funds. Amount of local funds used for these services not known.	State Department of Social Security and Welfare administers general relief through its branch county units, which are supervised through visits by field representatives. All records for reports and auditing maintained in State Office. State Commissioner approves appointments of personnel made by county board under merit system. State Commissioner, appointed by State Board, selects the State staff from the three highest on merit rating lists. State prescribes standards of relief. County boards of supervisors administer hospitalization and medical care without State supervision. These agencies do not submit reports to the SDSSW.	Cash relief and relief in kind.
ARKANSAS	State Dept. of Public Welfare	State funds used for all general relief payments except burials, and, in a few instances, small amounts of relief paid by county judges from county funds. Amount of local funds expended not known. State funds allocated to counties are calculated roughly at $6 per case receiving relief during previous month.	County departments of public welfare administer general relief under supervision of State Department of Public Welfare. Supervision exercised through visits by field representatives audits of accounts, and required reporting. County directors appointed by county boards subject to approval of State Board. County judges do not submit reports on relief administered from local funds.	Cash relief to employable persons from State funds; forms of relief to unemployable persons vary among counties.
CALIFORNIA	State Relief Administration and State Dept. of Social Welfare	Both State and local funds used for general relief. Only State funds used for relief to employable persons; only county "indigent" funds used for relief to unemployable persons. April 1939: State funds—80 per cent Local funds—20 per cent of total general relief extended to cases.	State Relief Administration supervises and administers through its local branch offices all general relief to employable persons. Payments made from central office. Supervision exercised through visits by State field representatives, audits of accounts, and required reporting. County boards of supervisors or agencies established and supervised by them adminis-	Cash relief to employable persons from State funds; forms of relief to unemployable persons vary among counties.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
			ter all general relief to unemployable persons without State supervision. County boards of supervisors exercise complete authority with respect to general relief to unemployable persons under terms of State law which provide that counties shall be responsible for aid to "all incompetent, poor, indigent persons and those incapacitated by age, disease or accident." State Department of Social Welfare adjusts residence problems among counties and collects reports from county agencies which administer relief to unemployable persons.	
COLORADO	State Dept. of Public Welfare	Both State and local funds used for general relief. Counties levy taxes for relief purposes and the funds thus obtained must first be used for ADC and AB. Remaining funds may be used for general relief or other purposes, such as tuberculosis assistance, State makes allocations within limits of State funds, pro-rated on basis of county needs estimated from previous months' case load and average grant. Source of funds not available.	County welfare departments administer general relief under supervision of State Department of Public Welfare. Supervision exercised through visits by field supervisors, audits of use of State funds, and required reporting. Directors of county departments are appointed by county boards from lists approved by State board, which prescribes local standards of personnel and gives final approval of appointments by county boards.	Cash relief, grocery orders, and commissary supplies.
CONNECTICUT	Office of Commissioner of Welfare	Both State and local funds used for general relief. Only local funds used for relief to settled cases. State funds used to reimburse cities and towns for relief in cases lacking local settlement in State. Cities and towns bill State quarterly for these cases. April 1939: State funds—25 per cent Local fund—75 per cent of total general relief extended to cases.	Local units administer relief through an elected board of selectmen, a charity commissioner, a superintendent of charities, an elected overseer of the poor, or an appointed town agent. Office of the Commissioner of Welfare supervises administration of relief to cases lacking settlement and must approve bills from cities and towns for reimbursement for these cases, but exercises no supervision over local administration of relief to settled cases. State has no authority over standards of relief and personnel in local units, but many local units have retained workers and budgets established under ERA, which had such standards. State staff selected under civil service rules.	Relief in kind predominates. As a rule only relief in kind is reimbursed under State law. In some instances, cash relief is reimbursed upon special application of towns.
DELAWARE	Old-Age Welfare Commission	Both State and local funds used for general relief on a 50-50 basis.	State Old-Age Welfare Commission administers general relief. No personnel standards for employees are prescribed by State Commission.	Relief in kind in form of grocery orders predominates. Some cash relief given to unemployable persons.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
FLORIDA	State Welfare Board	Only local funds used for general relief.	Local agencies administer general relief. In majority of counties relief is administered by elected county commissioners in some larger counties, by city or county agencies whose administrative officers are appointed by city or county commissioners; in two counties, funds are turned over to county unit supervisor of State Welfare Board. No standards of relief or personnel are maintained. State Board collects general relief reports from local agencies.	Relief in kind predominates.
DISTRICT OF COLUMBIA	Board of Public Welfare	All funds are from Congressional appropriation.	Board of Public Welfare administers general relief through its public assistance division. Director and staff are appointed by commissioners of District from Federal Civil Service registers.	Cash relief predominates; grocery orders sometimes given.
GEORGIA	State Department of Public Welfare	Only local funds used for general relief.	Local agencies administer general relief. In a majority of counties county departments of public welfare are responsible. In these counties personnel is appointed by county boards, subject to qualifications set up by State board and subject to approval by State department. Standards of relief based on uniform budget are maintained. In other counties relief is administered through county ordinaries. No standards of relief or personnel are maintained, but most of these counties submit reports to State Department of Public Welfare.	Cash relief predominates; grocery orders sometimes given.
IDAHO	Department of Public Welfare	Only local funds to be used for general relief after transfer of responsibility to the counties.	Early in 1939 responsibility for general relief being transferred to the counties. Complete transfer and withdrawal of State support not effected by July, 1939.	Cash relief from State funds; emergency relief orders sometimes given from local funds.
ILLINOIS	Illinois Emergency Relief Commission.	Both State and local funds used for general relief. To qualify for State-aid, each local unit must levy a tax of 30 cents per $100 assessed valuation of all taxable property for relief purposes. State allocation is based on assumption that about 75 per cent of this levy is available for year, but if monthly amount is not sufficient to cover relief needs, which are estimated on monthly basis by local unit, State makes up as much of deficit as possible from State funds, the latter being limited to $2,900,000 per mo.	Local units administer general relief under limited supervision of Illinois Emergency Relief Commission. In 84 or 102 counties in State, there are 1,406 townships in which elected township supervisors are responsible for administration of relief. In 17 counties, county commissioners are responsible, and generally appoint one of their members as overseer of poor. In Cook County, commissioner of relief is appointed to administer relief in city of Chicago through Chicago Relief Administration. In 30 townships of Cook County outside Chicago township	Cash relief predominates in Chicago; relief orders predominate in all other local relief units.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief†
			supervisors are responsible. State supervision exercised through staff of financial examiners who are responsible for financial and statistical reports to IERC and through staff of auditors who examine local records for mechanical imperfections IERC does not prescribe standards of relief, personnel, or methods of administration.	
INDIANA	State Unemployment Relief Commission	Only local funds used for general relief. Although a $2,000,000 State appropriation was made, it has never been used.	Township trustees administer general relief without State supervision. Consultation services on problems of administration of general relief is available to townships through State unemployment Relief Commission. General relief reports are prepared by members of SURC staff.	Relief in kind, mostly in form of grocery orders predominates; a few towns have commissaries.
IOWA	State Board of Social Welfare	Both State and local funds used for general relief. As of April, 1939, State Funds —32 per cent; Local Funds —68 per cent of total general relief extended to cases.	About July 1, 1939, the IERA which formerly had responsibility for general relief was combined with the SBSW. No other information available.	Relief in kind, in form of grocery orders predominates; some cash relief; largest county (Polk) has commissary.
KANSAS	State Board of Social Welfare	Both State and local funds used for general relief. Counties advance all funds for relief to cases and are reimbursed for 30 per cent of approved expenditures from State funds. In addition, State funds allocated to counties for emergency purposes amounting to approximately 20 per cent.	County boards of welfare administer general relief under supervision of State Board of Social Welfare. Supervision exercised through visits by field representatives, audits of accounts, and required reporting. County directors are appointed by county boards and county personnel is subject to State approval.	Cash relief and relief in kind in most counties; in one or two counties, relief in kind only.
KENTUCKY	State Department of Public Welfare and Kentucky Emergency Relief Administration (KERA)	Only local funds used for general relief.	Fiscal courts administer general relief in most counties through elected county judges but county is not always administrative unit. In larger cities private agencies and public welfare departments under direction of appointed officers administer relief. A limited number of towns and municipalities also administer relief. State Department of Public Welfare has, by law, authority to supervise administration of general relief, but exercises this supervision only by collection of statistics from most of local units. Kentucky Emergency Relief Administration collects and compiles statistics from a few selected local units.	Relief in kind, in form of groceries and clothing always given except in urban areas.
LOUISIANA	State Department of Public Welfare	Only State funds used for general relief.	Information not available.	Cash Relief

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
MAINE	State Department of Health and Welfare	Both State and local funds used for general relief. Only local funds used for cases with local settlement, except in towns financially unable to support their poor in which State funds are used, principally for support of unemployable persons. Local units advance funds for cases without settlement and are reimbursed quarterly or monthly by State on basis of receipted bills. April, 1939, State Funds—30 per cent; Local Funds—70 per cent for total general relief extended to cases.	Local units administer general relief through overseers of the poor, welfare departments, town managers, except in towns financially unable to support their poor, where State administers relief through Emergency Aid Commission (Emergency Aid Commission was established by order of Governor and Council for this purpose.) Expenditures for unsettled cases which are reimbursed from State funds are supervised through an audit of accounts on basis of which reimbursement is made and through visits by field staff members. No local standards of relief or personnel are maintained. Local officials are elected or appointed State personnel is employed by Commissioner of Health and Welfare with approval of Governor and Council. State Personnel Board, established by Legislature of 1937, will make up lists from examinations from which to draw future employes. State Department of Health and Welfare collects general relief reports from all local officials.	Relief in kind predominates; some cash relief; a few cities have commissaries.
MARYLAND	State Department of Public Welfare	Both State and local funds used for general relief.	Beginning October 1939, in order to receive State funds, general relief must be administered through the local welfare boards, under the supervision of the SDPW.	Cash relief predominates; grocery orders sometimes given.
MASSACHUSETTS	State Department of Public Welfare	Both State and local funds used for general relief, local funds are used for granting aid to all cases regardless of legal settlement status. State funds are appropriated annually to reimburse cities and towns for amounts of aid previously granted to unsettled cases. Cities and towns also claim reimbursement from other cities and towns in which recipients of aid have legal settlement. Fiscal year ended June 30, 1939; Estimated State Funds—23 per cent; Estimated Local Funds—77 per cent for total general relief extended to cases.	In most local units a selectman, a member of the board of welfare, or an agent appointed by the board administers general relief. In some larger cities, a commissioner is appointed under Civil Service. State Department of Public Welfare exercises nominal supervision over cases having legal settlement by collection of monthly and annual reports on operations. State department exercises supervision of cases having no legal settlement through certification and authorization after investigation and through audit of bills submitted annually. No attempt is made to establish a standard budget, but one is available to be used as a guide. State personnel and personnel in certain cities are under State Civil Service.	Cash relief in cities; grocery orders predominate elsewhere; two cities have commissaries.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
MICHIGAN	State Department of Social Welfare.	Both State and local funds used for general relief. State funds for general public relief are allocated monthly to the counties on the basis of the need for relief funds in the county during the past year, the current financial resources of the county, and the amount spent by the county for relief purposes during the preceding month. In no instance however, is the county to receive less than it spent out of its own funds during the preceding month for general public relief.	On the State level, the Department of Social Welfare, under the supervision of a State director, administers general public relief. The county board has assumed the powers and duties of the former county emergency welfare relief commissions, the superintendents of the poor, and such duties of the county welfare agents as pertain to relief. The duties of the county boards are to appoint the heads of institutions under their supervision such as county infirmaries and juvenile detention home; to administer, in cooperation with the State department, relief problems of the county, including general public relief; to extend relief to destitute persons lacking settlement; to assist the probate courts in making investigations; and to extend temporary relief to non-residents. The county board also has charge of and responsibility for the burial of indigent persons. Eligibility for public assistance has been re-defined in the new act, insofar as general public relief involving only county and State funds is concerned. To receive relief other than temporary emergency relief, an applicant must be a resident of the State of Michigan.	Cash Relief and Relief in kind.
MINNESOTA	State Department of Social Security.	Both State and local funds used for general relief. April 1939: State funds—81 per cent; Local funds—19 per cent of total general relief extended to cases.	Information not available.	Relief in kind predominates.
MISSISSIPPI	State Department of Public Welfare.	Only local funds used for general relief.	County boards of supervisors administer general relief except in counties where responsibility of disbursement of general relief funds has been delegated to private agencies. No standards of relief or personnel are maintained. County supervisors are elected; administrators of private agencies are appointed by officers of such agencies. State Department of Public Welfare collects general relief reports.	Cash relief predominates; grocery and merchandise orders frequently given.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
MISSOURI	State Social Security Commission.	Both State and local funds used for general relief. State and local units are to share cost of general relief on 60-40 basis. State sets maximum amount which each county may spend from State funds, and this amount is expected to be supplemented by an additional local share of 40 per cent. In actual practice, all counties cannot supply required amount and some counties supply no local funds. In a few counties, small amounts of local funds are administered by local officials for general relief. April 1939: State funds—97 per cent Local funds—3 per cent of total general relief extended to cases.	County social security offices administer general relief in majority of counties under supervision of State Social Security Commission State commission exercises supervision through visits by field representatives and required reporting, prescribes standards of relief and local personnel, and appoints local directors. In some counties providing local funds, funds are turned over to social security offices by county courts; in others, funds are retained by courts to be drawn upon by social security offices. In a few counties small amounts of general relief from local funds are administered directly by county courts without supervision of either State Commission or county offices. These county courts do not submit reports to SSSC.	Relief in kind from State Funds.
MONTANA	State Department of Public Welfare.	Both State and local funds used for general relief	County departments of public welfare administer general relief under limited supervision by State Department of Public Welfare. Statistical reporting is mandatory and supervision is exercised through visits by field representatives. Case workers in some counties make recommendations regarding eligibility and size of grant in others, county commissioners, either directly or through the clerk and recorder, give relief orders without investigation or recommendation of trained staff.	Cash relief in larger counties; cash relief and disbursing orders given in other counties. In two counties, county commissioners grant relief by verbal orders to merchants. (Since June 1938 all counties grant relief in cash or on disbursing orders.)
NEBRASKA	Department of Assistance and Child Welfare.	Only local funds used for general relief.	County assistance director, appointed by county assistance committee, administers general relief in most counties. Department of Assistance and Child Welfare collects general relief reports.	Relief in kind in form of grocery orders predominate; some cash relief; the largest county (Douglas) has a commissary.
NEVADA	Emergency Relief Administration.	Both State and local funds used for general relief. State funds usually used for relief to employable persons, and county funds for relief to unemployable persons: All State Funds handled through an agent of Nevada. Emergency Relief Administration under general supervision of State Board of Relief, Work Planning, and Pension Control.	County commissioners administer general relief to unemployable persons in all counties except three in which a supervisor of relief, who is appointed by commissioners to represent them, is responsible. Nevada Emergency Relief Administration administers general relief to employable persons with advice of State Board of Relief, Work Planning, and Pension Control which, by law, has power to "supervise the administration of poor relief—within the several counties of the State." Representatives of NERA in each county coordinate with local administrators.	Relief in kind in form of grocery or rent orders from State funds; cash relief from local funds in all but exceptional cases.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
NEW HAMPSHIRE	State Department of Public Welfare.	Only local funds used for general relief.	State Agency ceased to exercise supervision as to standards of personnel and relief upon withdrawal of financial participation on June 30, 1938.	Relief in kind predominates although cash grants are encouraged.
NEW JERSEY	Financial Assistance Commission.	Both State and local funds used for general relief (largely State funds). Total collective share to be borne by municipalities is determined by State legislature; individual share of each participating municipality is determined by Financial Assistance Commission through formula based on tax collections, and balance is met from State funds granted to municipality.	By law enacted April 30, 1938 local assistance boards appointed by chief executives of municipalities were established. These boards appoint welfare directors, who may or may not be overseers of the poor. Municipalities failing to establish such boards are not eligible to receive State funds. Integration of the FAC with the State Department of Institutions and Agencies is pending.	Relief in kind predominates; some cash relief.
NEW MEXICO	State Department of Public Welfare.	Both State and local funds used for general relief. State funds disbursed by State department in accordance with need and case load in counties and amount of State money available. Amount of local funds used is small. April 1939: State funds—82 per cent Local funds—18 per cent of total general relief extended to cases.	State Department of Public Welfare administers general relief through its branch county offices. Supervision exercised through visits by field representatives and required reporting . . . Appointments of local personnel are made by State department, which also disburses all State funds directly and prescribes plan under which county funds are expended.	Relief in kind.
NEW YORK	State Department of Social Welfare	Both State and local funds used for general relief, State funds used to reimburse local welfare departments for 40 per cent of relief extended to cases with settlement in any welfare district in State and for 100 per cent of following special items: (a) cost of relief to cases having no settlement in any welfare district in State, and (b) cost of relief to New York State Indians who live on reservations. Local funds initially used for all purposes, subject to above reimbursement procedures.	Town, city and county welfare departments administer general relief under supervision of State Department of Social Welfare. Supervision exercised through visits by field representatives, audits of accounts, and required reporting. Each local welfare district (town, city, or county) is responsible for immediate care of persons in district but districts are later reimbursed for cases with settlement elsewhere in State by State. County welfare departments administer all relief for which towns or cities are not responsible. County welfare departments administer all relief for which towns or cities are not responsible. County departments with legislative permission of towns and cities in county, may assume entire responsibility for general relief. State prescribes standards of relief and personnel. Town public welfare officials are appointed by town boards. City public welfare officials are generally appointed, although a few cities have elected officials or citizens' boards. County public welfare officials	Cash relief predominates in terms of case load, although relief in kind in form of grocery and other orders is provided in majority of welfare districts.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
			are selected in all counties except Albany, Erie, Hamilton, Jefferson, Monroe, and in New York City. In these areas officials are appointed for varying terms.	
NORTH CAROLINA	State Board of Charities and Public Welfare	Only local funds used for general relief.	County departments of public welfare, under direction of superintendent appointed by welfare board and county commissioners, administer most general relief. Municipal and private agencies administer some general relief. State has no actual supervisory powers, but most county departments administering general relief also administer special types of public assistance affording opportunity for State field representatives to make suggestions and to instruct on methods of handling general relief. State Board of Charities and Public Welfare collects general relief reports.	Relief in kind in form of grocery orders predominates; some cash relief.
NORTH DAKOTA	State Board of Public Welfare	Both State and local funds used for general relief. State funds allocated on basis of formula which considers financial conditions of counties, relief loads, and other factors.	County welfare boards, headed by an executive secretary, administer general relief under supervision of State Public Welfare Board when financed in whole or in part by State funds. Supervision exercised through visits by field supervisors, audits of accounts, and required reporting. Board of Public Welfare establishes and recommends standards of relief and approves all appointments of professional staff and board members to local agencies.	Relief in kind in form of grocery, rent, and medical orders. Cash relief.
OHIO	State Department	Both State and local funds used for general relief on a 50-50 basis. State funds are distributed monthly to each local relief area in an amount equal to but not exceeding 50 per cent of the obligations incurred during the preceding month by each local relief area from poor relief funds, provided that the total amount of State funds for any calendar month does not exceed the monthly percentages of the total State appropriation set up in the Act. In case one-half of the total amount of obligations incurred by the local relief areas is in excess of the amount of State funds that may be distributed during the month, the amount of State funds distributed to each local area is reduced proportionately.	State Department of Public Welfare collects general relief reports. General relief administered by counties and municipalities without any State supervision whatsoever. The county commissioners in the county local relief areas and the proper board or officer of the cities in the city local relief areas are responsible for the administration of poor relief. The city may by agreement reunite with the county area for the administration and or financing of poor relief. It is also possible for a county and city or cities to enter into an agreement whereby a city administers relief for other cities and the county local relief area. "The State Director may conduct investigations of the eligibility of the relief of recipients, but such investigations do not in any way take the place of routine investigations by the local relief	Relief in kind in form of grocery orders predominates; some cash relief and commissary supplies.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
			authority. The State Director in effect is responsible for maintaining a degree of uniformity in the relief programs being conducted by all relief authorities in the State." (Analysis of Amended Substitute House Bill No. 675 Providing for the Administration of Poor Relief prepared by the Ohio State Department of Public Welfare.)	
OKLAHOMA	State Board of Public Welfare.	Both State and local funds used for general relief. State funds allocated to counties on basis of need, which is judged by size of case loads for past month. Counties must, by law, levy a tax of 0.8 of a mill for their "poor indigent" funds.	State Board of Public Welfare supervises and administers general relief from State funds through its branch county welfare boards, which are made up of county commissioners and county health officers in 47 counties and consist of administrators in other 30 counties. State supervision of local branches exercised through visits by field representatives, audits of accounts, and required reporting. State Board prescribes standards of relief and employes personnel for all its local units. (In Oklahoma county a single agency administers both State and local funds. Director and most of personnel are employed by county commissioners). County Commissioners in all counties administer county funds for relief over which State has no authority. County Commissioners do not submit reports to SBPW.	Commodities from State Commissaries and small amounts of cash to unemployable persons; cash for work relief to employable persons.
OREGON	State Welfare Commission.	Both State and local funds used for general relief. Prior to March 1939, State and local units shared expenses for general relief on a 50-50 basis in accordance with need and available State funds, except that relief to non-residents, other than transportation and meals en route is paid entirely from State funds. Effective March 1939, full payment of administrative cost of general relief from State funds; all general relief extended to cases shared equally by State and counties. April 1939: State funds—50 per cent Local funds—50 per cent of total general relief extended to cases.	County public welfare departments administer general relief under rules and regulations established by SPWC. Supervision exercised through visits by field representatives, audits of accounts, and rerequired reporting SPWC approves all county administration and prescribes local standards of personnel. State personnel is appointed by administrator, in accordance with published standards, with approval of SPWC.	Cash relief predominates; some relief in kind in form of relief orders.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
PENNSYLVANIA	State Department of Public Assistance.	Only State funds used for general relief.	County boards of assistance administer general relief as agents of State Department of Public Assistance. State treasurer makes all disbursements of State funds for general relief. State department, with approval of State Board of Public Assistance, established rules, regulations, and standards as to eligibility and nature and amount of relief, prescribes forms, records and reports, and supervises local units through field representatives. Employment board for State Department of Public Assistance, in acordance with specifications determined jointly by Employment board and State department, conducts civil service examinations and establishes civil service registers from which the secretary of public assistance selects State personnel and county assistance boards select county executive directors and other county personnel.	Cash relief.
RHODE ISLAND	State Department of Public Welfare.	Both State and local funds used for general relief.	Information not available. This department, however, is responsible for old-age assistance and aid to dependent children under plans approved by the Social Security Board and also responsible for general relief. Recent consolidation.	Cash for work relief; usually relief in kind for direct relief.
SOUTH CAROLINA	State Department of Public Welfare.	Both State and local funds used for general relief. State and local governments share expenses for relief to unemployable persons on a 50-50 basis in all counties participating in program of State department. State bears entire expense of relief to needy employables. In counties not participating, only local funds used. April 1939; State funds—54 per cent Local funds—46 per cent of total general relief extended to cases.	In those counties which participate in State program county departments of public welfare administer general relief under supervision of State Department of Public Welfare. Supervision exercised through visits by field representatives, audits of accounts and required reporting. State department prescribes standards of relief and local personnel. In a few counties elected county commissioners administer "poor relief." These counties submit reports to SDPW.	Cash relief in counties under State program; cash relief and relief in kind in other counties.
SOUTH DAKOTA	State Dept. of Social Security	Only local funds used for general relief.	Boards of county commissioners administer general relief, except insofar as they have delegated their authority to county social security offices. This delegation of authority varies from reference and clearance of applications, to complete administrative responsibility, subject to approval of the commissioners. State Department of Social Security collects general relief reports.	Relief in kind in form of grocery orders predominates; very little cash relief; one county has a commissary.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
TENNESSEE	State Dept. of Public Welfare	Only local funds used for general relief.	State Department of Public Welfare collects general relief reports from local agencies which administer public funds.	Cash relief predominates; some relief in kind; Knoxville and Memphis have commissaries.
TEXAS	State Dept. of Public Welfare	Only local funds used for general relief.	New department established in Sept. 1939 to be responsible for the adaptation of policies, rules and regulations governing the administration of the special types of public assistance, general relief and the distribution of Federal surplus commodities.	Relief in kind.
UTAH	State Dept. of Public Welfare	Both local and State funds used for general relief. State pays total amount expended by county depts. of public welfare and is later reimbursed for 15% of total counties. Only county funds used for hospitalization and medical care administered by county commissioners.	County depts. of public welfare administer general relief under supervision of State Dept. of Public Welfare. Supervision exercised through visits by field representatives, audits of accounts, and required reporting. State department prescribes standards of relief and personnel. County commissioners appoint local boards with approval of State board. County commissioners also administer from local funds only some general relief for hospitalization and medical care without supervision of State dept. These agencies submit reports to SDPW.	Cash relief and clothing orders to unemployable persons; disbursing orders for emergency cases and to employable persons.
VERMONT	State Department of Public Welfare.	Only local funds used for general relief.	Information not available.	Relief in kind predominates.
VIRGINIA	State Department of Public Welfare	Both State and local funds used for general relief. State allocations made on basis of population. County boards of supervisors, city managers, or mayors apply to State Dept. of Public Welfare for their proportionate share, at the same time signifying willingness to provide sixty cents of local funds for each dollar of State funds and to set up local administrative unit. April 1939: State funds 49 per cent Local funds 51 per cent of total general relief extended to cases.	In 115 local units, local departments of public welfare administer general relief under supervision of State Dept. of Public Welfare. Supervision exercised through visits by field representatives, audits of accounts, and required reporting. State does not prescribe standards of relief, but attempts to raise standards by an educational program. Local superintendents are appointed by local governing bodies, subject to aproval by the State. Superintendents in cities are appointed by city managers or councils, with or without approval of State. All superintendents are subject to control by local governing bodies, but extent of this control varies widely among counties.	Relief in kind in form of grocery orders predominates; some cash relief.
WEST VIRGINIA	State Department of Public Assistance.	Both State and local funds used for general relief. State funds allocated to counties on basis of need, after local funds of 15% of total county tax levies	County departments of public asistance administer general relief under supervision of State Dept. of Public Assistance. Supervision exercised through visits by field repre-	Cash relief predominates; Relief in kind in form of grocery orders for emergency and short-time cases.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
		have been expended for welfare and relief purposes.	sentatives, audits of accounts, and required reporting. State Dept. prescribes standards of personnel. County directors are appointed by county councils from certified registers. Amendment passed in last session of legislature authorizing SDPA to certify employable cases to the State Road Commission; if employable person refused work, relief was discontinued. (Began operation July, 1939).	
WASHINGTON	State Department of Social Security	Both State and local funds used for general relief. The counties provide funds by means of a tax upon the assessed valuation of the taxable property at a rate not less than 3 mills to discharge their responsibility for general assistance. If any county finds that proceeds of the 3 mill levy are inadequate is empowered to submit to the Director and committee a request for a special grant-in-aid of State funds.	Counties are charged with the responsibility, by and through their respective boards of county commissioners for the administration of the 3 special types of public assistance and general relief but they are subject to State supervision. The Department of Social Security serves as a single State agency to supervise the administration of public assistance and general relief. In order to secure grants-in-aid, it is incumbent on the counties to maintain such records pertaining to expenditures and to conform to such other requirements in respect thereto as may be prescribed by the Department of Social Security. (Excerpted from Social Security Laws of State of Washington as of April, 1939).	Cash relief predominates; relief in kind in form of grocery orders and other relief orders.
WISCONSIN	State Department of Public Welfare	Both State and local funds used for general relief. State funds allocated to local units on basis of need and fiscal capacity of local units to carry their own burdens. State appropriation is made to Emergency Board which makes monthly releases to Public Welfare Dept. for allocation to localities. April 1939: State funds 10 per cent; Local funds 90 per cent of total general relief extended to cases.	Local units administer general relief under supervision of State Public Welfare Dept. in 34 counties relief is administered by county relief depts. with appointed administrators; in 28 counties, by elected township chairmen or overseers; and in 9 counties, by appointed administrators of groups of townships. In 32 counties State maintains agency for purposes of certification and central application services. State supervision exercised in all these local units through visits by field representatives and required reporting. State law provides that standards of relief shall be local responsibility, even when State funds are expended.	Cash relief and relief in kind in form of grocery orders.
WYOMING	State Department of Public Welfare	Both state and local funds used for general relief. State makes up difference between relief needs and relief funds available in	County depts. of Public Welfare administer general relief under supervision of State Dept. of Public Welfare. Supervision exercised through	Cash relief and relief in kind in form of grocery orders.

* Material in this Table is assembled from information compiled by the Bureau of Research and Statistics, Division of Public Assistance Research, Social Security Board.

† The information in this column is from a Study completed by the Social Security Board in December, 1937.

State	State Agency Reporting	Financial Responsibility	Administrative Responsibility	Form of Relief †
		counties.	visits by field representatives, who review cases four times a year to determine compliance with State standards and to suggest improvements in case work methods; audits of accounts; and required reporting. State prescribes standards of relief and personnel.	

THE COUNCIL OF STATE GOVERNMENTS

Regional Conferences on Subject of Relief

The Council of State Governments held during the year 1940 a series of regional conferences in Chicago, New York, Atlanta, Denver, and San Francisco, on the subject of relief, attended by State legislators and relief administrators. The relief problem was discussed from the administrative and legislative points of view. In these conferences information was developed that showed the number of persons who were dependent in some degree on public assistance at the end of 1939 was 17,695,000, comprising 6,183,000 separate households. In more than 43% of these cases, the funds were derived from federal sources almost exclusively. In about 34% of these cases, federal funds matched almost dollar for dollar the funds raised within the states for relief purposes. In the remainder of the cases, slightly less than 25% of the total, the funds were entirely from sources within the states. It was agreed that the goal of the Federal Works Programs—to provide for all employable persons on the relief rolls—had never been even approximated.

It was agreed that there was throughout the United States a lack of coordination between the W.P.A. and the general relief programs within the states and inasmuch as these two programs deal with the same group, that this lack of coordination became exceedingly important.

The conferences agreed that the present Federal Works Program and the general relief programs should be financed by grants in aid to the states and supervised by the Social Security Board or a similar agency.

The representatives of the states were in general agreement that the whole relief program required reconsideration at the present time in order that changes in policy and administration may be clarified.

It was agreed that a continuing relief program was inescapable and should be a matter of concern to the state, federal, and local governments, and that all areas of government should to some extent participate in the planning and financial support of the future program.

There was general agreement on the advisability of an over-all relief program which would merge the present public assistance catagories with the work relief and general relief programs and provide it solely on the basis of need, and that federal, state, and local governments should participate in the financing of necessary relief services.

In general it was agreed that the various aspects of relief should be administered by those which could manage them most effectively and efficiently, and a very large number of those present at the conference expressed a preference for the administration of general assistance at the local level of grovernment.

ESTIMATED NUMBER OF EMPLOYES IN NON-AGRICULTURAL ESTABLISHMENTS[a]

Source: U. S. Department of Labor, Employment and Payroll June 1940

State	June 1940	June 1939	Per cent change
Illinois	2,192,000	2,101,000	4.4
Indiana	760,000	717,000	6.1
Maryland	497,000	470,000	5.7
Massachusetts	1,257,000	1,256,000	[b]
Michigan	1,336,000	1,250,000	6.9
New Jersey	1,145,000	1,087,000	5.3
New York	3,833,000	3,760,000	1.9
Ohio	1,732,000	1,658,000	4.5
Pennsylvania	2,626,000	2,490,000	5.5
West Virginia	368,000	353,000	4.0
Wisconsin	619,000	613,000	1.1

[a] Excludes proprietors, firm members, self-employed persons, casual workers, domestic workers, employes on merchant vessels and the armed forces of the U. S.

[b] Less than 0.1 per cent.

RECOMMENDATIONS OF THE STATE JOB MOBILIZATION COMMITTEE

(The recommendations which follow are those of the Report Committee and of the Job Mobilization executives. They are presented in the hope that they are of sufficient merit to warrant further study by State officials and the people of Pennsylvania.)

There is a definite need in Pennsylvania for a more complete placement service in the local or county offices of the Department of Public Assistance to supplement the work of the State Employment Service. Under the present set-up there is no agency charged with promoting jobs exclusively for employable relief recipients. These men and women frequently suffer in the labor market competition. The State Employment Service's policy requires that the best fitted person be referred for a job and thus sub-standard registrants may not benefit unless a labor shortage develops. But results could be obtained through local or county placement service, consisting of one or more qualified persons, selected from the present staff, where possible, and receiving merit rating on the basis of placements made.

Stress should be placed on securing employment for the relief recipient rather than focusing major attention on the purely administrative detail of disbursing assistance funds.

It is recommended that the Department of Public Assistance, with cooperation of the Departments of Public Instruction, and Commerce, and the State Employment Service of the Department of Labor and Industry, direct immediate attention to continuing the occupational train-

ing and retraining programs which are obviously an authentic relief reduction measure. Seventy requests for Woodside Act vocational training and retraining projects made to the Department of Public Instruction or reported to Job Mobilization headquarters are pending, each a possibility for early reduction of relief costs.

Because there has been an over-supply of teachers and much criticism has been leveled at the 14 State teachers colleges for continued capacity output, it is recommended that the Commonwealth consider the inclusion in each of these institutions of one, and two year advanced, technical training courses, so complete as to qualify the trainees for jobs. As an alternative, it is recommended that the State convert from three to six of the State teachers colleges into junior vocational colleges. Millersville, California and Cheyney now specialize in the preparation of industrial arts teachers and could be so continued. It is suggested that the Governor and the Superintendent of Public Instruction confer on the establishment of a commission to make an immediate and thorough study and report on this recommendation.

The Department of Labor and Industry should inaugurate a field service to facilitate and expand the Pennsylvania Apprenticeship Council and to encourage the reopening of apprenticeship training opportunities within industry. It is recommended that steps be taken within the Departments of Labor and Industry and Public Instruction better to coordinate the activities of the two existing Pennsylvania Apprenticeship Councils (one on standards and one on education), or to merge the two councils so there may be no confusion in the operation of an adequate State program of apprenticeship training.

It is recommended that the State Employment Service consider immediately the addition of an occupational information and counseling section to serve youth, a project that should develop into the establishment of a Junior Employment Service to function in close cooperation with the public schools. This service should be equipped to provide current information on occupational trends and opportunities, vocational training and retraining opportunities, and provide for vocational guidance, placement and follow-up.

A complete retraining study of employables on relief is highly desirable. Also, a study should be made of all youth and adults currently on relief and classified as unemployables (the unemployables representing about two-thirds of the total number of persons on relief, of which total the number of adults is unknown) in order that as many as possible might be rehabilitated for employment.

The Department of Public Instruction is urged to take advantage of the headway that was made in the campaign to reduce relief and the great pool of the unemployed through efforts directed toward:

1. Appointment of a chief of an occupational information and guidance service to assist local school districts in handling occupational adjustment problems with the cooperation of a similar service recently established in the United States Office of Education; half of the salary can be paid from Federal funds.

2. Encouragement of local occupational surveys by school districts in cooperation with local representatives of the State Employment Service, and application of results to possible revisions of the school curriculum.

3. Encouragement of reasonable expansion of in-school vocational training for youth and the training and retraining of out-of-school youths and adults under State and Federal financial aid provisions.

4. Early attention to promotion of part-time cooperative industrial education projects with industry, particularly in industrial communities where school shops are not now available; also promotion of retail sales training under the George-Deen Act of Congress, and promotion of household service training.

5. Stimulating of schol district cooperation for vocational educational facilities in any buildng expansions that are contemplated, and encouragement of General State Authority and Work Projects Administration cooperation, with the approval of the State Council of Education, in building and financing new vocational school buildings where the need exists. Consideration should be given in such cases to a revision of the school curriculum, looking forward to a reallocation of funds now used for less important phases of education.

6. Continuation of efforts to obtain the cooperation of the Pennsylvania State Nurse's Association and the Pennsylvania State Board of Examiners for the Registration of Nurses, to the end that adequate instructional courses and services be made available for the training of "household aides," workers who are equipped to provide elementary care for invalids and convalescents in low income families.

The problems of unemployment, relief, occupational retraining, vocational education and the providing industry with an available labor supply are so intimately related as to require for efficient control and direction the establishment of a centralized State administrative agency to determine policy, procedure, and necessary funds in carrying on the program. Through a State Employment Council the necessary uniform policies can be determined and correlated with existing services of State departments to meet the needs of labor and industry. Such a council could be composed of the Secretaries of Labor and Industry, Commerce, Public Assistance and Superintendent of Public Instruction, who could be authorized to appoint county and local employment councils of private citizens, together with representatives of the respective State departments.

The purpose of such a council would be to stimulate employment through increased business, the development of new business and industry, compile and publicize information regarding the available labor supply, develop programs of occupational adjustment and take other steps looking toward a permanent solution of unemployment, and to serve as a clearing house for all ideas relating to employment and relief.

SUMMARY OF TURNOVER OF RELIEF CASES IN 1939

The total number of different cases (families or unattached persons) receiving State general assistance during some part of 1939 aggregated nearly 521,000 and included approximately 1,711,000 different men, women, and children or nearly 17 per cent of the State population. At no one time, however, did the number aided exceed 275,000 cases, containing 835,000 men, women and children or about 8 per cent of the State population.

Total gross additions to and separations from general assistance rolls during the year exceeded 848,000. With an average case load level during the year of slightly below 250,000, and existence of a volume of turnover of such magnitude indicates the rapidity and extent of changes in the composition of the rolls.

Half of the gross total of 434,000 cases going off general assistance rolls during the year had received assistance for less than three months.

Half of the gross total of 414,000 cases coming on general assistance rolls during the year either had never before received assistance or were receiving grants for the first time in over a year.

Only 75,000 cases (185,000 persons) out of the year's 521,000 different cases (1,711,000 persons) received grants throughout the year. These constituted about 15 per cent of the year's different cases and represented about one third of the cases on the rolls at the beginning of 1939. This total of 75,000 cases, forming what might be termed the "hard core" of the 1939 general assistance load, may be compared with an estimated total of approximately 65,000 cases containing no employable members which studies show to have been a fairly constant portion of the case load throughout the year.

In addition to the 75,000 cases staying on the rolls for the entire year, there were 446,000 cases, or 85 per cent of the

year's different cases, involved in turnover—going on or off the rolls one or more times during the year. In short, for every case receiving general assistance for the whole of 1939, there were six cases receiving aid for only part of the year.

Approximately four-fifths of the 434,000 cases going off general assistance rolls during the year were discontinued under circumstances definitely indicating employability, such as securing employment or increased earnings in private industry or on WPA projects, or receipt of unemployment compensation.

Nearly seven-eighths of the 414,000 cases coming on general assistance rolls during the year were accepted for assistance for reasons directly associated with employability and recent employment.

APPENDIX

LAW GOVERNING POWERS OF COUNTY BOARDS

The Act of June 24, 1937, P. L. 2051, as last amended by the Act of June 26, 1939, P. L. 1091, Section 7, provides:

Each county board of assistance shall have the power, and its duty shall be:

(a) In accordance with the laws regulating employment in the Department of Public Assistance, to appoint, transfer, lay off, suspend and remove its employes, which employes shall, on behalf of the board and under the supervision of the Executive Director, provide assistance in the territory under its jurisdiction, in accordance with law: Provided, however, That the county board may recommend to the Governor that any person employed by it be suspended or removed without regard to the laws regulating employment in the Department of Public Assistance. Upon receipt of such recommendation the Governor shall have power to suspend or remove such employe if he deems the same to the best interests of the public service.

(b) To appoint and remove an executive director without regard to the laws regulating employment in the Department of Public Assistance. But every such executive director shall be appointed only from among those certified by the Department of Public Assistance as having qualified for appointment through an unassembled examination conducted by the Employment Board of the Department of Public Assistance or its successor.

(c) To conform to the rules, regulations and standards, established by the Department of Public Assistance, as to accounting, and as to forms, records and reports.

(d) To submit assistance and administrative budgets to the Department of Public Assistance as the basis of the allocation of funds to the several assistance programs and for administrative costs.

(e) To hear and determine appeals from actions of its employes affecting the right of those applying for or receiving assistance. Any person applying for or receiving assistance of any type covered by the public assistance provisions of the Federal Social Security Act, may appeal to the Department of Public Assistance from any decision of the board, refusing or discontinuing his assistance, in whole or in part, in every such appeal, an opportunity for a fair hearing shall be granted, and the decision of the department on such appeal shall be final. All such appeals shall be in accordance with rules and regulations established by the department, with the approval of the State Board of Public Assistance.

(f) To supervise the administration of and promote any other public function related to assistance, or to the work of the Department of Public Assistance, or of the county board of assistance, which shall be committed to the board by a political sub-division of the Commonwealth, with the approval of the State Board of Public Assistance;

(g) To receive and spend contributions from any source for purposes related to assistance, or to the work of the Department of Public Assistance;

(h) To make recommendations to the Department of Public Assistance as to rules, regulations and standards as to eligibility for assistance, and as to its nature and extent;

(i) To study report and interpret its policies, problems and work, to the Department of Public Assistance, and to the public;

(j) To establish policies and practices as to the amounts of assistance granted in individual cases, but no grants may exceed the maximum amounts for which families of a given size and of given circumstances are eligible, as established by the Department of Public Assistance, with the approval of the State Board of Public Assistance.

(k) To appoint committees of the county board or of local citizens in various communities of the county, as circumstances may require, to cooperate with the county board in (1) supplying information as to the eligibility of persons for assistance; (2) recommending local policies; and (3) stimulating local employment; and, on petition of fifty or more residents of any community, it shall be mandatory upon the board to appoint a committee to function in such community.

(l) To encourage employable recipients of assistance to accept full or part-time employment, by providing that such recipients will again be granted assistance upon the termination of such employment, if in need thereof; and any rule or regulation of the Department of Public Assistance or of the State Board of Public Assistance or of the county board of assistance heretofore or hereafter adopted, contrary hereto, is hereby avoided.

(m) To appoint labor review committees, composed of representative citizens of the county, who shall serve without compensation and whose duty it shall be to pass on the eligibility of any applicant for or recipient of general assistance who shall refuse an offer of employment and whose case shall be referred to such a committee by the county board.

(n) As need may require, to employ the services of commercial credit rating agencies for the purpose of determining eligibility for general assistance.

(o) To make available for inspection and examination during office hours, to any taxpayer, in such manner as the county board of assistance may prescribe, the names, addresses, and amount of assistance granted to all persons then receiving general assistance.

The Act of June 24, 1937, P. L. 2003, Sec. 2504A, subsection b-1 provides ". . . examinations for employment which shall be practical in their character and so far as may be possible shall relate to those matters directly bearing on and which shall fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed but no applicant shall be required to have any scholastic education in social service work nor to have had any other special scholastic education or special training or experience . . ."

CITIZENS' COMMITTEES OF COUNTY BOARDS OF ASSISTANCE

Act 384, 1939, P. L. 1091, Sec. 7(k), authorizes county boards "To appoint committees of county board or of local citizens in various communities of the county, as circumstances may require, to cooperate with the county board in (1) supplying information as to the eligibility of persons for assistance: (2) recommending local policies; and (3) stimulating local employment; and, on petition of 50 or more residents of any community, it shall be mandatory upon the board to appoint a committee to function in such community."

Sec. 7(m) Authorizes county boards "to appoint labor review committees, composed of representative citizens of the county, who shall serve without compensation, and whose duty it shall be to pass on the eligibility of any applicant for or recipient of general assistance who shall refuse an offer of employment and whose case shall be referred to such a committee by the county board."

Even before passage of the Van Allsburg Act, county

boards had taken the initiative in appointing citizens' committees for various purposes.

TYPES OF CITIZENS' COMMITTEES

1. Citizens' Advisory Committees
   Citizens and Board members
   a. Community Service Committees—to develop and make available welfare services
   b. Employment Coordinating Committees—to coordinate the activities of such departments as commerce, Labor and Industry and Public Instruction, in county planning for job placement and retraining.
   c. Committees to provide information in certain types of cases on matters of eligibility and policies.
2. Appeals—Case Review—Policy
   Board Members and Citizens
3. Reviewing Board
   All citizens
   Adjudicate appeals of applicants or recipients
4. Labor Review Committees
   Must have outside citizens and may have board members—Duties Sec. 7(m) of Act 384, 1939 P. L. 1091

In larger areas—Philadelphia and Allegheny Counties—all types have been utilized. In other areas, functions are combined or the board members perform the work. In more rural areas, "one-man committee" and farmers' committees are sometimes appointed, the first to provide information or eligibility etc., the second to provide information on eligibility and to assist local recipients.

Citizens' committees, in general, have been used extensively, some being temporary ad hoc committees, others operating on a continuing basis.

DISPOSITION OF APPLICATIONS * FOR PUBLIC ASSISTANCE BY TYPES OF ASSISTANCE

1939 TOTAL

	All types of Assistance	General Assistance	Old Age Assistance	Aid to Depend. Children	Blind Pensions
Apps. Pending 1-1-39	34,784	12,371	6,617	14,859	937
Rec'd During 1939	673,135	584,724	40,645	42,896	4,870
Total Under Consid.	707,919	597,095	47,262	57,755	5,807
Pending 1-1-40	22,093	8,316	5,418	7,684	675
Total Disposed of	685,826	588,779	41,844	50,071	5,132

	All types of Assistance		General Assistance		Old Age Assistance		Aid to Depend. Children		Blind Pensions	
	No. Dis.	% App. of	No. Dis.	% App. of	No. Dis.	% App. of	No. Dis.	% App. of	No. Dis.	% App. of
Apps. Rej. Totl.	235,362	34.3	183.460	31.2	25,695	61.4	23,714	47.4	2,493	48.6
Before Form. App.	109,320	15.9	95,484	16.2	8,550	20.4	4,875	9.7	411	8.0
After Form. App.										
In office	45,836	6.7	39,954	6.8	2,730	6.5	2,736	5.5	416	8.1
With Field Inv.	80,206	11.7	48,022	8.2	14,415	34.5	16,103	32.2	1,666	32.5
Apps. Acc. Totl.	450,464	65.7	405,319	68.8	16,149	38.6	26,357	52.6	2,639	51.4
In office	234,685	34.2	234,685	39.8	.....	...	.....	...	.....	...
With Field Inv.	215,779	31.5	170,634	29.0	16,149	38.6	26,357	52.6	2,639	51.4

* Requests for Assistance. Department of Public Assistance reports prepared during 1939 used the term "Application" in a restricted sense to cover only formal applications taken after the initial interview and did not include all requests for assistance. Department of Public Assistance reports since March, 1940 show ALL requests for assistance as "Applications."

COSTS OF ADMINISTERING CIVIL SERVICE EXAMINATIONS

Employment Board, D.P.A.

Period	Cost of Administering Examinations	Number of Applicants	Number of Examinees	Cost per Examinee	Number of Appointees	Cost per Appointee
Oct. 1937 to May 31 1939	$432,523.41	82,574	73,597	$5.88	5,038	$85.85
June 1 1939 to Dec. 30 1939	$210,406.49	94,372	74,310	$2.83	2,488	$84.57
Total	$642,929.90	176,946	147,907	$4.35	7,526	$85.43

LAW GOVERNING POWERS OF DEPARTMENT OF PUBLIC ASSISTANCE

The act of June 24, 1937, P. L. 2051, as last amended by the act of June 26, 1939, P. L. 1091, Section 4, provides that the Department of Public Assistance shall have the power, and its duty shall be:

(a) To allocate to the several assistance programs funds with which to provide assistance and funds for administrative expenses, and as may be needed, from time to time, to keep reasonable emergency funds in the hands of local boards, which shall be used by the executive director for the furnishing of assistance and pensions respectively in emergency cases, upon application to him, or under direction of any member of the local board;

(b) To establish, with the approval of the State Board of Public Assistance, rules, regulations and standards, consistent with law, as to eligibility for assistance and as to its nature and extent;

(c) To supervise the local boards, and to establish for such boards, rules, regulations and standards consistent with law;

(d) To cooperate with other agencies, including any agency of the United States or of another state, in all matters concerning the powers and duties of the department under this act, and particularly in projects for child welfare, for the relief of persons in areas of special need, and for the care of transient and homeless persons, and to make such reports, in such form and containing such information as the Social Security Board of the United States Government, or any other agency of the United States may, from time to time, require, and to comply with such provisions as such board or agency may, from time to time, find necessary to insure the correctness and verification of such reports;

(e) To receive and to supervise the disbursement of funds, provided by the Federal Government or from any other source for use in this Commonwealth, for assistance;

(f) To gather and study current information constantly, and to report, at least annually, to the Governor, as to the nature and need of assistance, as to the amounts expended under the supervision of each local board, and as to the work of each local board, and to cause such reports to be published for the information of the public;

(g) To report, at least annually, to the Governor, as to the cost of living in the various counties, as related to the standards of assistance and the amounts expended for assistance and to cause such reports to be published for the information of the public;

(h) To collect and report, to the Governor, and to cause to be published for the information of the public, information as to the work of the department;

(i) To direct and supervise the liquidation of the affairs of the Boards of Trustes of the Mothers' Assistance Fund, the Boards of Trustees of Pension Fund for the Blind, and the State Emergency Relief Board;

(j) Whenever the department deems it necessary and advisable to purchase credit reports and other services, on a fee basis, for the purpose of supplementing the investigation of eligibility for assistance;

(k) To recommend to the Governor that any person employed by the department be suspended or removed from service. Upon receipt of such recommendation the Governor shall have power to suspend or remove such employe if he deems the same to the best interests of the public service.

ELIGIBILITY REQUIREMENTS FOR GENERAL ASSISTANCE

A. CITIZENSHIP

An alien who applied for assistance on or after June 26, 1939, is ineligible for General Assistance unless he has filed declaration of intention to become a citizen sometime after December 31, 1937. If he filed declaration of intention earlier than that date, he must again file declaration of intention to be eligible for General Assistance.

No alien applicant will be eligible for General Assistance after January 1, 1940, unless he has filed declaration of intention to become a citizen. Such declaration must have been filed after December 31, 1937. Accordingly, after January 1, 1940, only those alien applicants who have filed declaration of intention between January 1, 1938 and January 1, 1940, will be eligible for General Assistance.

The above provisions do not apply to aliens who were active General Assistance recipients as of June 26, 1939. The provisions of the said Act are not retroactive but apply only to persons who filed application on or after June 26, 1939.

B. AGE

There are no age requirements for General Assistance applicants.

C. RESIDENCE

The DPA may not grant General Assistance to any applicant unless he has a legal settlement in Pennsylvania and has resided here for two years immediately prior to application

The requirement period of two years' residence must be continuous, but short and temporary absences in the nature of visits will not vitiate residence requirements.

The Department may continue to authorize return of indigents to Pennsylvania, when legal settlement in Pennsylvania has been established. However, such persons may not receive General Assistance unless they satisfy the residence requirements of the amended law, that is, have residence in Pennsylvania for two years immediately prior to application, having been absent only temporarily for short periods.

The above provisions apply only to persons who filed application for General Assistance on or after June 26, 1939, the effective date of Act 384, amending the Public Assistance Law. They do not apply to active assistance recipients as of that date.

D. INSTITUTIONALIZATION

An inmate or resident of a public institution other than a hospital is ineligible for assistance while residing in the institution.

An individual who is living in a "private" institution, and who is eligible in all other respects, is eligible for General Assistance if he is not receiving maintenance in return for a consideration or contract basis; that is, if as a condition for admission and maintenance in the institution he paid a sum of money, transferred or conveyed real or personal property, or paid dues to an organization which supports the institution and provides such care for its members. A person entitled to such maintenance does not become eligible for assistance by withdrawing so long as the contract remains effective.

Note: A "public" institution is an institution supported wholly or in part by funds raised by taxation. County Homes and Institutions receiving subsidies from the Commonwealth are "public institutions."

A "private" institution is an incorporated non-profit institution which receives no subsidy from the Commonwealth or from any political subdivision.

E. INCOME

The "adjusted" income of an applicant may not exceed the "C-D" allowance schedule. The total gross income minus all permissible deductions is termed "adjusted" income. Gross income includes any cash received by a member of the applicant group, as earnings, profits, rent from boarders or lodgers, compensation, etc.

F. PROPERTY RESOURCES

An applicant is considered indigent, and may thus be eligible for assistance, if he has no property resources which can be converted into cash to provide for sub-

sistence necessaries. Such property resources include all types of property (cash, bonds, real estate, etc.) except the following:

1. Resident property which is not of substantial or unusual value so as to raise the question of need.

2. Household goods and personal belongings which are not of substantial or unusual value. This refers to the usual household articles, (furniture, refrigerator, radio, etc.) and ordinary personal effects.

3. Automobiles or similar property required and necessary for employment purposes to transport water, to market goods, or to provide transportation in the absence of other facilities.

4. Frozen assets, which refers to personal property (such as stocks, bonds, mortgages, etc.) on which no cash can be realized, and real property which is actively offered for sale on the open market but cannot be sold for a sum approximating the present value of the property.

5. Trust funds, if, and so long as, the principal of the fund cannot be utilized for current needs.

6. Compensation or damages required and specifically designated for medical care or treatment, to the extent only that such compensation or damages must actually be so expended.

INSURANCE

Insurance may constitute a resource which applicants must utilize within certain limits. The continuation of insurance while receiving assistance constitutes an investment which must not be permitted beyond certain limits. Therefore assistance recipients over sixteen years of age will be allowed policies of term or whole life insurance not exceeding a face value of approximately five hundred dollars, and assistance recipients under sixteen years of age, a face value not exceeding approximately three hundred dollars.

EXCEPTIONS TO THE POLICY: When insurance policies other than the types allowed, (term or whole life) have no cash loan values, assistance may be granted without adjustment of the policies for a period not to exceed one year. Then the adjustment will become mandatory, if the case has not been discontinued.

When an applicant or recipient can prove that he is uninsurable. Under these conditions, the applicant must agree to make the policy payable to his estate.

Adjustment of insurance is not required if, under the terms of the policy, the policy is unadjustable.

H. EMPLOYMENT

When it has been determined that an employable member of the applicant or assistance group has, without justifiable cause, refused work or failed to report for work on a governmental project or in private industry, assistance is denied or discontinued.

An applicant group is not eligible for assistance if the chief wage-earner is working full-time in private employment, unless the group contains other employable persons who either are employed part-time or are unemployed.

All employable persons, (over sixteen years of age and not in school or needed at home) must be registered with the State Employment Office before Assistance is granted.

Every member of an applicant group who has had earnings since January 1, 1937, from employment in an occupation covered by U. C. Law, must present evidence that he has filed a claim for compensation before assistance may be granted.

Every employable member of an assistant group should have in his possession a Social Security Card and his Social Security Number should be entered in the DPA record. It is important as a means of identification, especially in securing information on Unemployment Compensation, and in the future, on Old Age Benefits.

INVESTIGATION OF CASES IN PHILADELPHIA

A. G. H., wife M. was located on the payroll records of R.C.A. Steadily employed since 1935 has missed but one month's work since May, 1938. Earnings for first three quarters of 1939 totaled nearly $900. Address given employer that of his sister who advised he has not lived there for two years. Gave 16th Street address as his residence. Neighbors verified George Hayes residence as the 16th Street address. Mrs. Hayes, receiving a $64.00 monthly A.D.C. grant, denied his being there.

Receving compensation from B. & O. Railroad, earning $5.00 weekly at an Italian-American Club. Saving $3.00 weekly in a Christmas Club. Owns home clear of encumbrances. M. F. receiving G.A. grant of $6.20. Other former relief recipients, removed from relief rolls during 1939, and identified by club records and cancelled checks were:

Name	Amount Savings	Case Closed	Reason
P. M.	$71..	7/12/3..	Non-legal settlement
E. & V. R.	..0	3/13/39	Private employment
G. R.	3.0	5/1.../39	W.P.A.

L. on W.P.A. C. employed, as an A.. at the Philadelphia General Hospital, earning $47.00 monthly (and so employed steadily since January 193..) during the period of relief assistance.

Purchased home for $4200 (mortgage $3200) four months after leaving relief rolls.

A private colored school within about four city blocks of two new schools erected by the Board of Education within the last two years. Charges are made for tuition and text books. Carfares are required in many instances. School supplies and stationery must be provided by the pupils. A check of pupils' names, against relief rolls, revealed 39 families on active assistance rolls receiving G.A., A.D.C., or a combination of the two. In addition, there were 19 more names cases of which were closed in 1939. The weekly G.A. grant to families sending children to this private school totaled $330.86. The monthly A.D.C. grant, in the same circumstance, $742.75.

Has truck for huckstering and push cart for "snow balls." Bought house, deed shows cash consideration of $400, on 6/17/38 and on 7/5/38 the visitor granted a G.A. increase from 12.80 to $14.10. Case closed in November, 1938, when his private enterprises were definitely established, but case was re-opened in March, 1939, even though he had been able to pay his tax bill in advance for a discount benefit. Case in Legal Department 10/24/39. Mrs. T. wishes to revoke her reimbursement agreement.

One of a concerted family group who were certified for relief at the same time, September 1932. Have received clothing, bedding, medication and hospitalization, in addition to cash grants. Title to property in name of G. C., wife of G., taken in March, 1937, with a cash consideration of $1.30. One week later, request for reopening of case is made because of loss of W.P.A. job. In September, the visitor requested that case be discontinued "so that future restitution may be avoided" after learning that C. was receiving both G.A. and compensation.

An A.D.C. grant of $49.30. Receives $16.00 per month from a tenant. Son 20, earning $1..00 weekly, $10.00 of

which is given to his mother. Daughter's husband, two in family, earns $40.00 to $45.00 weekly. Another son, married, also employed.

Was receiving grant for two but wife left for Virginia. Now expects $4.80. Is employed "part time" in South Seventh Street store, several miles from home, ostensibly earning but $3.00 per week.

Husband's parents on relief. Case begins when T. returns from C.C.C., is married, has a child and begins housekeeping in two unfurnished rooms on a G.A. grant of $8.20. (Rent $11.00 monthly.) In 1935 they find he had been working while receiving relief. They move to new quarters, acquire new furniture and now pay $13.00 monthly rental. Complaints that he is again engaged in private enterprise. On W.P.A. In 1936 a new baby is expected and layette is requested. G.A. now $8.80. To new apartment that rents for $14.00 monthly, plus charge for gas and electric. G.A. is increased to $10.30, later to $11.20. 1937 and the family move again, rent is now $18.00. plus gas and electricity charges of nearly $3.00 monthly. They buy a car. On 3/12/37 they buy a home in the name of R's father, with a cash consideration of $300, and begin alterations. Another baby is expected. Carrying charges are now $20.00 monthly. G.A. grant is now $13.40. Caught working on a truck. Grant is decreased for a while but goes back to $13.40 and so remains.

INVESTIGATION OF CASES IN PITTSBURGH

Daughter at home and employed. D.P.A. office not advised.

Complaints are numerous, but little attention has been paid to them by the Pittsburgh Office. Wife found working in Chinese Laundry four or five days a week at $2.00 per day salary. Salary paid in presence of investigator. Case record shows this woman was employed by George Toy during 1937 and 1938, despite which there is his denial.

At husband's demise she received insurance totaling $2538.00 as follows:

Metropolitan Life Insurance Co.	$1500.00
John Hancock Life Insurance Co.	863.00
United States Government	100.00
Allegheny County	75.00

Application for assistance on 5/29/39 mentions only $1500.00. Nearly $700.00 was received one month prior to application, for which there is no "breakdown" or accounting.

Married in February. Husband employed as a steward, receiving room and board in addition to weekly salary. Marriage not reported. A.D.C. and G.A. now discontinued. Family received assistance for which they were ineligible.

Complaints that:

2/15/40 Julian receiving unemployment compensation and public assistance while being employed. 2/23/40 using step-father's truck for coal hauling. Admission of employment after investigation. Most recent finding relates to a business partnership of buying and selling coal.

Received $500.00 check damages for truck injuries that was not reported until after investigation.

Tenant of J. N. Uses aliases of P. and M., apparently to avoid detection by relief offices. Found he was employed as S. M. from 6/27/38 to 3/20/40.

Engaged in private enterpise, car washing, since January, 1939, but not "found out" until March, 1940.

G.A. grant of $2.40. Gets small basement apartment free for services and, in addition, by his own admission, earns $5.00 to $6.00 weekly as porter or clean-up man in apartment owner's meat market.

Obtained job, through S.E.O., as clerk for the Surplus Commodities Commission at $82.00 a month, but continued to receive relief of $4.40 weekly.

Receiving board, room and small salary caring for invalid sister, while on G.A. grant.

Employed as painter, earning 75c per hour, working 40 hours a week while on relief.

Widower, living with one of his daughters, receiving $7.50 G.A. Engaged in private enterprise as a painter.

ANALYSIS OF REPORTS OF COMMITTEE'S INVESTIGATORS IN PITTSBURGH, ACTION TAKEN BY PITTSBURGH OFFICE THEREON AND COMMENTS

On July 18 and 19, visit was made to the Pittsburgh Office of the Allegheny County Board of Public Assistance to:

Review supposed discrepancies in the Joint State Government Commission's investigation report of April 8, 1940, as expressed by Executive Director, George P. Mills, in his letter of June 20, 1940, regarding follow-up of these cases by his office.

Conferences

Discussions were held with Messrs. Mills and McCullough (an Assistant County Supervisor) of the Department of Public Assistance, and Mr. Boyle, an operator of the investigating group.

Findings

Contrary to the statement contained in Mr. Mills' memorandum of June 20, "On ten of the twenty-six cases the District had not received information as a result of your investigation" was Mr. Mills' admission that individual reports had been submitted, or the cases personally reviewed, for each name as shown.

The gist of some findings by the investigators was lost when the Executive Director's letter to the visitor failed to take into consideration all of the details of the investigators' expositions.

Visitors, in their re-investigation, went no further than usual routine—invariably examining questionable situations directly with the recipients.

Despite the evident importance of a letter from the Executive Director, and the need for promptness, quite a number of cases are still in process of re-investigation, even though several months' time has elapsed. Even the agitation of a "second reminder", via telephone, failed to elicit response.

ANALYSIS OF REPORTS OF COMMITTEE'S INVESTIGATORS IN PITTSBURGH. ACTION TAKEN BY PITTSBURGH OFFICE THEREON AND COMMENTS

Mr. Mills assented to this lack of efficiency.

The comparative analysis itself was not an analysis by Mr. Mills, the Executive Director, but the work of an assistant county supervisor, whose attitude, in relation to outside investigations and their value, is derisive, inharmonious and factious.

Mr. Mills concurs that their analysis, by its statements, depreciates the work of the investigators, while setting too high a value on their own examinations.

Despite a feeling that "hearsay" was accepted as "factual information", and that the moral aspects of a case were too deeply defined by the investigators, the Executive Director admits they accomplished much.

Furthermore, Mr. Mills feels that similar groups of outside investigators, operating as did the Commission's group, should be made a part of the Department of Public Assistance. Such a group would, in his opinion, overcome the limitations of visitors.

While thirty-two cases were listed as "Non-eligible cases developed during survey and still active", only twenty-six were compared in the Pittsburgh office summary.

Explanations relating to those recorded in the Mills' survey are shown.

As to the remaining six, it was assumed that the Department was in agreement with the report. A test check, however, was made of two such cases, explanation of which is shown.

RECAPITULATION OF CASES DETERMINED INELIGIBLE IN PITTSBURGH, ORIGINAL COMMENTS OF PITTSBURGH OFFICE

Rept. No.	Date Contact	Date Mills' Letter	Date Visitor's Reply	Principal Facts of Joint State Gov. Com. Investigation	Remarks in Mills' Letter of 6-20 relating to the Commission's Report	How Handled by the Pgh. Office	Learned at July Conference and from Case Records	Resulting Comments
14	3-18-40	3-26-40		Landlady advised an independent income, a radio purchase, expensive clothes, and political affiliations	Frequents saloon, old friend of bartender. Wears hand-down clothes; radio loaned by friend.	Recipient consulted.	Feel that landlady has been "kidded".	Why wasn't the landlady consulted by the visitor? It is not expected that the recipient would be detrimentally expressive to himself.
12	3-17			Recipient working.	An overpayment has been established but not by independent report.	No verification as to emplmt.	Recipient objects to too many hours on RWP. Objects to Reimbursement Agreement. Office attitude is that RWP employment would keep him from private enterprise.	His supposed part-time employment not verified. In view of prior experience as to "overpayment" should not a more detailed investigation be made?
1	4-5	4-10	4-17	Employed, as is daughter.	Daughter was in home for short period but has left. Possibility of overpayment for two weeks. Being investigated.	Recipient and daughter at home and by telephone.	Visitor advised "We did not know daughter was at home". She had been home and working several weeks. Won't say how she manages. Admittedly, case needs further investigation.	Commission's report did show daughter was at home, employed and still part of the household.
15	3-21	3-26	4-5	Employed at pool-room.	Previous employment known & verified. Picks up change occasionally but never more than $1 weekly.	Contact with pool-room proprietor.	Proprietor says earnings don't average over $1 weekly. This information felt to be sufficient.	Earnings are stated to be within maximum allowance for relief continuance.
18	3-22	3-27	4-2	Employed in Chinese laundry.	Many complaints, all by father-in-law; All information previously known and quite thoroughly investigated.	Recipient & Chinaman questioned.	Mills advises visitors not capable of further checking employment. Record shows recipient employed by Toy during 1937 & 1938 but on 8/4/39 he denies her employment during prior 2 years. Complaints are numerous but little attention has been paid to them. Letter supposedly written by Toy, when checked with recipient's signature in case record shows similarity of writing.	Misrepresentation as to employment already in case history. Verification of employment by Pittsburgh Office staff not thorough enough.
38	3-8			Application for 1st citizenship papers after deadline to qualify for assistance.	No indication of overpayment.	No remarks.	Mills says there is nothing that can be done at present but should recipient ever go off relief he could not get back on rolls again.	No follow-up of citizenship status in case record after his advice that application had been made in August and for which he had no receipt.

RECAPITULATION OF CASES DETERMINED INELIGIBLE IN PITTSBURGH, ORIGINAL COMMENTS OF PITTSBURGH OFFICE

Rept. No.	Date Contact	Date Mills' Letter	Date Visitor's Reply	Principal Facts of Joint State Gov. Com. Investigation	Remarks in Mills' Letter of 6-20 relating to the Commission's Report	How Handled by the Pgh. Office	Learned at July Conference and from Case Records	Resulting Comments
37	3-15	3-29	4-15	Insurance of $2538.	Receipt of other insurance not reported. Further investigation being made.	Apparently not at all.	Application of 5/29/39 shows receipt of $1500 only. Nearly $700 was received 1 month prior to application for which no receipts. No verification of additional $1038 insurance.	Case has appearance of a "build up" by brother. Incorrect statements definitely made and accounting of insurance funds has been evaded.
39	3-9			Naturalization.	No indication of overpayment.	No remarks.	Case discontinued 6/5/40 private employment.	Investigator's comments dealt with citizenship.
46	3-20	4-10	4-16	Immoral activities.	Morals questionable; managing ability of family not very acceptable but no indication of ineligibility.	Neighbors report interest in Mr. A. B.	Mr. A. B. is a recipient. No check-up on son's earnings. Case is one of bad repute.	Supervision attitude is still "forget the moral aspects". Visitor's investigation too casual.
10	3-11	3-26	3-29	Using truck for hauling coal.	No evidence of income from truck.	Recipient questioned.	Admits hauling coal solely for own use. Truck now being repaired.	Would a truck be maintained solely for purpose of hauling one's own fuel.
43	3-11			No proof that men were living at this address.	Recipient arrested for pandering 12-27-39.	Visited.	Record of recipient not in office.	A crowd of the same ilk, living in a "flop house."
9	3-11			Employment in Mt. Washington.	No overpayment discovered as result of investigator's report.	No reference made.	Case record shows that recipient worked while receiving assistance. Was getting $4.40 weekly relief and $12.50 weekly salary plus room and board.	Employment mentioned in investigator's report not followed up, despite prior record of income while on relief.
11	3-18			Contributions by the father of an illegitimate child.	No ineligibility established.	Nothing.	Divorced in 1925. Support order on husband in 1926. In 1935 expecting help from F. Criminal court order of $3 weekly considered at time of grant. A.D.C. grant considers court order of $13 monthly. Had husband in court 6-20-40 but did not get support. Older son army deserter and accused of paternity.	Here is an emphasis by the Department on what may be granted rather than how much can be cut.

RECAPITULATION OF CASES DETERMINED INELIGIBLE IN PITTSBURGH, ORIGINAL COMMENTS OF PITTSBURGH OFFICE

Rept. No.	Date Contact	Date Mills' Letter	Date Visitor's Reply	Principal Facts of Joint State Govt. Com. Investigation	Remarks in Mills' Letter of 6-20 relating to Commission's Report	How Handled by Pittsburgh Office	Learned at July Conference and from Case Records	Resulting Comments
4	4-2			Her recent marriage.	Marriage known and assistance discontinued prior to investigator's report.	Visits.	Married husband earning $16 week. A.D.C. and G.A. discontinued 4-11-40. Family received assistance during month of March and also a G.A. grant from 2-8 for which they are ineligible. Would not let son go to CCC.	Actual discontinuance was not effective until nine days after date of investigator's rept.
20	3-26	3-29		Employment in private industry.	Employment reported by family. To date not able to establish that D.J. and A.J. are same.	Waiting for employment information.	Advice of employment on 4-11-40. Case history shows: 2-15-40 complaint that J. was receiving U.C. and assistance while employed. 2-23-40 complaint using step-father's truck. 3-7-40 D.P.A. 78 reports earnings of $76.66 for P.J for period 1-1—1-31-40. This is amount reported by investigators. Requested Mills to check employment situation at once and learned that Al and Pete J. are in partnership of buying and selling coal.	Undoubtedly employed while receiving assistance. Further evidences of employment still being found.
35	3-26	4-2	4-5	Cash settlement of accident claim makes recipient ineligible.	District has been aware of possibility of settlement. Case probably would not be settled before September 1940.	Another attorney located.	After report check of 3-29-40 was held. Received $500 on 3-8-40 but not reported until 4-8-40.	D.P.A. did not learn of settlement until after investigator's report was submitted.
34	3-4	4-4	4-26	Paramour and private income.	M. in home as roomer. Separate living quarters maintained. Mrs. L. has a friend who owns house boat but would not consider living on one herself.	Recipient and M. interviewed.	Re-application for relief 2-26-40. Granted 3-4-40. Admit lease signed in name of Mr. and Mrs. M. but office attaches no significance to such arrangement. Visitor asked lawyer to evaluate stock. Had intended to rent house boat. No community contacts.	Since only recipients were interrogated, D.P.A. investigation is not completed. Also this is a too willing acceptance that Mr. and Mrs. arrangement is solely for purpose of renting house.
2	4-5	4-10	4-24	Odd jobs. Also regular employment of tenant.	Man received $2.00 for small repair job, discovered as result of investigator's report.	N. came to dist. office in April.	Odd job of Cabin Pie Co. verified. As to P., two aliases. Found he worked as S.M. from 6-22-38 until 3-20-40. Evidence of pay while on relief. Restitution to be begun at	D.P.A. admits to N.'s part-time employment. Tenants earnings as reported by investigators' report, also verified by D.P.A. office.

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Rept. No.	Date Contact	Date Mills' Letter	Date Visitor's Reply	Principal Facts of Joint State Govt. Com. Investigation	Remarks in Mills' Letter of 6-20 relating to Commission's Report	How Handled by Pittsburgh Office	Learned at July Conference and from Case Records	Resulting Comments
							once. (4-19-40) Aliases apparently used to avoid detection by relief offices.	
31	3-13	3-26	4-3	Morals, selling milk, etc.	Relationship with S. nothing more than a friend. Mrs. O. states that all milk received is used for the children's needs.	Usual visit.	Case has been active since 1933. Frequent reports of her interest in P.S. for several years. Juvenile Court supervising children at home Cash grant increased without a home visit after birth of P. No visits after 4-3.	No attempt to verify conditions beyond visit with recipient. Contributions by the various sires should be thoroughly digested. Isn't there a relationship between P.S and the child P.?
32	3-18	3-26	4-3	Income and savings.	State's interest amply protected by Reimbursement Agreement.	Bank not checked. No attempt to verify son's employment.	6 rooms, pays $66 monthly. $55 to HOLC Supposedly living on remaining $11 plus G.A. grant of $3.50 weekly. No visit between 11-15-39 and 3-29-40.	Is this family able to live on approximately $22 monthly remainder? Is the son employed to any extent?
41	3-28	4-4	4-16	Clerk in "numbers" store.	Have been unable to establish that P. works there or is engaged in number writing himself. Factual information very difficult to obtain.	Proprietor of store questioned.	Came to office 3-26-40 to report he was being investigated. Pay, supposedly only candy and tobacco for opening store and sweeping place. Proprietor is known as "numbers" writer or pick-up man. P. not in store since investigation.	A known number writer's statement can hardly be expected to be true.
13	3-12			Employment.	Family apparently eligible with no indication of overpayment.	A visit.	Was a supplemental grant on a salary of $30.33 mo. contrary to advice of investigators' report that mentions $10 weekly. No visit between 10-9-39 and 4-9-40. No check-up with former employer as to where she might be presently employed. Mother on blind pension	Visitor's investigation should have gone further than just an interview with the recipient.
25	3-30	4-5	4-12	Painting jobs.	Employment reported by recipient. Landlady reports employment has been promised S. but he has not worked during period of assistance.	With the recipients.	On 4-1 (day after investigator's contact) S. reported work to start 4-8. Case history shows that Mrs. S. sued husband even though not separated, as she thought he was earning more than he was leading her to believe.	It is to be noted particularly that even the wife has questioned S's actual earning. Also, this recipient reported his intention to start work the day following Commission's investigations.

Not on D.P.A. Pittsburgh Office Analysis

6	3-7	3-11	3-26	Washing cars.
42	3-6			Committed to jail.

Car-washing job verified. T. admits that car-washing has been going on since January 1939, but claims maximum is $2 weekly. Over-payment summary covering the period 1-27-39 to 3-29-40 submitted to claims settlement.

A sordid mess. Niece comes North pregnant. Niece pregnant second time by L. L. and M. see visitor, want to set up own household Mrs. L. and children continue on assistance. Mr. L. on WPA. Mrs. L. has her paramour arrested. All arrested on charges of adultery. Social worker in Morals Court says moral condition was being sanctioned and encouraged by the D. P. A. Advised to plead guilty, the D.P.A. draws in legal aid when plea is changed to "not guilty." All in jail or detention for 37 days ending 3-13-40 M. back with L. Case record shows:
2-29-40 assistance discontinued.
3-14-40 out of jail day before.
3-15-40 expected assistance for himself, M. and their child. M. cashed his check of 2-9-40 after forging signature; assistance resumed for $4.40 and urgent partial requested.
4-19-40 L. reports he and Mrs. P. are living together again and want their checks combined.
4-22-40 budget increased to include Mrs. and 2 children 4-26-40.

INVESTIGATION OF CASES IN OUTLYING COUNTIES

A supplemental grant for a "part time" employe. Children advise he is employed regularly from Monday until Friday. Have two roomers paying $6.50 weekly. A man and his wife were also paying $8.00 monthly for an apartment. One boarder, a chef, also supplies food.

Earning $14.00 weekly at woolen mill and has Plymouth car. Mother also received assistance while the father was "away." Boasts that she wouldn't "sign over" her insurance for adjustment and just "strung them along" knowing she wouldn't need relief after a couple of weeks anyway. Father is also employed, earning $21.00 weekly.

Father employed by construction company and, in addition, earns $8.00 as janitor in local theatre. S. and her illegitimate son, live with her mother and father.

A summary of January 1934 mentions: A very complaining type Employer states "he is not a good worker." Doctor remarks that these people demand unrequired medical attention. (These remarks are supplemented in 1937 with "L. not anxious to work—no serious health condition.)" Recently; i.e., July, 1940, it is found that wife is away from home and a tenant, supposedly removed, is still continuing residence.

On rolls since 1932. Only apparent reason for not working is "hemmorrhoids." Won't have the operation that is discussed many times.

Employed on truck several days weekly, receiving maximum grant of $4.40 weekly. Has completely furnished five room apartment, even though single, rent for which is $16.00 monthly. On the rolls since 1933, has enjoyed every form of relief.

Groceries, clothing, bedding and fuel, in addition to cash grants since 1932, varying as sons, daughters and mother are added to household. As early as 1934 record shows complaints and, too, evidence of son working while included in grant. Father won't work Mother leaves, to live with other relatives, as soon as she receives old age assistance. Daughter and her child included even though she won't take support from husband. Planning a divorce, the cost of which is to be borne by a boy friend, Intends to keep earnings for herself if she gets a job. Numerous instances for failures to report for assignments by various members of the family. At time of last application for assistance, following W.P.A., it was learned that a $1000.00 endowment insurance policy had been turned over to a friend.

A 46 year old Russian, in America since 1913. No record of citizenship application. Has been on relief, the majority of time, since 1930. Mention is made 4-16-36. "Large part of weekly earnings go for beer." Had received, and failed to report, compensation of $114.27 while on a G.A. grant. Last entry in case folder, 3-19-40, mentions a failure to report for a relief work project.

Application 11-2-39. Had received relief in Mercer County until 11-1-39. Wife failed to report to assignments given her by S.E.O. Accepted for assistance even though Mercer County report was not received. (Mercer County report not favorable to the Harshmans). Nothing done about complaints of "sign painting" and "peddling" while on relief, even though verified.

Groceries, prenatal clinic, shoes, extra milk, rent payments by outsiders, bed, spring and mattress, food com-

modities, and clothing orders are additional to cash grants. Known to relief agencies since 1930. Many instances of moving. Quarrels with landlords. Left owing rent. Would not "work out" obligations. Constant improvement in surroundings. Wifes' belongings sold by, and clothing orders spent by, the husband Admission of ocasional odd jobs. Not satisfied with clinical attention for latest pregnancy, wants own physician. Found working for grocer while on relief. Claim for restitution. Complaints of drunkenness, thievery, feigned illnes, boarders, etc. W.P.A. provides a housekeeper.

Case record in Erie County office indicates a "single man." A native of Argentina, has been married 13 years. Visitor has not been near for several months. Recalled by General Electric in July, 1940, but refused job because he vanted something easy to do. Wife has no idea how bad his "heart condition" is, but he goes out all day. Doesn't know where he goes. She receives Mothers Assistance of $38.30. He receives $1.60 weekly for his own use.

Old age assistance of $20.00 per month since April, 1939, prior to which the grant was $17.50 since March, 1937. Son operates plumbing business and is in possession of $19,000 worth of real estate with no record of encumbrances. Net income from properties estimated as nearly $900.00 and earnings $600.00. Son refused to assign piece of property, where mother resides, in order for her to sign a reimbursement agreement.

G.A. case—$11.25 weekly. After visitor requested reimbursement agreement signature, because of property interest, a judgment note was made in favor of a sister and entered against E. The agreement was then signed. Review Board justified this evasion and permitted the grant to remain unchanged, even though appealed by the visitor.

Appeal case. Notation of 6-4-40 says "grant assistance." Case history shows: Failure of son to report for W.P.A. assignments. Doctor's notation—"This family will resist the idea of work." Threats of warrants against the relief board. Constant writing "Get busy or I'll go higher, etc." Complaints of the wife selling W.P.A. clothing and surplus commodities. Complaints of the son caddying and selling magazines.

Mother advises that C. never asked for or received relief, as his employment, as helper in A. Shoe Repair Shop where he has been the past two years, is sufficient. An apartment is sub-let for $10.00 monthly Case record shows a supplemental grant because of limited earnings.

Over-payment reported June 1, 1939. Insurance received in amount of $322.20 against which were funeral expenses of $150.00. No restitution of the difference.

Woman works in store and could be regularly employed but for the time consumed in getting relief. Won't marry father of illegitimate child for fear relief will cease. Assistance finally discontinued 5-11-40.

CASES OF HABITUAL DRUNKENNESS

Proprietress of six houses containing 29 old age assistance cases, 6 W.P.A. workers and 13 physically handicapped G.A. cases. Her biggest problem is "boozing" Drinks are mostly "moonshine."

Case begins in 1930. Excerpts from the running case history show: During 1937—referred to private job but doesn't want heavy work. Re-applies for relief. Advise that Seasock drinks up W.P.A. earnings and makes trouble. Grocer says "All Seasock does is drink." Battered, drunken brawl. Sister tells visitor if S. gets relief he would drink it all. During 1938—still spending money for liquor. M is an habitual drunkard. Upon making several collateral visits, visitor advised that M. drinks heavily, and is usually drunk.

Case begins in 1933 but drinking is not mentioned until 1936. Case record shows:

2-4-37	Drinks heavily and for this reason has lost his job.
11-1-37	Visitor finds him in a very drunken condition. In such a drunken stupor they paid no attention. Because of their being intoxicated, interview was not continued. Case continued.
9-13-38	W.P.A. earnings paid a back store account, balance for current expenses and drinking. Case re-opened in office.
11-19-39	Visitor suspects manufacture of "illegal alcoholic beverages."
9-25-39	Not a citizen.
7-8-40	B. under influence of liquor. Mr. B. was in prostrate condition and could answer no questions.

Lives at a tourist home, where his own quarters are provided in the rear. Receives, all his meals. Is caretaker for the lawn and chickens. Only purchase he makes for food is for balogna. Receives his relief check on Saturday morning and gets drunk regularly each Saturday.

As early as 1932 visitor comments "will sell his groceries for liquor if the case is approved." In 1935: Room mate complains that L. has been drunk almost continuously. Barred at the Salvation Army. An employer has work for him if he stays sober long enough. Gets $1.00 an hour when employed. Separated from wife who is also on relief. Later: He thinks he must keep on drinking. Employment office sent him to job, electric welders are needed, but he is too drunk to go. Admits earnings have been as much as $121.00 weekly. Not in accord with the idea of "taking a cure." Brother feels S. is utterly useless. Made no effort to support his family, was living with another woman. Not a citizen. Panhandled meals and hauled rubbish and ashes, earnings 50c to 75c daily, while receiving relief. Visitor closed case 5-1-40 but it was almost immediately re-opened by an interviewer.

Many complaints. Charges and counter-charges by husband and wife, as to intoxication, disorderly conduct, cashing mate's relief checks, etc.

Father-in-law of S. C. known to various relief agencies, churches, missions, etc., for years. Came in while Cr. was being interviewed, drunk and requesting that his relief check be cashed. Impressions are that he is always drunk.

Lives with sister. A habitual drunkard. Uses his money for liquor.

Came from Rickeyville, Washington County, Pa., in 1936. Is a Slav, married at least twice. Arrested in 1939 on assault and battery charge. Worked on W.P.A. as laborer until year and a half ago. Has since been operating rooming houses, principally for men patrons on relief rolls. at 40 Fernando Street and 1036 Fifth Ave. Usually

has between 15 and 20 roomers. Doing volume of business from sale of liquor at Fernando St. address. Sells it by drink or bottle. Has no liquor license. Reliefers at 1036 Fifth Ave. admits getting relief checks on Friday a. m., out of which De. takes room rent, plus whatever amounts are owed him for liquor. D. keeps mail box under lock and key and himself distributes relief checks to tenants. Pays rent for both addresses promptly by means of properly endorsed relief checks and cash. Patrons are drunk on Fridays and Saturdays. On subsequent days are out on streets panhandling for enough to eat to sustain them until following Friday.

One of 4 residents in the same house. Case record shows: To America 1905, no citizenship papers. Associates with whiskey drinkers. Drunk for days. Buy rubbing alcohol to drink. A bum. Quarrelsome and a trouble maker. Drinks constantly. On relief and W.P.A. for number of years.

Known also as Gdwish and Gdwrys. Case record shows: Spends scrip for liquor. Prosecuted for "breaking, entering, attempted burglary." Found working while on relief. Not a citizen—to America 1907. More mention of drinking

As early as 1935 case history mentions a two week drinking spree. Shows also: Request for citizenship denied 9-12-38. Drunk. Ill from drinking. Sick again from drinking rubbing alcohol. Had priest in to see him.

Question as to his residence in 1935. Used address to receive scrip. Asks landlady to elope with him. Refused job. Uses scrip for liquor-demands more scrip. Works on project but still requests scrip. Woman advises 6-29-36 he is working on her farm, getting room, board and $15.00 monthly pay while on relief. Uses scrip for bootleg liquor. Report again in 1937 as to his employment while on relief. Cross at suggestion he go to work. "Wants relief." Drinks up all his money. Did not report for review board meeting but food and clothing granted notwithstanding. Never applied for citizenship. Drunk with the rest of the boys.

CASES IN WHICH EXTRA MARITAL STATUS WAS FOUND

Receiving A.D.C. grant of $50.00 monthly. Living with brother of husband. Both brothers employed steadily by Scott Brothers and each earning nearly $300.00 a quarter year period.

Formerly received a G.A. grant of $4.80. Moved in with woman and three small children, supposedly his, and relief grant is now $12.10.

Receives $1.70 weekly supplement to laundry work. Is doing just so much and won't look for additional customers. Lives with daughter and daughter's three illegitimate children. Court order of $2.00 weekly on father of youngest child. Daughter receives $36.70 Mothers' Assistance. Won't take jobs, don't want their grants reduced. Inferred that relief office suggested they not work at all, but stay home and continue on relief.

Unmarried, has illegitimate child. Child Welfare Bureau advises D.P.A. of L's admission that she is living with a boy friend. He too has been receiving his relief checks at her home. Relief is to be discontinued for the woman but she will be included in the man's grant. Complaint by paramour that she left him and is living with another man. Despite complaints of frequent male visitors, parties, women boarding and the frequent changes of address, the final case message notation, of 5-15-40, reads "Recommends assistance be continued," Maximum budget allowance.

One son, L. now in Morganza Reformatory for theft. Second son apparently headed in same direction. Interest now centered in an A.B. who is also a relief recipient.

Posing as man and wife with a Mr. M. and house lease signed as Mr. and Mrs.

Receiving A.D.C. of $48.30 for four children sired by different fathers. Alleged father of youngest child, Paul, is a P.S. employe. Juvenile Court is supervising the children at home.

Niece came North while pregnant. Second time pregnant by L. L. and M., the niece, want to set up own household. Mrs. L. and children continue on assistance. Mr. L. on W.P.A. Mrs. L. has her own lover arrested. All arrested on charge of adultery. Social worker in Morals Court says "moral condition was being sanctioned and encouraged by the D.P.A." Advised to plead guilty, D.P.A. draws in Legal Aid and plea is changed to "not guilty." All in jail or detention for 37 days ending 3-13-40. M. back with L. Case record shows:

3-15-40	Out of jail on the 13th. Expected assistance for himself, Mamie and child. M. cashed his check of 2-9-40 after forging signature. Assistance resumed.
4-19-40	L. reports he and Mrs. T. are living together again.
4-22-40	Budget increased to include Mrs. T. and the two children.

Son employed by dental laboratory. Unmarried daughter has baby 17 months old. Receiving grant of $9.80. Daughter has court order on child's father, despite which visitor offers A.D.C. grant.

SURVEY OF CASES DENIED OR REMOVED FROM GENERAL ASSISTANCE IN DELAWARE COUNTY

Introduction

During the calendar period September 1939 to February 1940, the Delaware County Board of Public Assistance authorized:

1. The cancellation of relief aid to single men between the ages of eighteen and forty-five years without dependents
2. The rejection of new requests for relief assistance in the same category.
3. The non-acceptance of re-application of the same category.

The assumption was that these men could, through diligent application, earn an amount equivalent to what a weekly relief check would be.

Four hundred twenty-two cases—September 1, 1939—February 1, 1940—were refused after being reviewed, some so evidently undeserving that no office records were kept. In 25 per cent of these cases, records were kept. They were the persistent ones.

Seventy-four cases, however, were set aside to be investigated for later approval, or disapproval, of the action of refusal.

The division of these cases is as follows:

Division	No. of Cases	Percentage
1. Active cases discontinued	1	1.4
2. New, or first, requests Never before on relief	24	32.4
3. Re-applications		
a. Former recipients	45	60.8
b. Previous application but never recipients	4	5.4
Totals	74	100.0

These cases were investigated during the period February 27 to March 26, 1940.

In addition, thirty-one more investigations were made during the week April 1 to April 8, 1940, inclusive.

This second group covered cases, regardless of sex, age, marital status and the like, that had been arbitrarily discontinued because the Delaware County Board felt "the people had been on too long and had not made an honest effort to get into industry."

It is interesting to note that, while these cases were on relief rolls for one year or longer, some as long as three years, there has been no reaction of any kind since they were dropped.

Results of Survey

Group No. 1

Of the first group, i. e., seventy-four supposedly single men, eighteen to forty-five years of age:

a. Thirty-two cases, or forty-three per cent, were in the City of Chester. The balance were distributed throughout the County.
A geographical distribution of cases, according to case record addresses, is attached to this report as Appendix I.

b. The cases, of which forty-three were of the white race and thirty-one of the colored race, were located at residences graduated from filthy hovels to clean, well-established homes.

c. Ten cases showed changed names, to wit:

As Recorded	Actual or Other	Our Case No.
Miller	Mlynarszek	96
Tindale	Tingle	64
Farmer, James	Farmer, Lee	28
Margio	Marge	52
Davidson	Davis	76
John	Johnson	56
Templin	Tempelton	85
Pompur	Pompey	82

No consideration has been given to names of step-parents.

d. Seven, supposedly single men, were married and, admittedly, living with their wives:

Name	Race	Our Case No.
Miller	White	96
Turner	Colored	4
Trawick	Colored	5
Ryder	Colored	6
Kennedy	Colored	7
Connelly	White	8
Smith	Colored	15

Eleven were married, but divorced or separated.

There were, in addition, nine cases of illicit relationships.

e. There were nine men whose ages, admittedly, were in excess of the forty-five year old maximum as follows:

Name	Our Case No.	Ages in Years
Schrader	24	60
Seagraves	9	49
Smith	75	55
Wilhems	11	50
Margio	52	57
Evans	53	60
Burns	39	63
Maraz	62	62
MacIvor	70	60

f. Seven, now on relief, W.P.A. or N.Y.A., are:

Name	Our Case No.	Race	Remarks
Miller	96	White	On relief in Scranton
Bowers	97	White	W.P.A.
Collins	98	White	W.P.A.
Hackett	99	Colored	W.P.A.
Wilson	100	White	N.Y.A.
Rooks	101	Colored	N.Y.A.
Johnson	102	Colored	N.Y.A.

g. Four were unknown, at addreses given in Board's case records. Their names follow:

Name	Our Case No.	Race	Informants
Orysczak	90	White	Tenants in apartment and store at residence address.
Shorts	92	Colored	Present tenant and postman.
Graves	91	Colored	Next door neighbor and corner grocer.
Myers	93	Colored	Three tenants of same building and white neighbor next door.

Group No. 2

The second group, twenty-one of which are residents of Chester, were divided, according to race, as follows:

Sex	White	Colored	Totals
Male	14	7	21
Female	2	8	10
Totals	16	15	31

Here again were instances of:

a. Variances in names—

As Recorded	Actual or Other	Our Case No.
Rush	Szatkowski	16
Maguire	Higgins	17
James Berry	Warden Berry	20
Edward Maloney	Elwood Maloney	103

b. Men who failed to complete their citizenship requirements:

Name	Nationality	No. of Years In America	Our Case No.
DePase, Louis	Italian	20	42
Petryk, John	Ukranian	..	46
Tartaglio, Nicholas	Italian	30	71
Kanuka, Steve	Lithuanian	29	72
DiPaulo, Gaetano	Italian	..	89
Sepcich, John	Croatian	30	63

c. There are six cases of conviction for law violations of which four seem to be of the criminal type and two of the casual violations of law.

d. Nine cases of illicit relationship are specified in the individual reports.

General

For individual discussion of the cases, see Appendix II. The following summary of the combined results of the two groups investigated is recapitulated as follows:

	No. of Cases	Percentage
1. Not at present in need of relief in Delaware County	87	83
a. Employed on regular jobs	23	
b. Engaged in private enterprise	26	
c. Living with relatives	11	
d. Moved from locality	8	
1. To Philadelphia (1 with kin) (1 with friend) (1 not known)	3	
2. To Shamokin (With kin)	1	
3. To Scranton (With friends)	1	
4. To New York (With kin)	1	
5. To Concordville (Employed)	1	
6. To Georgia (With kin)	1	
e. Not living with relatives, Families able to support	3	
f. On W.P.A. or N.Y.A., Arrangements questionable	6	
1. Hackett, landlady would give no information.		
2. Collins, former inmate of Elwyn Training School living with attendant of the same school.		
3. Wilson, grandfather left $1600 insurance.		
4. Rooks, does odd jobs, stepfather can provide.		
5. Lawrence, quit part-time job for sewing project assignment.		
6. Johnson, mother refused to assign her house for "widow's pension."		
g. Living with friends	10	
2. Doubtful Cases	16	15
a. Moved and left no forwarding address	9	
b. Were not known or could not be located	6	
c. On relief in Lackawanna County when application was made. (Eligibility there questionable. See Miller Case No. 96)	1	
3. Remainder, both need relief (Bowers on W.P.A.—Maloney in jail, wife receiving Prison Aid)	2	2

Appendix III is briefly expressive of each of these foregoing classifications, and Appendix IV gives a chronology of the investigation.

Remarks

This survey of 105 cases divided into the two groups of 74 supposedly single person cases and 31 cases arbitrarily discontinued because the Board felt the recipients had not made an honest effort to get into industry, was made for the primary purpose of answering one question "How were these people presently living?"

In all cases interviewed there was apparently sufficient food, clothing, fuel, and housing and, in general, the individuals seemed to be living roughly in accordance with their own long time standards.

In this report no attempt has been made to present personal impressions, except as to living conditions. The reports of individual cases record only what transpired at the time of inquiry.

APPENDIX I

GEOGRAPHIC DISTRIBUTION ACCORDING TO CASE RECORD ADDRESSES

Location—Delaware County

	Group 1	Group 2	Combined Total
Broomall	1		1
Bryn Mawr	1		1
Chester	32	21	53
Clifton Heights	2	2	4
Collingdale	1		1
Colwyn		1	1
Crum Lynn	1		1
Darby	3		3
Darby Township	3		3
Drexel Hill	1		1
Essington	1		1
Fernwood	1		1
Folsom	2		2
Glenn Riddle	1		1
Holmes	1		1
Lansdowne	1		1
Lenni	1		1
Lester	2		3
Linwood	3		3
Marcus Hook	1		1
Media	3	1	4
Secane	1		1
Sharon Hill	3	4	7
Twin Oaks	3		3
Upland	1		1
Upper Darby	4	1	5
Totals	74	31	105

APPENDIX II

CASE OUTLINE

Case No.	Name	Remarks
1	Kubla, Steve	Has car Now regularly employed Previously earned $10 weekly junking Present landlady, Mrs. Belmont, is former relief client Was on relief in "coal regions"
2	Peoples,, John	Reguarly employed Father and brother employed Was on W.P.A. for about two years
3	Radcliffe, Wm. J.	Moved to step-sister's home during August 1939. Was rejected, on relief application, September 18, 1939. Brother, working, also boarding here.
4	Turner, Chas. H.	Former relief recipient Now employed Wife probably working.

Case No.	Name	Remarks
5	Trawick, Garland	Wife working steadily. Came from New Jersey during November Relatives in Alabama
6	Ryder, John	Steadily employed Living with family who have been on relief for seven years Buys food and fuel in lieu of rent payments
7	Kennedy, Montreal	Mother of applicant advises he has been employed by Viscose for over two years
8	Connelly, Wm.	Employed by Sinclair Oil Co. steadily for twelve years
9	Seagraves, Everett	Working several days weekly at the Ford plant Lives with brother who operates, in addition to regular job, a rooming house
10	Thomas, John	Employed. Father employed by Sun Oil Company, earning $12 daily which is spent on other than his family
11	Wilhems, Harry	A "floater," now gainfully employed in Philadelphia
12	Simpson, James	To be re-employed by commission merchant
13	Greenberg, Max	Working. Mother provides meals Brothers able to aid Lived with woman who was on relief, in Philadelphia
14	Algoe, Ellis	Now employed. Works only long enough to save some money then quits A gambler and "bum"
15	Smith, Moses	Wife employed
16	Rush, Frank P.	Real name Szatkowski A heavy drinker, has a prison record Now working for a mission
17	Maguire, Emma	Working for, and living with, a Roy Meredith Operates a second-hand furniture store and a rooming house
18	Powell, Wm. H.	Employed—and, apparently, has never been entirely idle during the past 10 years
19	Harris, Joe	Working in a restaurant Character report unfavorable
20	Berry, James	Uses name of "Warden" Drives Darby Township School Bus Has an orchestra Father and sister also employed Have automobile
21	Hilliard, Earl	Selling life insurance. Son employed at moderate salary.
22	Campbell, Chas.	Maintenance man at St. Vincent's Hospital, Philadelphia Children attend parochial schools Have old Packard sedan
23	Williams, Margaret	Wife earning $7 to $8 weekly Husband also employed at Sun Oil Co. at $24 weekly salary
24	Schrader, Adolph	Lives with other relief recipients, one of whom—Casselman—has a wife who is steadily on relief in another locality
25	McKone, James	Son employed at the Sun Ship Co. Applicant—with substantial family background—now does odd jobs. Admits to earning of $5 weekly Has applied for job six times in three months.
26	Mabus, Jack	Drives car. Has occasional work. Family, with whom he has roomed for 15 to 18 years, made no demands for payments of board.
27	Curtis, Raymond	Lives with grandmother. Father, living in Philadelphia, is on relief. Mother's residence, job, etc. questionable.
28	Farmer, James	Former constable who will not look for work. Meals and rooming quarters supplied by Hotel proprietress.
29	Blow, Wesley	Was on relief on W.P.A. for 5 years. Now doing odd jobs.
30	Carney, Dawson	No evidence as to manner of employment other than driving men to work in own car. Boasts he is living better than when employed in industry.
31	Brown, John	Lives at fire house, rent free. Father pays for meals this son charges at restaurant. Earns $6 to $10 weekly playing pool.
32	Upjohn, Horace	Living with woman employed as school janitress at a salary of $13.50 weekly. He earns about $5 weekly. Part of their apartment is subletted for $20 monthly. Woman's son at Broadmeadows.
33	Mitchell, Richard	Got relief as married man while living with woman. Relations live in immediate neighborhood.
34	Scheffmeye, Walter P.	Made request for relief while employed as cook at the Eddystone Hotel. Compensation was $10 weekly, plus room and board.
35	Majors, William	Son on W.P.A. Wife lives with a "Saunders" at Leipers Quarry. Majors pays no rent, drives car, does odd jobs. Living with woman and her children.
36	Fontaine, Morris	Living on a vacated estate with woman caretaker. Does odd jobs and farming. No definite amount paid for board.
37	Tyler, Howard	Lives with aunt who receives old-age pension. Quit his job in Charlottesville, Va., to come North.
38	Sample, John	Has car. Brother, unemployed, came from Virginia for sinus treatments at the Philadelphia General Hospital.
39	Burns, John	On relief since 1934. Has sister who is "well-fixed"—other close relatives nearby who can aid.

Case No.	Name	Remarks
40	Hayward, Malcolm	Former C.C.C. enrolee, has been on both relief and W.P.A. assignments. Owes no back rent for room. Has Postal savings. Doesn't bother to look for a job.
41	Crawley, Paul	Really lives in Philadelphia. Two brothers and sister, all employed, live in Philadelphia. Does some odd jobs, but is really "laying around."
42	DePase, Louis	A gambler and heavy drinker. Owns home—taxes are paid Living with woman Two children are in an Italian Home. One child lives with relatives. Rents rooms. Has only 1st citizenship papers.
43	Nelson, Naomi	Has roomers who pay also for laundry and cooking. Started on relief in 1932.
44	Jones, Willie	Lives with his paramour. Junks for a living
45	Jackson, Sylvia	Doing housework few days a week. Never had a day's work, for about 4 years, while on relief.
46	Petryk, John	One son in prison, another is employed as messenger boy, and the third son is epileptic. Not a citizen. Is doing odd jobs paperhanging.
47	Ruffiings, Margaret	Does housework. Living with a Sam Williams.
48	Farrell, William	A "rummy." Does huckstering. Has son, earning $30 weekly, who lives with his mother in Essington. Produce broker for local merchant.
49	Miller, Joseph	On relief since 1933. Moving to Philadelphia through the assistance of the Media Community Centre. Combined earnings of Miller and his two sons amount to $13 weekly.
50	Harkness, John	Lives at married sister's home. Father living and pensioned.
51	Traband, Chas.	Mentally deficient. Only employment he has ever had was a two year W.P.A. assignment. Lives at one brother's home. Has another brother and a sister.
52	Margio, Antonio	Has own living quarters adjacent to son's home. Came from Pittsburgh year ago.
53	Evans, Felix	Man of sixty whose sister just recently moved in after 13 years of family separation. Evans has daughter in North Carolina. Owns house.
54	Wilson, Bradford	Lives with sister. Came from Maryland three years ago. His only jobs were on W.P.A. projects. Brother-in-law works at General Chemical Co. and has son on N.Y.A.
55	Brown, Harry	An epileptic. Lives with cousins. Was recently in Philadelphia for about five months. Father in the county home, sister's husband is on W.P.A.
56	John, William	Correct name Johnson. Returned to step-father's home. Was living with other relief recipients.
57	O'Neill, Leonard	Living with mother who owns her own home—has boarders and lets a two-room apartment.
58	Smith, Ella	Son at C.C.C. camp sends $22 monthly. Receives $2 for support of daughter's illegitimate child. Brother, separated from family, lives in same community.
59	Wiggins, John	Left uncle's home to get relief assistance. Now living with aunt since her husband's death. Not trying very hard to find work.
60	Mastracola, Dominick	Has son and daughter living at home who are working. Two other adult children. Owns own home.
61	Woelfel, Ralph A.	Has good family capable of assisting. Lives, rent free, at firehouse. A painter, he gets odd jobs occasionally.
62	Moraz, Frank	An old man whose family can provide for him without inconvenience to themselves.
63	Sepcich, John	In America for thirty years. Never got second papers of citizenship Rents rooms occasionally Family well able to provide for him Arrests in 1919 and 1933 on "speakeasy" charges.
64	Tindalie, Francis C.	Owes $23 for relief chiseling. Won't work!
65	Swetko, John	Lost citizenship papers for falsifying marital status. A Russian, he has lived in America for 30 years.
66	Bradford, Henry	Drives an old DeSoto car. Presently employed by a cleaner. Doesn't hold jobs long. Was pipe fitter on W.P.A. projects.
67	Meekins, Jacob	Apparently the only man in house full of women. $2.00 room rent also gives him the privilege of eating with the rest of the guests.
68	Carter, James	Living with a Hattie Williams. Has a wife at another address. Consort still receiving $1.70 weekly as her relief allowance.
69	Adams, Ernest	Has lived here since recent release from jail. Has a family and a girl friend—a Pearl Gibbs. Pays nothing for rent and can stay indefinitely.
70	MacIvor, Walter	Living in own basement apartment with a friend who is steadily employed at Brills. Has two unmarried daughters, and a son, living in St. Louis.
71	Tartaglio, Nicholas	Lived in this country since 1901 but made no application for citizenship until 1937. Stays here, at friend's home, can continue indefinitely.

Case No.	Name	Remarks
72	Kanuka, Steve	An alien, from Lithuania, has lived with Annie Wallen for 14 years. Have 20 chickens, a cow; and Mrs. Wallen has a son who is working. Too, she owns property.
73	Anderson, Edward	Remained at this address for only a few weeks. Was employed regularly, as garage mechanic, after the first week of residence.
74	Kohn, George	C.C.C. enlistment expired in December 1939. Now living in Philadelphia with the father who is regularly employed.
75	Smith, Horace	Recently separated from wife. Now purportedly living in Philadelphia. Was believed, by neighbors, to have some "means." Didn't work.
76	Davidson, Herbert	Used the name of Davis. Recently separated from wife who is living with another man. Now in Shamokin with married sister. Was living with relief recipients.
77	Carie, Lovey	Has moved to New York City with family. Sister, still living at this address, conducts a private school with an enrollment of 58 colored children. Most of the parents of these pupils are on relief. Charges for tuition is 25 cents weekly.
78	Dugan, Mary	Moved to Scranton in June 1939. Planned to continue to New York City. Has a brother living in Scranton.
79	Jillard, Samuel	Was on relief from 1933 until December 1938. Has been living with a Mrs. Beaumont. Gives five different addresses.
80	Wells, Henry	Family moved back to their kin in Georgia.
81	Magee, Howard	Moved after rooming at this address about six months. An irresponsible fellow.
82	Pompur, Julius	Lived with Patterson, a W.P.A. employe. Received unemployment compensation of $100. Owes credit clothing house for suit on which only two payments were made.
83	Beck, Irving	Moved from this location several months ago.
84	D'Ambrosia, Carmen	Left this rooming house recently, owing for room rent. Would not look for work.
85	Templin, Albert	Name really Tempelton.
86	Tucker, Hughie	Moved, no forwarding address.
87	Wippert, Albert	Former C.C.C. enlistee. Has sister and two aunts living near northeast Philadelphia.
88	Ayres, Alfred	Left this rooming house in December 1939.
89	DiPaulo, Gaetano	Not a citizen. Moved the summer of 1939 from this house.
90	Orysczak, William	No one knew of this individual.
91	Graves, Preston	Never heard of.
92	Shorts, Howard	Postman did not know, in addition to present tenants.
93	Myers, Elsworth	Does not live here and is unknown.
94	Thomas, Bertha	Information refused by this arrogant woman and her daughter. Has been on relief for 5 years.
95	Johnson, Albert	Duplicate addresses. Not located at either house.
96	Miller, John	Applied for relief in Chester while on rolls in Scranton. Has been earning, in addition, substantial amounts doing odd jobs. Brother, on W.P.A., rents rooms and sells homemade quilts. Name really Mlynarzyek.
97	Bowers, James	On W.P.A. Has 18 year old son. Last job, other than W.P.A., was at Seaford, Delaware, last fall.
98	Collins, Verden	Former inmate of Elyzon Training School. Was "adopted" by school attendant with whom he is living. Has been on relief eight or nine years. Has a car which is used to drive fellow W.P.A. workers for which he receives $1.50 weekly.
99	Hackett, Francis	Recently started on W.P.A.
100	Wilson, Thomas	Never completed first grade education even though he went to school for nine years. Grandfather left $1600 insurance for his upkeep. Is getting $18 monthly through N. Y. A. Has always been able to earn a few dollars delivering circulars and groceries working at the various markets, etc.
101	Rooks, James	Doing "odd jobs" and on N. Y. A. Was at a C.C.C. camp for eighteen months. Step-father employed by General Chemical for twenty-six years.
102	Johnson, Russell	On N. Y. A. since October. Mother refused to assign her house to get "widow's pension."
103	Maloney, Edward	Husband at Broadmeadows on larceny arrest. No steady job since he was married. Wife now getting $8.00 relief.
104	Lawrence, Ida	Owns house. Gave up occasional domestic jobs to go on W.P.A. sewing project. Has about 15 chickens.
105	Weaver, John	Living with friends named Soifer.

APPENDIX III

NUMERICAL AND CLASSIFIED INDEX OF CASES

1. Employed—regular jobs

Case No.	Name	Where Employed
1	Kubla, Steve	Sol Sidewater's Junk Yard, Chester
2	Peoples, John	Paper Container Corporation, Yeadon
3	Radcliffe, W. J.	Giant Tiger Super Market, Darby
4	Turner, Charles H.	Sun Ship Company, Chester

Case No.	Name	How Employed
5	Trawick, Garland	Domestic service (wife)
6	Ryder, John	Sun ship Company, Chester
7	Kennedy, Montreal	Viscose Rayon Corporation, Marcus Hook
8	Connelly, William	Sinclair Oil Company, Marcus hook
9	Seagraves, Everett	Ford Motor Company, Chester
10	Thomas, John	Pennsylvania Railroad
11	Wilhelms, Harry	Dixon Machine Shop, Philadelphia
12	Simpson, James	Wilkins, Commission Row, Chester
13	Greenberg, Max	Joe Doblitz, Trainer
14	Algoe, Ellis	J. Wallsworth Sons, Chester
15	Smith, Moses	Domestic service (wife)
16	Rush, Frank P.	Chester Mission, Chester
17	Maguire, Emma	Roy Meredith, Chester
18	Powell, William H.	Haley's Sheet Metal Works, Chester
19	Harris, Joe	Restaurant, Chester
20	Berry, James	School bus driver, Darby Township
21	Hilliard, Earl	Sun Life Insurance Co.
22	Campbell, Chas.	St. Vincents Hospital, Philadelphia
23	Williams, Margaret	Domestic—Husband employed by Sun Oil Company, Chester

2. Engaged in private enterprise

24	Schrader, Adolph	Chopping corn, shoveling snow, etc.
25	McKone, James	Carpentry, plastering, etc.
26	Mabus, Jack	Printer or printer's helper
27	Curtis, Raymond	Caddying
28	Farmer, James	Tap room and the "Eagles"
29	Blow, Wesley	Odd jobs
30	Carney, Dawson	Chauffering
31	Brown, John	"Shooting" pool
32	Upjohn, Horace	Chauffering
33	Mitchell, Richard	Odd jobs
34	Scheffmeye, Walter P.	Kitchen helper
35	Majors, William	Junking and odd jobs
36	Fontaine, Morris	Farming and chauffering
37	Tyler, Howard	Polishing cars and gardening
38	Sample, John	Junking
39	Burns, John	Carpentry and quarrying
40	Hayward, Malcolm	Helping around house
41	Crawley, Paul	Junking and farming
42	DePase, Louis	Gambler and landlord
43	Nelson, Naomi	Rents rooms
44	Jones, Willie	Junking
45	Jackson, Sylvia	Domestic
46	Petryk, John	Paperhanging
47	Ruffings, Margaret	Housework
48	Farrell, William	Huckstering, food brokerage
49	Miller, Joseph	Plumbing and auto repair

3. Living with relatives

Case No.	Name	With Whom Living
50	Harkness, John	Father and married sister
51	Traband, Charles	Brother
52	Margio, Antonio	Son
53	Evans, Felix	Sister
54	Wilson, Bradford	Sister
55	Brown, Harry	Cousin
56	John, William	Mother and step-father
57	O'Neill, Leonard	Mother
58	Smith, Ella	Daughter and grandchild
59	Wiggins, John	Aunt
60	Mastracola, Dominick	Wife, son and daughter

4. Families able to support

Case No.	Name
61	Woelfel, Ralph A.
62	Moraz, Frank
63	Sepcich, John

5. Living with friends

Case No.	Name
64	Tindalle, Francis C.
65	Swetko, John
66	Bradford, Henry
67	Meekins, Jacob
68	Carter, James
69	Adams, Ernest
70	MacIvor, Walter
71	Tartaglio, Nicholas
72	Kanuka, Steve
105	Weaver, John

6. Moved from locality

Case No.	Name	New Residence
73	Anderson, Edward	Concordville, Pa.
74	Kohn, George	Philadelphia, Pa.
75	Smith, Horace	Philadelphia, Pa.
76	Davidson, Herbert	Shamokin, Pa.
77	Carey, Lovie	New York, N. Y.
78	Dugan, Mary	Scranton, Pa.
79	Jilliard, Samuel	Philadelphia, Pa.
80	Wells, Henry	Georgia

7. Moved and left no new address

Case No.	Name
81	Magee, Howard
82	Pompur, Julius
83	Beck, Irving
84	D'Ambrosia, Carmen
85	Templin, Albert
86	Tucker, Hughie
87	Wippert, Albert
88	Ayres, Alfred
89	DiPaulo, Gaetano

8. Were not located

Case No.	Name
90	Orysczak, William
91	Graves, Preston
92	Shorts, Howard
93	Myers, Elsworth
94	Thomas, Bertha
95	Johnson, Albert

9. On relief agencies

Case No.	Name	Agency
96	Miller, John	On relief in Scranton
97	Bowers, James	On W.P.A.
98	Collins, Verden	On W.P.A.
99	Hackett, Francis	On W.P.A.
100	Wilson, Thomas	On N.Y.A.
101	Rooks, James	On N.Y.A.
102	Johnson, Russell	On N.Y.A.
103	Maloney, Edward	Prison Aid
104	Lawrence, Ida	On W.P.A.

APPENDIX IV

CHRONOLOGY OF INVESTIGATIONS

Investigation Nos.	Dates
1 to 19	February 27 to March 5, 1940
20 to 41	March 6 to March 12, 1940
42 to 61	March 13 to March 19, 1940
62 to 74	March 20 to March 26, 1940
A1 to A31	April 1 to April 8, 1940

CASES IN WHICH MEDICAL SERVICE IS BEING RECEIVED DESPITE QUESTIONABLE RELIEF STATUS

Case closed 4/, re-opened 4/29/40. Received medical treatment 4/5 to 24.

Application for assistance, dated 9/14/39, never signed by Mrs. F. or her husband.

Signature on medical invoice of $13.00 is as L. and at

variance with signature in the case record. (Various spellings of last name.)

Bond bears an "X" mark without exposition. Authorization for information on finance bears an "X" and notation "her mark." Neither are witnessed. Doctor's invoice bears a signature, as does also the application of 11/28/39.

SURVEY OF RELIEF CASES COMING FROM UNEMPLOYMENT COMPENSATION WITH EARNINGS OF $800 OR MORE DURING A SINGLE CALENDAR YEAR

County	Original No. of Selected Cases	Number With Earnings of $800 or More During a Single Calendar Year	Per Cent
Allegheny	50	18	36.0
Philadelphia	37	18	48.6
Schuylkill	49	35	71.4
Dauphin	24	6	25.0
Luzerne	50	17	34.0
TOTAL	210	94	44.8

Classification of the 94 Cases with earnings of $800 or more during a single calendar year

	No.	Per Cent
1—Received relief during a quarter year immediately following a quarter with earnings of $200 or more	40	42.6
2—Received relief during a quarter year immediately following a quarter with earnings plus U.C. totaling $200 or more	9	1.0
3—Received U.C. during two benefit years and granted relief during the interim between the two series of U.C. payments	47	50.0
4—Received relief prior to U.C. when eligible for the latter, and when only one U.C. benefit year was involved	19	20.2
*5—Received duplicate payments (Relief and U.C.) during one or more months of a quarter year	35	37.2
6—Received relief during a quarter year with earnings of $200 or more	35	37.2

*Duplications within a single month of any one quarter for Schuylkill and Dauphin Counties are not determinable from available records. Size of total income from all three sources during a single quarter, however, suggests duplication and is checked as such for these counties.

UNEMPLOYMENT COMPENSATION-RELIEF

Wages for 1937 were as follows: $390 for the first quarter, $380 for the second quarter, $460 for the third quarter, $440 for the fourth quarter. Wages for the first quarter of 1938 were $90 plus U.C. of $50. Wages for the second quarter of 1938 were $340 plus U.C. of $50. Wages for the third quarter of 1938 were $275 plus U.C. of $25. Wages for the last quarter of 1938 and for the first three quarters of 1939 averaged $334. Wages for the last quarter of 1939 were $370 plus U.C. of $25. U.C. was also received in the first quarter of 1940 amounting to $150 plus wages of $50. In the second quarter of 1940 U.C. amounting to $40 was received, plus relief of $40.

Worked steadily through 1937, 1938, and 1939. His earnings, however, show progressive decline, varying per quarter from $770 to $250. During the first quarter of 1939, he earned $390. The following quarter his total income of $230 comprised $110 wages, $70 U.C., and $50 relief. During the fourth quarter of 1939, wages plus U.C. amounted to $310. The following quarter $90 relief was granted which, together with $30 U.C., and $100 wages, made his income total $220. His relief grant for the second quarter of 1940 amounted to $29.12 and for the first month of the third quarter (July 1940) it was $28.19.

In the year 1937 and first half of 1938 he had earned over $1400. Earned $240 during third quarter of 1938 and was granted $25 relief during the following quarter. Earned over $200 in first quarter of 1939 but again received relief in that and following quarter, despite U.C. payments in second quarter of 1939.

Wages for the years 1937, 1938 and 1939 averaged $1627 per year, with a low for the three years of $110 for the first quarter of 1937 and a high of $600 for the fourth quarter of 1937. Unemployment compensation of $190 was received in the first quarter of 1940. In the second quarter of 1940 U.C. amounting to $40 was received, together with $80 relief.

In 1937 earned wages in every quarter in amounts ranging from $100 to $300—total wages over $800. Total relief payments during that year nearly $500. In 1938 earned wages in four quarters. Received relief payments totaling $250 in two quarters. Total income in 1938 including U.C. payments $1040. In 1939 received over $400 wages in first quarter and over $300 wages in second quarter and was put on relief in third quarter.

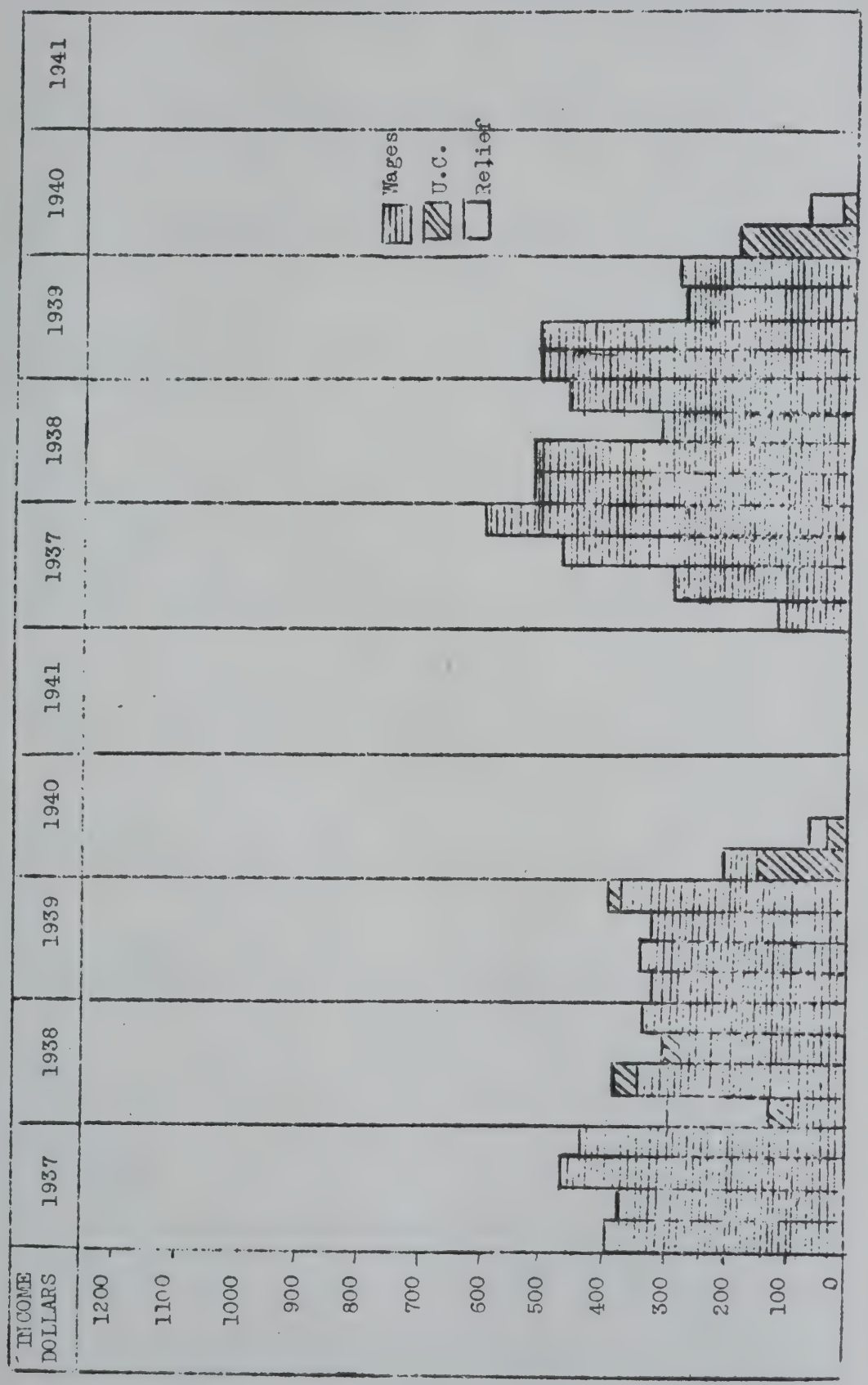
Quarterly wages earned during 1937 and 1938 and the first quarter of 1939 varied from $190 to $440, average about $250. After earning $290 during the first quarter of 1939, he was granted $10 relief during the following quarter. Wages were $140, making his total income $150 for that quarter. During the third quarter of 1939, wages plus U.C. amounted to $240. He was granted $50 relief, which raised his income for that quarter to $290. Again, during the first quarter of 1940, income from three sources totaled $220—$75 in U.C. benefits, $40 in wages, and $105 relief. Relief grants for the second quarter of 1940 totaled $68.72. Relief was discontinued May 10, 1940.

Has received payments in ten of the last fourteen quarters, despite wages of over $1,000 in 1937, $880 in 1938, and $1300 in 1939, and U.C. payments of approximately $135 in 1938 and the same amount in 1939.

During the second quarter of 1937, he earned $250 and was granted $150 relief, making a total income of $400 for that quarter. Earnings for the second quarter of 1937 were $290. He was granted $60 relief making a total income of $350 for that quarter. $130 relief was granted for the third quarter of 1938 after earnings of $240 for the second quarter of that year. During fourth quarter of 1938 earnings were $350 and he was granted $80 relief, making total income of $430. The following quarter, wages amounting to $290 and U.C. payments of $150 brought his income up to $440. During the quarters immediately following $180 relief was granted. Wages were only $20. Wages amounting to $300 plus $130 relief brought his income up to $430 for the first quarter of 1940. Relief payments for the second quarter of 1940 amounted to $184.56, and for the first month of the third quarter (July 1940) $66.72 in relief was granted.

Wages for the third quarter of 1937, fourth quarter of

CASE NO. 55 S.S.NO. 194-05-7308 CASE NO. 3-3938 S.S.NO. 180-01-3152



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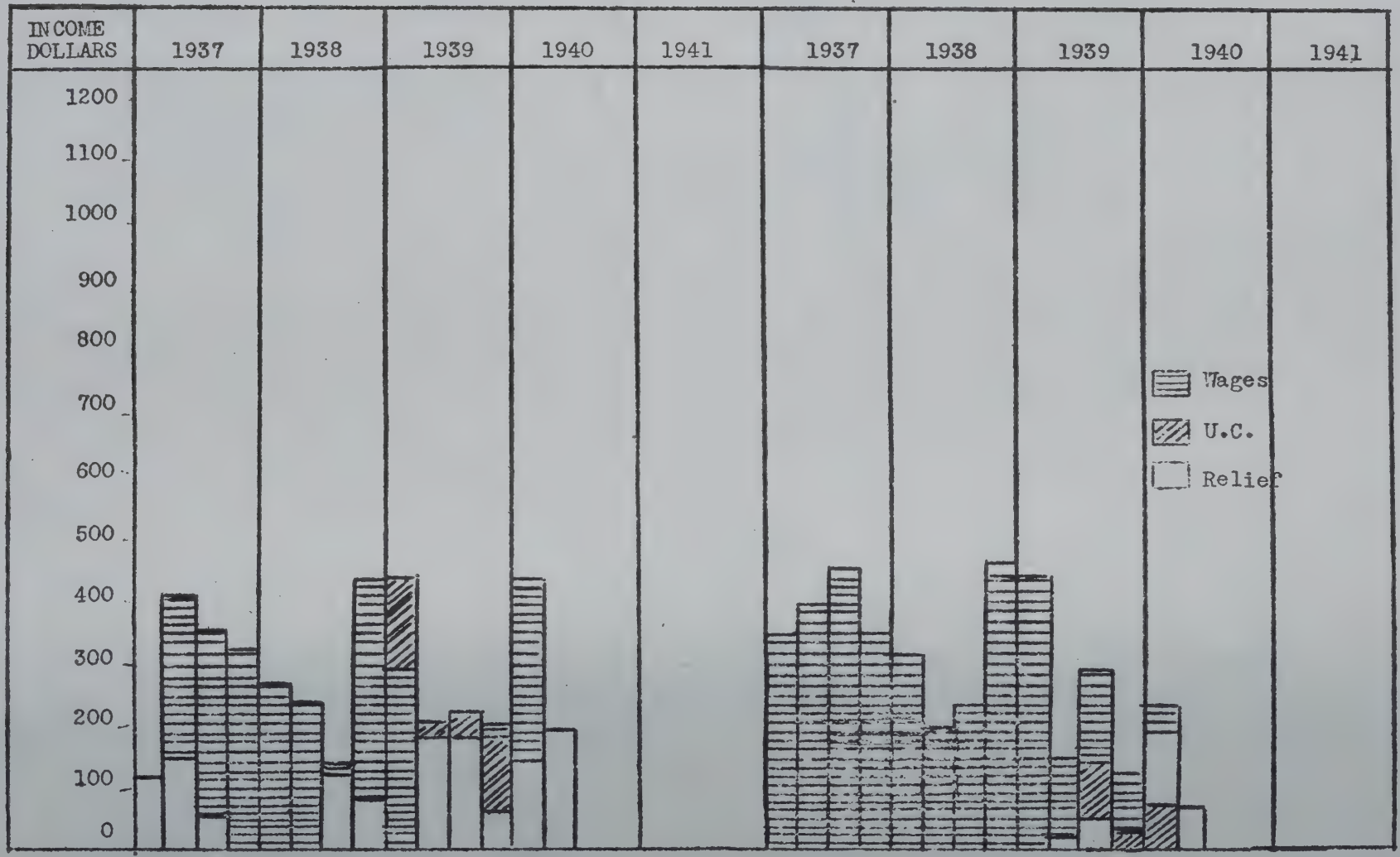
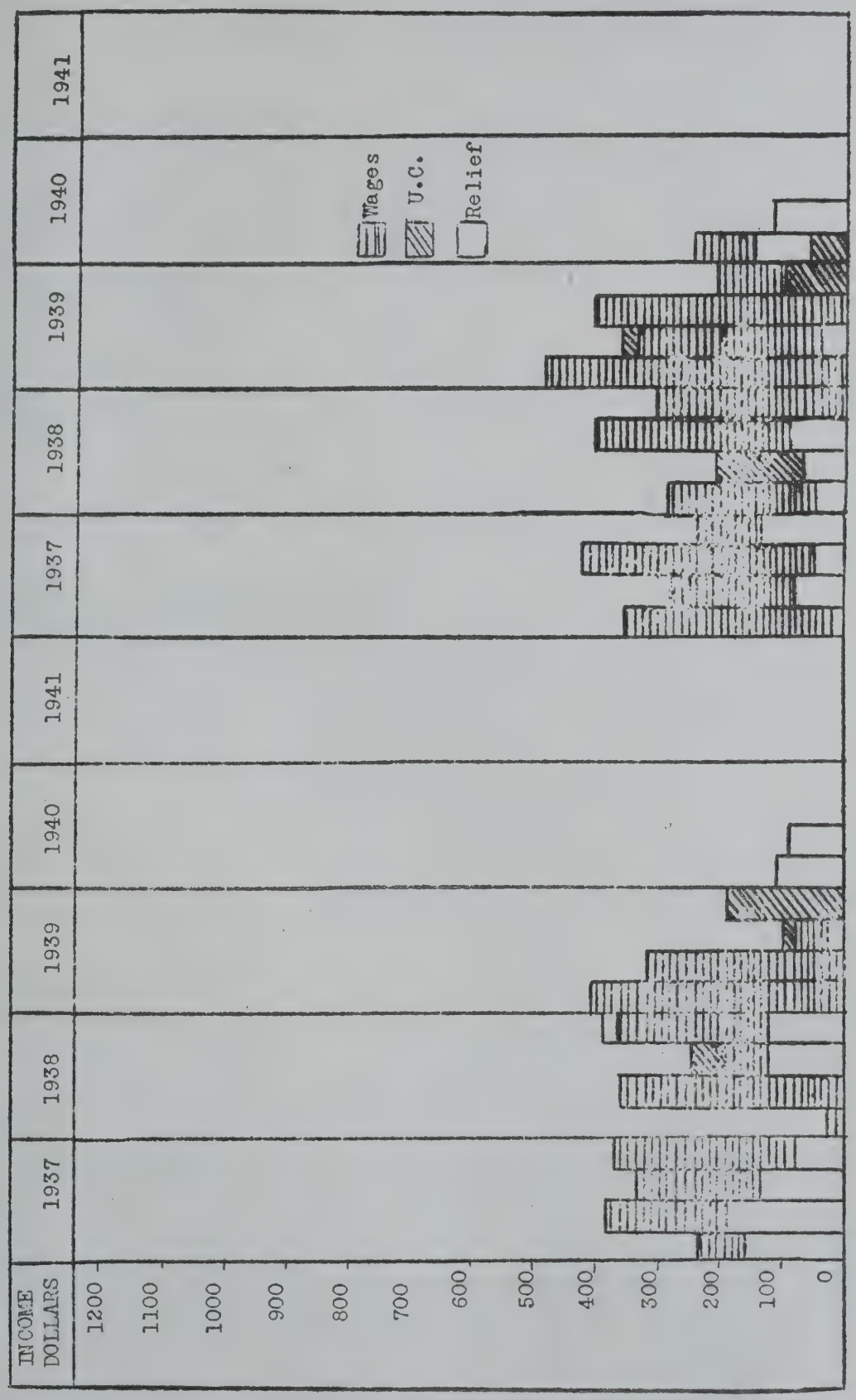
S.S.NO. 165-09-4720



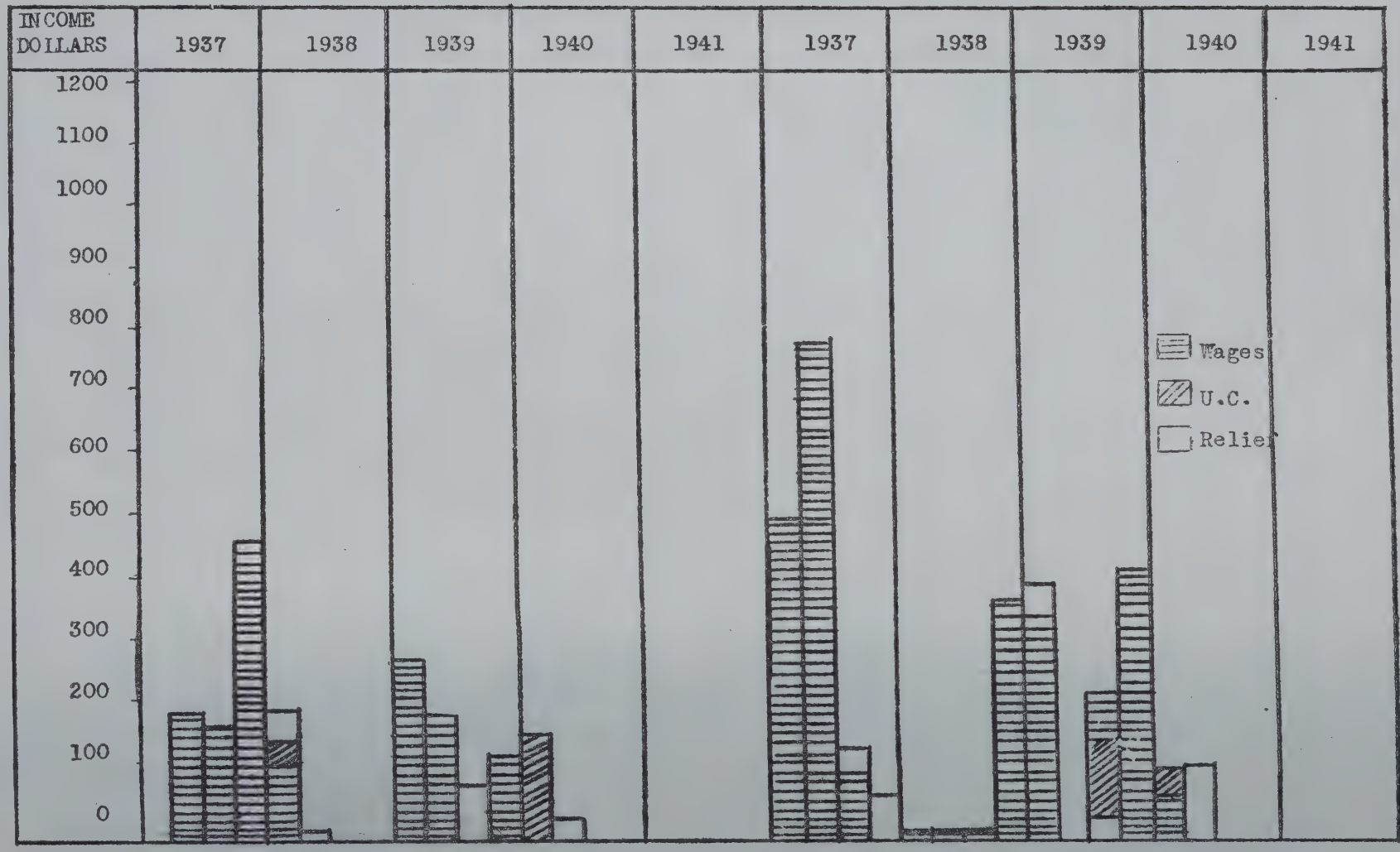


S.S.NO. 182-10-6689

SS NO. 163-01-2633

CASE NO. 3-077
S.S.NO. 161-18-3611

CASE NO. 12-1091
S.S. NO. 180-09-8900



,1937, and first quarter of 1938 were $225, $375, and $325. $40 relief was granted during each of these quarters. $10 relief was also granted during the third quarter of 1938, which followed wages of $350 during the preceding quarter.

Earned $430 in wages during the fourth quarter of 1937 and was granted $50 relief during the first quarter of 1938, which was in addition to $50 U.C. and $110 in wages in that quarter. Again, during the first quarter of 1939 he earned $300 and second quarter he earned $210 and was granted $90 relief the third quarter, prior to securing his U.C. insurance which he did not take until the next year.

Quarterly earnings held consistently at about $250 per quarter for the years 1937 and 1938, and the first half of 1939. During the second quarter of 1939 his income from three sources, totaling $220, was made up of $190 wages, $10 U.C. and $20 relief. He is now unemployed and was granted $128.30 relief during first quarter of 1940. During the second quarter of 1940 $69.72 was granted for relief, and during the first month of the third quarter (July 1940) he received $36.06. It appears that U.C. payments were scattered over four quarters for his first benefit year. He is eligible now for U.C. payments covering a second benefit year. Relief was discontinued July 31, 1940.

Wages averaged better than $300 per quarter for the four quarters of 1937 and $150 for the first quarter of 1938, followed by U.C. and $200 in wages (total) for three quarters in 1938. In first quarter of 1939 he earned $100 per quarter and was given relief in excess of $150 during each of these quarters. Total income for these quarters (first and second 1939) was $290 and $310 respectively. During the third quarter of 1939 he earned $310 and received $50 relief, totaling $360. He had no income during the last quarter of 1939 but received U.C. during the first and second quarters of 1940. He went on relief again during the latter quarter receiving $120. This man's income, 1937 to June 1940, completed two cycles in the following sequence—wages, U.C., relief.

Wages for the second quarter of 1937 were $807, but in spite of that fact he was granted $15 relief during the following quarter. Wages during the latter quarter were $155, making a total quarterly income (wages plus relief) of $170. Wages for last quarter of 1939 were $390. Was granted $50 relief during that quarter following in spite of earnings during that quarter amounting to $370. Total income for first quarter of 1939 (wages plus relief) was $420.

Earned $530 in wages during the second quarter of 1938. Total income during the following quarter was $240 and came from three sources—$110 wages, $25 relief, and $105 U.C. Relief amounting to $20 was granted during the third quarter of 1939, which together with $275 in wages, brought his income up to $295. Total income for the quarters immediately preceding and succeeding the above quarter was $175 and $190 respectively.

Wages for second quarter of 1938 were $340. Was granted $25 relief during the following quarter which, together with $225 earned during that quarter, brought his income up to $250.

Earned $525 for four quarters in succession—last of 1937 and first, second, and third of 1938. Was granted $20 relief during fourth quarter of 1938 which together with wages of $350, brought his income for that quarter up to $370. Received $195 U.C. first quarter of 1939, following which he went on relief for remainder of the year, followed by second series of U.C. payments in 1940.

ONE YEAR OF R. W. P.

Month	Average Number of Projects In Operation	Average General Assist Caseload	Average No. of Cases with a worker on R. W. P.		Average Number Workers Per Project	Total Man Hours Worked	Am't General Assistance Granted			Average Hourly Work Rate	Cost of Administration
								Am't Worked For On R.W.P.			
			Number	% Col. (2)			TOTAL	AMOUNT	% Col. (7)		
1939	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Aug.	133	273,000	1,612	0.6	12.1	117.067	$9,220,851	$ 52,380	0.6	$0.45	$46,000
Sept.	658	273,100	8,261	3.0	12.6	567,724	8,805,482	267,378	3.0	0.47	40,000
Oct.	1,031	253,100	12,355	4.7	12.0	804,267	7,620,330	395,929	5.2	0.49	37,675
Nov.	1,197	218,800	15,502	7.1	12.0	998,960	6,656,110	507,720	7.6	0.51	36,450
Dec.	1,221	205,700	16,601	8.1	13.6	1,053,707	6,301,236	537,047	8.5	0.51	36,885
1940											
Jan.	1,225	200,100	17,068	8.5	13.9	1,097,169	6,195,495	558,981	9.0	0.51	36,993
Feb.	1,339	200,800	20,574	10.2	15.3	1,273,788	6,024,032	648,919	10.8	0.51	33,719
March	1,433	201,100	22.931	11.4	16.0	1,513,154	6,331,101	768,366	12.1	0.51	33,000
April	1,545	195,100	23,226	11.9	15.0	1,453,996	5,840,309	742,105	12.7	0.51	36,020
May	1,568	176,800	23,586	13.3	15.0	1,605,454	5,655,644	825,241	14.6	0.51	36,711
June	1,577	165,000	25,674	15.6	16.3	1,598,286	4,672,960	818,496	17.5	0.51	35,071
July	1,590	166,800	26,843	16.1	16.9	1,753,299	4,959,077	898,622	18.1	0.51	33,000

10TH BIENNIAL BUDGET OF THE COMMONWEALTH OF PENNSYLVANIA
FOR THE FISCAL BIENNIUM JUNE 1, 1941, TO MAY 31, 1943
Submitted to the
GENERAL ASSEMBLY
By ARTHUR H. JAMES, Governor
February, 1941

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NOTE

Statements of the Actual Classified Operating Expenditures of the State Government by Departments and Appropriations from June 1, 1933 to May 31, 1940 are presented in a Supplement to the Budget under Separate Cover.

See also Supplement to the Budget for the Custodial Special Funds except the Sinking Funds.

COMMONWEALTH OF PENNSYLVANIA
EXECUTIVE CHAMBER
HARRISBURG

February 3, 1941

To the Honorable, The General Assembly of the Commonwealth of Pennsylvania:

In compliance with Article VI of the Act of April 9, 1929, P. L. 177, I have the honor to lay before the General Assembly the State Budget for the fiscal biennium from June 1, 1941 to May 31, 1943.

Allow me to review the finances and financial management of the State Government during the first biennium of this administration. When I came into office two years ago I pointed out in my first budget message that the outstanding facts in the State's finances for the two ensuing years were as follows:

"First, there is now a deficit of $50,000,000 in the General Fund of which amount $42,000,000 must be paid out of, and constitutes a direct lien upon, the funds of the next biennium: secondly, there are $487,000,000 of General Fund obligations before us, including the deficit and new obligations imposed by law during the present biennium if we were to continue on the same scale of spending as I found when I came into office, and third, estimated revenues for the next two years, assuming the reenactment of all the Earle emergency taxes, amount to $365,550,000—$121,450,000 short of the obligations. This shortage we propose to try to make up by economies in government and by other means without adding any new taxes."

The deficit which I mentioned at that time to be a $50,000,000 deficit turned out to be a $58,000,000 deficit and instead of taking $42,000,000 out of the funds of this biennium to pay off that deficit we had to take $50,000,000. We would have had to take $58,000,000 out of the funds of this biennium had it not been for the fact that immediately after coming into office we began to economize and between the time I took office and May 31, 1939 we had taken care of $8,000,000 of the deficit.

Immediately after I came into office W. P. A. began to fall down in meeting its proper obligations in helping to carry the relief burden in this State. Prior to this administration W. P. A. was carrying well over 200,000 cases, going up as high as 276,425 in November, 1938, the time of my election. By the time I took office that number had gone down to 248,570. Thereafter the decline was rapid, going down to a low of 120,137 in September, 1939.

Due to the failure of W. P. A. to meet its proper obligations in helping to carry the relief burden in this State the Department of Public Assistance had to pay out at least $37,000,000 which it would not otherwise have been called upon to do. On the one hand we had to provide for a $58,000,000 inherited deficit and on the other hand we had to provide $37,000,000 for Public Assistance which should have been provided by the Federal Government. These two together make $95,000,000 that we had to provide which should not have been charged up against this administration.

You will recall that two years ago I recommended no new taxes and no new taxes were enacted. Due to the fact that we had to provide for a $58,000,000 deficit and due to the fact that the Department of Public Assistance had to pay $37,000,000 which should have been provided by the Federal Government our Public Assistance appropriation proved to be insufficient. This explains the necessity for the Special Session of the Legislature and the additional appropriation of $71,850,000 for Public Assistance.

We found in making the budget two years ago that to avoid new taxes drastic reductions had to be made. We postponed obligations of $20,350,000 and made reductions amounting to $17,500,000 in the General Fund alone. Had it not been for these reductions there would have been a new tax program in operation during this two-year period amounting to many millions of dollars.

Before entering upon a discussion of the budget for the next two-year period let me say that the State is in better financial condition than it has been for many years. There is no need for new taxes for the next biennium. Under the budget the inherited deficit is wiped out—provision is made for all the State services and essential expansion of these services and for the relief needs which present prospects indicate. Successful completion of this program will set the stage for a huge tax reduction program. Had it not been for the obligations amounting to $95,000,000 unduly imposed upon this administration I would now be recommending a tax reduction program in approximately that amount.

At the time of the Special Session of 1940 an appropriation of $71,850,000 was made for Public Assistance which was the total amount that could be made available without new taxes. It now appears that this amount will be insufficient to carry Public Assistance to the end of the biennium. According to present predictions the current appropriation will be exhausted by March fifth. A supplemental appropriation will be necessary and I am recommending an appropriation of $14,500,000 at the present time with the funds provided as follows:

An additional transfer of $6,400,000 from the Motor License Fund to be repaid in June, 1941, an increase of $5,000,000 in the estimate of revenue for the current biennium, and estimated additional lapses amounting to $3,000,000.

Due to the rapidly changing conditions it is impossible at this time to know what the final requirements for Public Assistance will be to complete the biennium. If this appropriation which I am recommending does not complete the biennium another appropriation will be necessary. This appropriation at any rate will carry public assistance to the point where we can know definitely the outcome of public assistance requirements and also we shall then know what the revenue prospects are in relation to the estimate.

Now, turning to the budget for the next biennium, I have kept in mind a number of aims in preparing the budget for the next two-year period: First, to provide adequately for State services but only enough for good economical administration. Adequate provision for Relief, Welfare and Health Institutions with increased patient population, rehabilitation, occupational disease claims, for the public school system, for increasing salaries of teachers in fourth class districts, and for increased work due to the National Defense Program, means a considerable increase, as you can see in the Budget, over the amounts for the present two-year period.

Still another aim has been to provide adequately wherever necessary for the State's participation in the Defense Program. In the Budget you will notice that appropriations recommended for a number of departments have been adjusted for that purpose.

Another aim has been to avoid any new taxes in the next two-year period. This aim is especially strong when the burden of Federal taxes is increasing by leaps and bounds and any increase in State taxes would be a hardship indeed.

A fourth aim has been to place the General Fund in such a condition that there can be a real tax reduction program at the end of this next biennium.

I am mentioning these aims because I believe they will be a guide to you in your study of the Budget which I am presenting to you.

In the preparation of this Budget there are some very favorable factors. In the first place, through the economies which have been put into effect, the cost of the State Government is many millions of dollars less than it otherwise would have been; secondly, the Public Assistance burden has greatly declined from what it was when the last Budget was prepared; and third, we can expect increased receipts from existing taxes during the next two-year period.

I have already explained to you that had it not been for the Earle deficit of $58,000,000 and the default of W. P. A. in the amount of at least $37,000,000, I would now be recommending to you a huge tax reduction program. But, since we had that deficit to cope with, it was necessary for us to incur new obligations which must be repaid out of the funds of the next biennium. This is what causes whatever difficulty there is in making our Budget for the next two-year period.

Special Fund Transfers

Provision has been made in the Budget for the repayment to the several special funds during June, 1941, of the amounts borrowed by the 1940 Special Session and the amount recommended to be borrowed in this Session. These amounts are as follows:

Motor License Fund	$ 43,400,000
Liquid Fuels Tax Fund	11,000,000
Liquor License Fund	7,250,000
Fire Insurance Tax Fund	2,300,000
State School Fund	2,000,000
Total	$ 65,950,000

These temporary loans have made it possible to finance the required Assistance appropriations without additional taxation.

The 1940 Special Session borrowed $37,000,000 from the Motor License Fund which I am recommending be increased by $6,400,000, making a total transferred of $43,400,000. The sum of $15,000,000 has been transferred to date representing essentially money which the Department of Highways has saved in its operations. It will go into roads next summer. The remaining $28,000,000 is money the Motor Fund will receive during March and April from license fees. The Department of Highways cannot use it then, but it will be able to use it three months later. By that time it will have been repaid to the Motor License Fund.

You will recall that at the last Regular Session I recommended the postponement of the effective dates of a number of laws which would increase the cost of Government beyond the funds available at that time had they become eflective then, and the Legislature accepted my recommendations in that respect. It is necessary again for me to ask for the postponement of the effective dates of these acts because there are still no funds available without new taxation for them to go into effect. Therefore, I recommend that the effective dates of the following acts be further postponed for a two-year period:

Public Instruction:

Number of	Date of Act	Relating to
485	July 1, 1937	Supervisors of Special Education
483	July 1, 1937	Transportation
141	May 7, 1937	High School Tuition

Welfare:

21	Sept. 29, 1938	The Commonwealth taking over County Mental Hospitals (Postponement to apply to all except Philadelphia State Hospital)
25	Oct. 11, 1938	Relieving the counties of payments for maintenance of Indigent Insane, Feeble-minded and Epileptics in State Institutions

There are some increases which are necessary and cannot be avoided. There is an increase of $4,400,000 for school purposes over the amount originally appropriated two years ago. The Welfare Institutions will require $3,050,000 additional for patients taken in at the new Welfare buildings. $1,246,00 will be needed for additional patients in the Tuberculosis Sanatoria.

For the next biennium estimated revenues amount to $413,396,357. From this amount must be deducted the $65,950,000 of obligations to special funds which must be repaid in the next biennium and deficiency appropriations of $4,950,171, leaving a total of $342,496,186 available for appropriation for the next biennium. In view of the outlook for increased employment it appears that an average of $5,000,000 per month should be sufficient for relief for the next two-year period or an appropriation of $120,000,000. This then would leave $222,496,186 available for appropriation. My recommendations are that $211,-102,407 be appropriated for the departments and for all other purposes. There is then a balance of $11,393,779 unappropriated. I suggest that you include this amount as a safety item in your appropriation for Public Assistance, making an appropriation of $131,390,000. However, I want to point out here that if an additional appropriation is necessary for Public Assistance for the current biennium beyond the $14,500,000 I have recommended or if any other appropriations are made beyond those recommended the amount of $131,393,778.50 will be reduced accordingly.

In comparing the amount of $211,102,407.50 for all de-

partments other than Public Assistance with the amount for 1937-1939, you should take into consideration the fact that in the $211,102,407.50 for 1941-1943 there is $17,600,000 provided for obligations and services which were not present in 1937-1939. In other words, were it not for these obligations and new services, the amount I would now be recommending to you for all departments other than Public Assistance would be $193,502,407.50.

I want to call your attention to some appropriation comparisons which appear in the budget on pages 6207 and 6208. You will notice that the total General Fund appropriation for 1939-1941 amounts to $413,794,178.13 when the recommended Public Assistance deficit of $14,500,000 and other deficiencies amounting to $4,950,000 are added thereto. There is, therefore, a decrease of $2,284,000 below the appropriations for 1937-1939. But this does not show a true comparison. In the amount for 1939-1941 there is included $12,350,000 for new obligations not present in 1937-1939. Had it not been for these new and additional obligations the total amount of appropriations for 1939-1941 would appear as $401,444,178.13.

The total appropriations recommended for the 1941-1943 biennium amount to $341,492,407.50. This is $73,586,309.20 below the appropriations for the last biennium of my predecessor. This shows in what measure the finances of the Commonwealth are being improved.

Revenues

In view of the financial situation which I have outlined to you I recommend the continuance of the present taxes.

The increase in business activities has brought about an increase in revenues during the current biennium and on the prospects of a further increase in business activities in the two years ahead a considerable increase in revenues can be expected.

Public Assistance

Our relief situation is much brighter than it was two years ago. At that time the State was providing for 240,000 general assistance cases, which number went up to a high of 275,000 during the two-year period. As of January 18, 1941, there had been a decline to 139,429 cases being provided for. As you well know, it is extremely difficult to estimate relief needs very far in the future. Who knows what the situation will be two years hence or even one year ahead? At the present time expenditures for all purposes are slightly over $7,000,000 per month. Employment is still on the increase. Estimates have been made by some in the Federal Administration that unemployment will be practically wiped out during this present year. It is reasonable to predict that Public Assistance requirements will drop to an average of $5,000,000 per month. I recommend that you make this appropriation of $131,390,000 for Public Assistance. As I have already explained, if an additional appropriation is necessary for Public Assistance for this biennium the amount will have to be taken from the $131,390,000 mentioned above.

Auditor General and Treasury

The Auditor General and State Treasury have presented requests for large increases in their appropriations. In the case of the Auditor General the request was for an increase of $100,000, or 6.7 per cent, and the request for the State Treasurer an increase of $264,000 or 40 per cent.

In the budget I have recommended appropriations in the same amounts as for the present biennium. There has been practically no change in the duties of these offices and I can see no reason for increased appropriations.

Agriculture

I recommend an appropriation of $1,400,000 for Animal Indemnities in connection with the work of testing for tuberculosis and Bang's Disease. This will enable the department to continue that important work on the same scale as during the present biennium.

Health

More funds will have to be provided to care for additional patients in the Tuberculosis Sanatoria. During the forthcoming biennium we estimate that 1,600 additional patients will be admitted. In the budget we have provided an increase in appropriation of $1,246,000 for the maintenance costs of those patients.

There will be a number of construction and improvement projects which need to be undertaken principally in connection with the new buildings amounting to about $1,100,000 which will be undertaken by the General State Authority. For the department I am recommending an increase in appropriation of $547,000. This increase is for the purpose of matching federal funds for drugs and serums for pneumonia control work, for expanding the venereal disease control program, for improvement of the service of the Department of Health to cope with health problems arising from the national defense program, and for handling the greatly expanded volume of work in the Bureau of Vital Statistics which has come about from requirements under various defense activities.

It is estimated that additional revenue from the Bureau of Vital Statistics for the forthcoming biennium will amount to $113,000.

Justice

I am recommending an increase appropriation for parole supervision in the Department of Justice amounting to $99,000. Parole supervision in Pennsylvania, in my opinion, needs improvement. This increased appropriation will permit the employment of a number of additional parole agents with their accompanying expenses. This should do much to strengthen the parole supervision system throughout the State.

In accordance with the recommendation made in my former message, I am recommending an appropriation to the Department of Justice for the investigation of subversive activities. This aid in the National Defense Program I deem to be especially important.

Labor and Industry

For the Department of Labor and Industry I am recommending an appropriation of $2,600,000 for salaries and general expenses, which amount represents an increase of $100,000 over the original amount appropriated for the biennium 1939-1941, or an increase of $175,000 over the appropriation for that department as it now stands.

The larger part of this increase would be used for the Boiler Inspection Division in the employment of additional boiler inspectors. The department estimates that from

the additional activity in this field additional revenue of about $200,000 will be derived.

The balance of the increase will be used for the employment of additional workmen's compensation referees. The Workmen's Compensation Board feels that in order to give the litigants the service intended by the Workmen's Compensation Act a referee at no time should have more than one hundred (100) undecided cases on hand. Because of the increase in work two additional referees are necessary in order to accomplish this objective. The Board expects, too, a continuing increase in work due to the increased employment under the National Defense Program.

I am recommending an increase in the appropriation for rehabilitation amounting to $184,000. This increase is being recommended to match the larger amounts of Federal monies which are available to this State and this whole amount will be needed for rehabilitation work. For the year ending July 1, 1940, seven hundred fifty (750) cases were rehabilitated. On the basis of this appropriation which I am recommending, it will be possible to rehabilitate a maximum of 1,300 or 1,400 cases annually.

I am recommending an appropriation of $600,000 to pay occupational disease claims. Claims amounting to $350,000 have already accumulated and estimated claims for the 1941-1943 biennium amount to $250,000.

Military Affairs

Due to uncertainties which surround the activities of the Department of Military Affairs, the question of the appropriation for that department for the next two years presents a difficult problem. The National Guard will be in the Federal service for at least eight and one-half months of the next biennium, but who knows whether or not they will be there longer. The armories will not be used for the National Guard over a period of at least eight and one-half months in the next biennium but if a Home Guard is to be developed the armories, or at least some of them, will be needed for that purpose. Some expenditures will be necessary at the Military Reservation including the purchase of additional land. I am recommending that you make the same appropriation for the next biennium as for the present less $40,000 which I recommend be appropriated immediately for the purchase of land at the Military Reservation. I recommend, too, that the language of the Appropriation Act be broadened to allow us to cope with defense conditions as they may arise.

Mines

For the Department of Mines I am recommending an increase from an original appropriation of $80,000, and an existing appropriation of $72,000, to $90,000. This increase makes provision for the payment of the salary of the Bituminous Deputy Secretary already appointed and for necessary expenses in connection therewith.

I have recommended an increase of $37,000 for the salaries and expenses of inspectors to permit the employment of new mine inspectors. Coal production has been steadily increasing in the bituminous region and there is every reason to believe that production will continue to increase during the coming biennium. This situation makes necessary additional mine inspectors.

Property and Supplies

For Salaries and General Expenses in the Department of Property and Supplies I am recommending an appropriation of $1,880,000 which is an increase of $95,000 above the original appropriation for the biennium 1939-1941, an increase of $115,000 above the present appropriation.

This increase is primarily for the purpose of allowing the department to bring its janitorial and mechanical forces up to the requirements imposed upon the department by the acquisition of the new Finance Building and other new demands upon the department.

Public Instruction

In accordance with the recommendation made in my message at the beginning of the Session, I am recommending an appropriation of $3,000,000 to give teachers in Fourth Class Districts a minimum salary of $1,000. For other subsidies and vocational education, I am recommending a considerable increase over the amount originally appropriated two years ago, and in this connection I want to call attention again to my statement in my former message concerning the need for study of the school system. To show the importance which I attach to this, I am recommending an appropriation of $50,000 for such a Study Commission.

A considerable increase is recommended for the State Teachers' Colleges. This increase has been made necessary primarily by increased costs arising from the new buildings which are being put into operation. For the State-aided educational institutions, I am recommending the same amounts as those in the current biennium.

I have already mentioned certain postponements affecting the Department of Public Instruction which I am recommending be made. If these postponements should not be made an additional amount of $8,957,450 would have to be appropriated to the Department of Public Instruction.

State

A large new appropriation is found to be necessary for the Department of State to provide for the costs involved in enabling soldiers to vote. It is estimated that this cost for the next two-year period will be $300,000.

Welfare

In the Department of Welfare a number of necessary increases are recommended, primarily for the purpose of providing for new patients who will be admitted to the institutions during the next two-year period.

The increase of $1,000,000 recommended for Penal and Correctional Institutions is primarily for the maintenance of the new institution at White Hill. The increase of $1,750,000 for the Hospitals for the Insane provides for the Western State Psychiatric Hospital and for many additional patients to be admitted.

The increase of $400,000 for the Institutions for Feebleminded and Epileptics will provide for many new patients.

For State-aided Hospitals and Homes, I am recommending amounts which are the same as present appropriations.

I have already made some recommendations for postponements affecting the Department of Welfare providing for postponement of the law under which the State would have taken over county mental institutions and a postponement of the act relieving the counties of payment for their patients in State institutions. Should these post-

ponements not be made there would need to be an additional appropriation of $4,900,000 to the Department of Welfare, and, on the other side, there would be loss of revenue in the amount of $6,500,000. In other words, if these postponements should not be made it will be necessary to find $11,400,000 of additional funds.

Deficiency Appropriations

In addition to the appropriation of $14,500,000 for Public Assistance which I have recommended, deficiency appropriations totaling $4,951,171 will be needed. Of this, $4,665,281, will be needed for school subsidies. Other amounts are small. They will be found on the appropriate page in the Budget.

Motor License Fund

The revenues of the Motor License Fund during 1941-1943 are estimated to be $176,660,000, or $7,000,000 greater than the estimated revenues of $169,600,000 for 1939-1941.

The total available for budgeting ($195,300,000) during 1939-1941 is $14,000,000 greater than estimated during 1941-1943 because of a larger estimated cash balance at the beginning of the 1939-1941 biennium and the repayment of a $17,500,000 loan by the General Fund during 1939-1941.

Against the total of $195,300,000 available during 1939-1941, the 1940 Special Session has enacted a loan of $37,000,000 and the present budget recommends a further loan of $6,400,000. This total of $43,400,000 represents principally receipts from license fees during February, March, and April, 1941. Only $15,000,000 accruing from current budget savings will be transferred until these license fees are collected. Even if the General Fund had not borrowed this $43,400,000, it would not have been possible for the Department of Highways to spend it until after June 1, 1941. During June, 1941, the General Fund will return the whole amount borrowed and it will then go into roads. The Department of Highways' road programs have not been interrupted or delayed by this action in borrowing to finance relief.

In my message to you at the beginning of the Session I made certain recommendations concerning aid to Philadelphia and Pittsburgh to eliminate traffic bottlenecks on through highways. Such aid as you may give will come from an amount of $67,300,000 which the budget shows to be available during 1941-1943 after present construction programs financed from the budget of the present biennium are paid for.

Appropriations and allocations to departments other than the Department of Highways for such purposes as interest on road bonds, expenses of Department of Revenue in collecting motor fund monies, and expenses of the Pennsylvania Motor Police, to name the important ones, are recommended in about the same amount as at present appropriated and do not need comment.

Respectfully submitted,

ARTHUR H. JAMES.

SUMMARY OF THE BUDGET FOR THE BIENNIUM 1941-1943

FUNDS AVAILABLE		
General Fund (See page 2)		$353,846,357.00
Motor License Fund (See page 44)		181,470,981.00
Fish Fund (See page 52)		1,577,527.00
Game Fund (See page 53)		3,284,680.00
Banking Department Fund (See page 54)		1,381,413.00
Milk Control Fund (See page 54)		262,578.00
State Farm Products Show Fund (See page 55)		213,635.00
Flood Control Fund (See page 55)		507,321.00
State Forests and Waters Fund (See page 56)		350,778.00
TOTAL FUNDS AVAILABLE FOR THE BIENNIUM 1941-1943		$542,895,270.00
Less: Funds Available in Special Funds Estimated to be Unexpended at May 31, 1941 (See pages 52 to 56)		675,583.00
TOTAL FUNDS AVAILABLE FOR 1941-1943 ESTIMATED TO BE USED		**$ 542,219,687.00**
APPROPRIATIONS FOR 1941-1943 RECOMMENDED BY THE GOVERNOR:		
General Fund:		
To repay the Motor License Fund additional amount to be borrowed in 1939-1941 (See page 2)	$ 6,400,000.00	
For Deficiency Appropriations Postponed until June 1, 1941 (See pages 2 and 3)	4,950,171.00	
For General Governmental Operation and Subsidies	211,102,407.50	
For Public Assistance	131,390,000.00	$353,842,578.50
Motor License Fund:		
Appropriations in Specific Amounts (See page 45)	$ 20,791,799.55	
Continuing Appropriations (1929 P. L. 1046) (See page 46)	160,672,000.00	181,463,799.55
Fish Fund:		
Appropriations in Specific Amounts (See page 52)	$ 5,000.00	
Continuing Appropriations (1929 P. L. 451) (See page 52)	1,540,000.00	1,545,000.00
Game Fund:		
Appropriations in Specific Amounts (See page 53)	$ 19,100.00	
Continuing Appropriations (1929 P. L. 444) (See page 53)	2,691,300.00	2,710,400.00
Banking Department Fund:		
Appropriations in Specific Amounts (See page 54)	$ 28,050.00	
Continuing Appropriations (1929 P. L. 809 and amendments) (See page 54)	1,326,000.00	1,354,050.00
Milk Control Fund (Act 37, 1933 Special Session) (See page 54)		262,578.00
State Farm Products Show Fund (1929 P. L. 823) (See page 55)		173,000.00
Flood Control Fund (Act 46, 1936 Special Session) (See page 55)		507,321.00
State Forests and Waters Fund (1935 P. L. 639) (See page 56)		350,000.00
TOTAL BUDGET OF THE COMMONWEALTH FOR THE BIENNIUM 1941-1943		**$ 542,208,727.05**

SECTION ONE

GENERAL FUND

SHOWING SUMMARY OF THE GENERAL FUND BUDGET; DEFICIENCY APPROPRIATIONS FOR 1939-1941 RECOMMENDED BY THE GOVERNOR; APPROPRIATIONS FOR 1941-1943 RECOMMENDED BY THE GOVERNOR; AND REVENUES AND RECEIPTS TO THE GENERAL FUND.

SUMMARY STATEMENT OF CASH AND LIABILITIES

GENERAL FUND

1939-1941 BIENNIUM

CASH:			
Cash Balance, June 1, 1939			$ 3,157,422.76
Actual and Estimated Revenue for the Biennium:			
Normal Taxes		$ 161,086,328.00	
Special Emergency Taxes of the 1939 Session		167,235,496.00	
Liquor Store Profits		32,000,000.00	
Licenses, Fees, Institutional, and Other Income		28,197,176.00	388,519,000.00
Temporary Borrowings from Special Funds authorized by the 1940 Special Session to be Repaid after June 1, 1941:			
Motor License Fund		$ 37,000,000.00	
Liquid Fuels Tax Fund		11,000,000.00	
Liquor License Fund		7,250,000.00	
Fire Insurance Tax Fund		2,300,000.00	
State School Fund		2,000,000.00	59,550,000.00
Receipts Appropriated for Special Purposes			58,821,493.00
TOTAL ESTIMATED AVAILABLE GENERAL FUND FOR 1939-1941			$ *510,047,915.76
APPROPRIATIONS:			
1939 Regular Session		$ 323,750,352.13	
1940 Special Session:			
Additional Appropriations for 1939-1941	$ 73,082,905.00		
Reductions in Appropriations made by the 1939 Session	5,909,000.00	67,173,905.00	
Allocation for Interest on Series ET, FT, and GT Tax Anticipation Notes		3,418,750.00	
Receipts Appropriated for Special Purposes		58,821,493.00	
Unexpended Balances (liabilities) June 1, 1939 on account of appropriations made for prior bienniums (includes $27,250,000 borrowed from Special Funds prior to June 1, 1939)		61,148,999.80	
		$ 514,313,499.93	
Appropriation Lapses, Actual and Estimated, for Appropriations up to May 31, 1941, deducted		12,386,210.37	
Net Liabilities applying against the Estimated Available General Fund for 1939-1941			$ *501,927,289.56
GENERAL FUND SURPLUS, MAY 31, 1941, ON ACCOUNT OF APPROPRIATIONS NOW IN EFFECT			$ 8,120,626.20
Deficiency Appropriations for 1939-1941 Recommended		$ 19,451,171.00	
Deduct: Deficiency Appropriations to be postponed until June 1, 1941		4,950,171.00	14,501,000.00
ADDITIONAL FUNDS NEEDED UNTIL MAY 31, 1941			$ 6,380,373.80
Temporary Additional Transfer from the Motor License Fund proposed			$ 6,400,000.00

*Tax Anticipation Notes amounting to $155,000,000 are excluded since they were both issued and redeemed in 1939-1941.

1941-1943 BIENNIUM		
CASH:		
Estimated Revenues from present tax laws and other sources	$ 228,820,857.00	
Estimated Revenues from Reenactment of present Emergency Tax Laws	184,575,500.00	
TOTAL GROSS REVENUE AVAILABLE FOR 1941-1943	$ 413,396,357.00	
Deduct: Repayments due Special Funds under present acts	59,550,000.00	
TOTAL NET GENERAL FUND REVENUE AVAILABLE FOR APPROPRIATION FOR 1941-1943		$ 353,846,357.00
APPROPRIATIONS RECOMMENDED BY THE GOVERNOR FOR 1941-1943:		
To Repay the Motor License Fund additional sum to be borrowed in 1939-1941	$ 6,400,000.00	
For Deficiencies postponed until June 1, 1941	4,950,171.00	
For General Governmental Operations and Subsidies	211,102,407.50	
For Public Assistance	131,390,000.00	
TOTAL APPROPRIATIONS RECOMMENDED FOR 1941-1943		$ 353,842,578.50

GENERAL FUND DEFICIENCY APPROPRIATIONS RECOMMENDED FOR THE BIENNIUM ENDING MAY 31, 1941

Department and Appropriation	Detail	Departmental Total
TO BE EFFECTIVE IMMEDIATELY UPON FINAL ENACTMENT		
DEPARTMENT OF PUBLIC ASSISTANCE		
Public Assistance	$ 14,500,000.00	$ 14,500,000.00
LEGISLATIVE MISCELLANEOUS AND COMMISSIONS		
Expenses of Electoral College	$ 1,000.00	1,000.00
TOTAL—Effective Immediately		$ 14,501,000.00
TO BE EFFECTIVE JUNE 1, 1941		
DEPARTMENT OF FORESTS AND WATERS		
Control of Forest Fires	$ 50,000.00	$ 50,000.00
DEPARTMENT OF PROPERTY AND SUPPLIES		
Printing and Distributing Convention Reports of the Various Veterans' Organizations	$ 6,690.00	
Legislative Printing	200,000.00	206,690.00
DEPARTMENT OF PUBLIC INSTRUCTION		
Salaries of Assistant County Superintendents	$ 16,428.00	
Transportation	1,148,853.00	
Support of Public Schools	3,000,000.00	
Aid to Financially Handicapped School Districts	500,000.00	4,665,281.00
DEPARTMENT OF REVENUE		
Mileage of Mercantile Appraisers	$ 4,000.00	
Compensation of Informants in Escheats	22,000.00	
Costs in Suits vs. Delinquent Dealers	2,200.00	28,200.00
TOTAL—to be effective June 1, 1941		$ 4,950,171.00
GRAND TOTAL—DEFICIENCY APPROPRIATIONS RECOMMENDED		$ 19,451,171.00

SUMMARY OF GENERAL FUND APPROPRIATIONS

(Recommended Deficiencies for 1939-1941 are included in that column)

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
EXECUTIVE DEPARTMENT—Functions under Governor's Supervision					
Departmental					
Governor's Office	$ 383,050.00	$ 372,200.00	$ 361,500.00	$ 334,750.00	$ 361,500.00
Department of Agriculture	2,107,350.00	1,977,650.00	2,183,500.00	1,714,000.00	1,754,000.00
Department of Banking	206,850.00	126,150.00	170,300.00	125,000.00	120,000.00
Department of Commerce	.....	.....	.....	358,000.00	412,000.00
Department of Forests and Waters	2,065,150.00	1,867,300.00	1,979,950.00	1,637,330.00	1,641,279.00
Department of Health	2,842,550.00	3,348,550.00	3,378,500.00	2,595,400.00	3,122,400.00
Insurance Department	561,650.00	589,450.00	690,000.00	560,000.00	580,000.00
Department of Internal Affairs	574,850.00	557,285.49	646,000.00	575,750.00	640,000.00
Department of Justice	862,900.00	881,300.00	984,522.00	1,086,000.00	1,093,500.00
Department of Labor and Industry	2,199,500.00	2,257,266.26	4,303,500.00	3,255,850.00	4,213,850.00
Department of Military Affairs	2,140,222.01	2,257,210.00	1,694,700.00	1,951,500.00	1,908,000.00
Department of Mines	680,600.00	652,350.00	722,550.00	625,000.00	679,835.00
Department of Property and Supplies	2,821,628.00	2,629,875.00	2,940,465.00	2,769,690.00	2,922,600.00
Department of Public Instruction	1,801,700.00	1,575,950.00	1,688,550.00	1,634,600.00	1,765,000.00
Public Utility Commission	1,249,050.00	1,443,650.00	3,001,000.00	1,851,000.00	1,951,000.00
Department of Revenue	1,540,500.00	2,953,000.00	4,208,217.00	3,277,200.00	3,449,000.00
Department of State	263,875.00	249,875.00	229,454.79	295,900.00	610,000.00
Pennsylvania Motor Police	2,781,800.00	2,729,300.00	1,000,000.00	1,000,000.00	1,000,000.00
Department of Welfare	521,900.00	460,500.00	459,500.00	459,000.00	463,000.00
Administrative Miscellaneous and Commissions	2,111,200.00	882,684.17	2,017,100.00	850,600.00	591,600.00
Milk Control Commission	100,000.00	225,000.00	300,000.00	200,000.00	240,000.00
Total Departmental	$ 27,816,325.01	$ 28,036,545.92	$ 32,959,308.79	$ 27,156,570.00	$ 29,518,564.00
Institutional					
Department of Health	$ 2,598,000.00	$ 2,535,000.00	$ 3,285,000.00	$ 3,504,000.00	$ 4,750,000.00
Department of Military Affairs	250,000.00	235,000.00	240,000.00	202,000.00	202,000.00
Department of Public Instruction	3,482,000.00	3,650,091.18	4,290,000.00	4,343,000.00	4,655,000.00
Department of Welfare	19,218,600.00	20,309,100.00	23,970,000.00	28,600,000.00	31,650,000.00
Total Institutional	$ 25,548,600.00	$ 26,729,191.18	$ 31,785,000.00	$ 36,649,000.00	$ 41,257,000.00
Total Functions under Governor's Supervision—Executive	$ 53,364,925.01	$ 54,765,737.10	$ 64,744,308.79	$ 63,805,570.00	$ 70,775,564.00
EXECUTIVE DEPARTMENT—Functions Independent of the Governor					
Lieutenant Governor's Office	21,000.00	$ 22,750.00	$ 29,800.00	$ 26,750.00	$ 26,000.00
Department of the Auditor General	1,682,550.00	1,677,600.00	1,509,750.00	1,479,000.00	1,479,750.00
Treasury Department	1,033,350.00	1,006,200.00	1,001,850.00	844,445.63	880,250.00
Allocations from Property and Supplies Appropriations	20,187.00	20,390.00	24,535.00	.....	

SUMMARY OF GENERAL FUND APPROPRIATIONS (Continued)

(Recommended Deficiencies for 1939-1941 are included in that column)

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
Total Functions Independent of the Governor	$ 2,757,087.00	$ 2,726,940.00	$ 2,565,935.00	$ 2,350,195.63	**$ 2,386,000.00**
TOTAL—Executive Department	$ 56,122,012.01	$ 57,492,677.10	$ 67,310,243.79	$ 66,155,765.63	**$ 73,161,564.00**
LEGISLATIVE DEPARTMENT					
Senate	$ 634,810.58	$ 585,400.00	$ 563,136.00	$ 492,780.00	**$ 441,070.00**
House of Representatives	1,403,047.24	1,298,776.74	1,299,401.74	1,193,231.00	**1,054,883.00**
Legislative Journal	11,000.00	10,300.00	10,000.00	9,900.00	**7,500.00**
Legislative Reference Bureau	74,740.00	85,000.00	94,000.00	95,000.00	**94,000.00**
Legislative Miscellaneous and Commissions	4,200.00	137,550.00	166,060.41	147,500.00	**46,100.00**
Allocations from Property and Supplies Appropriations	425,000.00	500,000.00	870,000.00	440,000.00	**240,000.00**
TOTAL—Legislative Department	$ 2,552,797.82	$ 2,617,026.74	$ 3,002,598.15	$ 2,378,411.00	**$ 1,883,553.00**
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
JUDICIAL DEPARTMENT					
Supreme Court	$ 494,496.00	$ 494,896.00	$ 516,696.00	$ 528,296.00	**$ 538,746.00**
Superior Court	368,300.00	368,000.00	368,000.00	374,000.00	**374,000.00**
Court of Common Pleas	3,023,400.00	2,970,150.00	3,150,900.00	3,152,200.00	**3,168,200.00**
Orphan's Court	564,000.00	564,000.00	618,000.00	618,000.00	**618,000.00**
Municipal Court of Philadelphia	221,000.00	221,000.00	195,700.00	221,000.00	**221,000.00**
County Court of Allegheny County	121,000.00	121,000.00	121,000.00	121,000.00	**121,000.00**
Juvenile Court of Allegheny County	15,000.00	20,000.00	20,000.00	20,000.00	**20,000.00**
Miscellaneous	217,000.00	217,000.00	217,000.00	182,000.00	**157,000.00**
State Reporter	24,000.00	24,000.00	28,000.00	28,000.00	**30,000.00**
Allocations from Property and Supplies Appropriations	10,000.00	10,000.00	10,000.00	10,000.00	**10,000.00**
TOTAL—Judicial Department	$ 5,058,196.00	$ 5,010,046.00	$ 5,245,296.00	$ 5,254,496.00	**$ 5,257,946.00**
GRAND TOTAL—Governmental Operations other than Subsidies	$ 63,733,005.83	$ 65,119,749.84	$ 75,558,137.94	$ 73,788,672.63	**$ 80,303,063.00**
REFUNDS					
EXECUTIVE DEPARTMENT—Functions Independent of the Governor					
Treasury Department	$ 409,500.00	$ 466,650.00	$ 984,739.14	$ 925,350.00	**$ 464,000.00**
INTEREST AND SINKING FUND REQUIREMENTS					
EXECUTIVE DEPARTMENT—Functions Independent of the Governor					
Treasury Department	$ 3,859,375.00	$ 15,718,793.11	$ 15,375,192.50	$ 15,118,942.50	**$ 14,025,192.50**

SUMMARY OF GENERAL FUND APPROPRIATIONS (Continued)

(Recommended Deficiencies for 1939-1941 are included in that column)

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
SUBSIDIES					
EXECUTIVE DEPARTMENT					
Treasury Department ..	.....	.....	$ 646,850.00	.....	
Department of Agriculture	$ 1,585,000.00	$ 675,305.56	1,325,500.00	$ 1,500,000.00	$ 1,500,000.00
Department of Forests and Waters	224,500.00	232,500.00	232,500.00	223,500.00	232,500.00
Department of Military Affairs	815,000.00	835,000.00	930,000.00	930,000.00	930,000.00
Department of Property and Supplies	30,900.00	6,000.00	6,000.00	.....	
Department of Public Instruction	82,155,918.75	82,751,369.00	86,553,627.00	91,918,881.00	90,619,455.00
Public Utility Commission	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Department of State	1,229,840.00	1,192,570.00	35,268.00	1,607,470.00	1,607,286.00
Department of Welfare .	12,095,737.00	12,361,130.00	13,413,200.00	12,870,550.00	12,825,550.00
Administrative Miscellaneous and Commissions	.....	.....	.....	6,000.00	
GRAND TOTAL—Subsidies	$ 98,151,895.75	$ 98,068,874.56	$ 103,157,945.00	$ 109,071,401.00	$ 107,729,791.00
CONSTRUCTION AND LAND PURCHASE					
EXECUTIVE DEPARTMENT					
Department of Forests and Waters	$ 450,000.00	$ 299,500.00	$ 4,961,200.00	$ 165,500.00	
Department of Health ..	.....	210,221.80	41,100.00	.....	
Department of Military Affairs	250,000.00	600,000.00	108,500.00	28,000.00	$ 40,000.00
Department of Property and Supplies	44,893.54	40,000.00	4,872,500.00	6,285,200.00	8,540,361.00
Department of Public Instruction	.....	150,000.00	1,432,300.00	.....	
Department of Welfare .	.....	339,741.57	937,102.12	1,112.00	
GRAND TOTAL—Construction and Land Purchase	$ 744,893.54	$ 1,639,463.37	$ 12,352,702.12	$ 6,479,812.00	$ 8,580,361.00
TOTAL—Except Public Assistance	$ 166,898,670.12	$ 181,013,530.88	$ 207,428,716.70	$ 205,384,178.13	$ 211,102,407.50
PUBLIC ASSISTANCE	$ 65,905,938.00	$ 154,612,000.00	$ 208,650,000.00	$ 208,410,000.00	$ 131,390,000.00
GRAND TOTAL	$ 232,804,608.12	$ 335,625,530.88	$ 416,078,716.70	$*413,794,178.13	$†342,492,407.50

* Includes obligations of $12,350,000.00 not present in 1937-1939.
† Includes obligations of $17,600,000.00 not present in 1937-1939.

GOVERNOR'S OFFICE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Governor	$ 36,000.00	$ 36,000.00	$ 36,000.00	$ 36,000.00	$ 36,000.00
Salaries and Expenses	320,000.00	300,000.00	325,500.00	298,000.00	325,500.00
Allocated from Lump Sums *	27,050.00	35,450.00	.....	.....	
Portrait of the Governor	.....	750.00	.....	750.00	
TOTAL—Governor's Office	$ 383,050.00	$ 372,200.00	$ 361,500.00	$ 334,750.00	$ 361,500.00

* See note under Department of Property and Supplies.

LIEUTENANT-GOVERNOR'S OFFICE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Lieutenant-Governor	$ 16,000.00	$ 16,000.00	$ 16,000.00	$ 16,000.00	$ 16,000.00
Contingent Expenses	5,000.00	6,000.00	10,000.00	10,000.00	10,000.00
Contingent Expenses — Deficiency, Session 1938	.....	.....	1,800.00	.....	
Contingent Expenses — Deficiency	.....	.....	2,000.00	.....	
Lieutenant-Governor's Portrait	.....	750.00	.....	750.00	
TOTAL—Lieutenant-Governor's Office	$ 21,000.00	$ 22,750.00	$ 29,800.00	$ 26,750.00	$ 26,000.00

DEPARTMENT OF THE AUDITOR GENERAL
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Auditor General	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	1,599,000.00	1,550,000.00	1,480,000.00	1,450,000.00	1,450,000.00
Allocated from Lump Sums *	3,800.00	3,600.00	.....	.....	
Salaries, Wages and Traveling Expenses — Auditing Relief Boards	.....	95,000.00	.....	.....	
Compensation of Fiscal Agents	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Portrait of the Auditor General	750.00	.....	750.00	.....	750.00
Expenses—Issuing Bonds for Veterans' Compensation	25,000.00	.....	.....	.....	
Expenses—Issuing Bonds for Acquisition of Toll Bridges	25,000.00	.....	.....	.....	
Fees of County Officers	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
TOTAL—Department of the Auditor General	$ 1,682,550.00	$ 1,677,600.00	$ 1,509,750.00	$ 1,479,000.00	$ 1,479,750.00

* See note under Department of Property and Supplies.

TREASURY DEPARTMENT
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Administration					
Salary of the State Treasurer	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	845,000.00	775,000.00	700,000.00	650,000.00	650,000.00
Allocated from Lump Sums *	1,000.00	1,100.00	.....	.....	
Portrait of the State Treasurer	750.00	.....	750.00	.....	750.00
Board of Finance and Revenue					
Salaries and Expenses	65,000.00	65,000.00	65,000.00	80,000.00	80,000.00
Interest Obligations on Agricultural College Land Scrip and Experimental Farm Funds	12,600.00	12,600.00	12,600.00	17,500.00	53,000.00
Publishing Monthly Money Statements	60,000.00	60,000.00	60,000.00	20,000.00	20,000.00
Expenses Issuing General Expense Bonds	25,000.00	.....	.....	.....	
Expenses Issuing Tax Anticipation Notes	.....	40,000.00	45,000.00	30,000.00	30,000.00
Loan and Transfer Agent	.....	22,500.00	22,500.00	22,500.00	22,500.00
State Employes' Retirement Board					
Salaries and Expenses	#	#	72,000.00	#	

TREASURY DEPARTMENT (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Miscellaneous					
Adjustment Account	.....	1,000.00	.....	.....	
Replacement Checks	.....	5,000.00	.....	.....	
Costs—Butler County Election Contest	.....	.....	.....	445.63	
Total	$ 1,033,350.00	$ 1,006,200.00	$ 1,001,850.00	$ 844,445.63	**$ 880,250.00**
REFUNDS					
Overpayments by Retired County Officers	500.00	1,500.00	1,000.00	1,000.00	**$ 1,000.00**
Stock Transfer Stamps	2,000.00	1,000.00	2,500.00	2,500.00	**2,500.00**
Inheritance Taxes—Resident	300,000.00	400,000.00	100,000.00	300,000.00	**300,000.00**
Inheritance Taxes—Resident—Special	.....	.....	774,173.89	.....	
Inheritance Taxes—Non-Resident	1,000.00	1,000.00	500.00	1,000.00	**1,500.00**
Fees of Examining Boards	2,000.00	2,000.00	1,500.00	2,500.00	**2,500.00**
Notary Public Fees	1,000.00	1,000.00	1,000.00	1,000.00	**1,500.00**
Moneys Subject to Escheat	18,500.00	25,000.00	25,000.00	145,000.00	**100,000.00**
Moneys Subject to Escheat—Deficiency	10,000.00	.....	.....	.....	
Overpayments into State Treasury	2,500.00	2,500.00	2,500.00	5,000.00	**5,000.00**
Institutional Payments	35,000.00	20,000.00	20,000.00	20,000.00	**25,000.00**
Securities Fees	2,000.00	500.00	500.00	500.00	**500.00**
Emergency Sales Tax	25,000.00	.....	.....	.....	
Spirituous and Vinous Liquor Taxes	10,000.00	10,000.00	5,000.00	10,000.00	**5,000.00**
Circus Licenses	.....	2,150.00	.....	.....	
Cigarette Tax and Permits	.....	.....	1,000.00	1,000.00	**500.00**
Documentary Tax Stamps	.....	.....	20,000.00	5,000.00	
Amusement Tax	.....	.....	1,000.00	50,000.00	
Liquid Fuels Tax	.....	.....	26,000.00	10,000.00	**10,000.00**
Payment of Claims	.....	.....	3,065.25	.....	
Motor License Fines	.....	.....	.....	7,000.00	**7,000.00**
Public Assistance Moneys	.....	.....	.....	2,000.00	**2,000.00**
Liquor Floor Tax	.....	.....	.....	325,000.00	
Steamship Licenses	.....	.....	.....	36,850.00	
Total Refunds	$ 409,500.00	$ 466,650.00	$ 984,739.14	$ 925,350.00	**$ 464,000.00**
INTEREST AND SINKING FUND REQUIREMENTS					
Board of Finance and Revenue					
General Expense Bonds—Interest	$ 1,125,000.00	$ 1,500,000.00	$ 6,125,000.00	$ 5,750,000.00	**$ 5,375,000.00**
General Expense Bonds—Sinking Fund	2,734,375.00	5,000,000.00			
Veterans Compensation Bonds—Interest	.....	3,150,000.00	7,450,192.50	5,950,192.50	**7,450,192.50**
Veterans Compensation Bonds—Sinking Fund					
Tax Anticipation Notes—Interest	.....	4,300,192.50			
	.....	1,768,600.61	1,800,000.00	**3,418,750.00	**1,200,000.00**
Total	$ 3,859,375.00	$ 15,718,793.11	$ 15,375,192.50	$ 15,118,942.50	**$ 14,025,192.50**

TREASURY DEPARTMENT (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
SUBSIDIES					
State Employes Retirement Board					
Annuity Reserve Account No. 2	#	#	$ 397,900.00	#	
Contingent Reserve Account	#	#	198,950.00	#	
Motor Police Retirement System	#	#	50,000.00	#	
Total			$ 646,850.00		
TOTAL—Treasury Department	$ 5,302,225.00	$ 17,191,643.11	$ 18,008,631.64	$ 16,888,738.13	**$ 15,369,442.50**

* See Note under Department of Property and Supplies.
\# See Department of State these periods.
** Offset by $2,285,827.00 Premiums and Interest included as Revenue.

DEPARTMENT OF AGRICULTURE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Departmental Salaries and Expenses	1,900,000.00	1,750,000.00	2,012,500.00	1,605,500.00	**1,660,000.00**
Allocated from Lump Sums *	113,350.00	126,650.00			
Egg Laying Contest	24,000.00	21,000.00	21,000.00	21,000.00	**23,000.00**
State Farm Show Commission	50,000.00	50,000.00	75,000.00	50,000.00	**50,000.00**
Conducting Tobacco Experiments		10,000.00	10,000.00	5,000.00	
Soil Conservation Board			10,000.00	1,000.00	**1,000.00**
Advancing Interests of Potato Growers			25,000.00	10,000.00	
World Poultry Congress Exhibit			10,000.00	1,500.00	
Total	$ 2,107,350.00	$ 1,977,650.00	$ 2,183,500.00	$ 1,714,000.00	**$ 1,754,000.00**
SUBSIDIES					
Encouraging Agricultural Exhibits	$ 85,000.00	$ 75,000.00	$ 125,000.00	$ 100,000.00	**$ 100,000.00**
Encouraging Agr. Exhibits-Deficiency		305.56			
Animal Indemnities	1,500,000.00	600,000.00	1,200,000.00	1,400,000.00	**1,400,000.00**
Plant Indemnities			500.00		
Total	$ 1,585,000.00	$ 675,305.56	$ 1,325,500.00	$ 1,500,000.00	**$ 1,500,000.00**

* See Note under Department of Property and Supplies.

DEPARTMENT OF AGRICULTURE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
CONSTRUCTION AND LAND PURCHASE					
Farm Show Building Arena	.....	.....	$ †1,197,053.59	.....	
TOTAL—Department of Agriculture	$ 3,692,350.00	$ 2,652,955.56	$ 3,509,000.00	$ 3,214,000.00	$ 3,254,000.00

† General State Authority Building Program as of January 17, 1941. Does not represent a State Appropriation; therefore not included in totals.

DEPARTMENT OF BANKING

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Building and Loan Examinations	$ 80,000.00	.....	.....	.....	
Pennsylvania Securities Commission	120,000.00	$ 108,000.00	$ 145,300.00	$ 115,000.00	$ 120,000.00
Allocated from Lump Sums *	6,850.00	5,650.00	.....	.....	
Pennsylvania Securities Commission—Deficiency	.....	12,500.00	.....	.....	
Revolving Fund—Building and Loan Liquidations	.....	.....	25,000.00	10,000.00	
TOTAL—Department of Banking	$ 206,850.00	$ 126,150.00	$ 170,300.00	$ 125,000.00	$ 120,000.00

* See note under Department of Property and Supplies.

DEPARTMENT OF COMMERCE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	.....	.....	.....	$ 20,000.00	$ 20,000.00
Salaries and Expenses *	.....	.....	.....	230,000.00	280,000.00
State Planning Board	#	#	#	108,000.00	112,000.00
TOTAL—Department of Commerce	.....	.....	.....	$ 358,000.00	$ 412,000.00

* Supplemented by appropriation from Motor License Fund. See that fund.
# See Administrative Miscellaneous and Commissions these periods.

DEPARTMENT OF FORESTS AND WATERS

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Departmental Salaries and Expenses—Forests	1,218,000.00	1,234,000.00	1,335,000.00	1,050,000.00	1,050,000.00
Departmental Salaries and Expenses—Water	147,000.00				
Allocated from Lump Sums *	143,850.00	142,350.00	.....	.....	
Control of Forest Fires	200,000.00	200,000.00	150,000.00	150,000.00	150,000.00
Control of Forest Fires—Deficiency	60,000.00	.....	60,000.00	50,000.00	
Darby Creek Flood Prevention	40,000.00	.....	.....	.....	
Washington Crossing Park Commission	41,250.00	30,000.00	31,000.00	27,900.00	34,840.00
Allocated from Lump Sums *	1,100.00	1,000.00	.....	.....	
Valley Forge Park Commission	71,250.00	50,000.00	71,750.00	71,750.00	83,085.00
Allocated from Lump Sums *	2,200.00	1,750.00	.....	.....	
Pennsylvania State Park and Harbor Commission	75,000.00	70,000.00	73,200.00	65,880.00	71,554.00
Allocated from Lump Sums *	3,500.00	3,200.00	.....	.....	
Pennsylvania State Park and Harbor Commission —Deficienscy	.....	27,000.00	.....	.....	
Pennsylvania State Park and Harbor Commission —Dredging Canal Basin	.....	.....	52,000.00	.....	
Conrad Weiser Park—Maintenance	.....	2,000.00	.....	.....	
Fort Washington Park—Maintenance	2,000.00	2,000.00	2,000.00	1,800.00	1,800.00
Maintenance and Improvement—State Parks	40,000.00	30,000.00	75,000.00	60,000.00	80,000.00
Drake Well Memorial Park—Maintenance	.....	4,000.00	.....	.....	
Flood Control Survey—1936 Special Session	.....	50,000.00	.....	.....	
Survey to Determine Rentals for Encroachments	.....	.....	50,000.00	.....	
Navigation Commission for Delaware River	(See Administrative Miscellaneous)		60,000.00	50,000.00	60,000.00
Navigation Commission for Delaware River—Nautical School	(See Department of Public Instruction)			90,000.00	90,000.00
Total	$ 2,065,150.00	$ 1,867,300.00	$ 1,979,950.00	$ 1,637,330.00	$ 1,641,279.00
SUBSIDIES					
Annual Fixed Charges—Federal and State Forest Lands	$ 207,000.00	$ 218,500.00	$ 218,500.00	$ 209,500.00	$ 218,500.00
Annual Fixed Charges—Flood Lands	17,500.00	14,000.00	14,000.00	14,000.00	14,000.00
Total	$ 224,500.00	$ 232,500.00	$ 232,500.00	$ 223,500.00	$ 232,500.00

* See note under Department of Property and Supplies.

DEPARTMENT OF FORESTS AND WATERS (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
CONSTRUCTION AND LAND PURCHASE					
Pymatuning Dam	$ 450,000.00	.....	.....	.....	
Monument of John Morton—Reappropriation .	.....	$ 7,500.00	.....	.....	
Dyke along Delaware River — Pike County — 1936 Special Session ..	.....	1,000.00	.....	.....	
Dyke along Delaware River — Matamoras — 1936 Special Session ..	.....	21,000.00	.....	.....	
Dyke along Delaware River — Milford — 1936 Special Session	.....	10,000.00	.....	.....	
Dyke along Delaware at Milford	.....	.....	$ 1,200.00	.....	
Dyke along Delaware River—Bucks County—1936 Special Session ...	.....	110,000.00	.....	.....	
Flood Control Fund	.....	150,000.00	4,900,000.00	.....	
Valley Forge Park Commission — Land Purchase	.....	.....	50,000.00	$ 87,500.00	
Bushy Run Battlefield Commission—Land Purchase	.....	.....	10,000.00	.....	
Construction of Bulkhead at Presque Isle	.....	.....	.....	66,000.00	
Repairs to Jetties at Presque Isle	.....	.....	.....	8,000.00	
Backfilling at Presque Isle	.....	.....	.....	1,500.00	
Erosion Study at Presque Isle	.....	.....	.....	2,500.00	
Total	$ 450,000.00	$ 299,500.00	$ 4,961,200.00	$ 165,500.00	
TOTAL—Department of Forests and Waters .	$ 2,739,650.00	$ 2,399,300.00	$ 7,173,650.00	$ 2,026,330.00	**$ 1,873,779.00**

DEPARTMENT OF HEALTH

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Departmental					
Salary of the Secretary .	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Departmental Salaries and Expenses	2,487,000.00	2,320,000.00	2,893,500.00	2,540,000.00	**3,087,000.00**
Sanitary Water Board—Salaries and Expenses					
Allocated from Lump Sums‡	310,550.00	283,550.00	.....	.....	
Survey—Water of the Delaware River	25,000.00	.....	.....	.....	
Distributing Vitamin Products	.....	25,000.00	25,000.00	.....	

DEPARTMENT OF HEALTH (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Draining Abandoned Mines	.....	.....	5,000.00	.....	
Dewatering Mines — 1936 Special Session	.....	700,000.00	.....	.....	
Dewatering Mines — 1938 Special Session	.....	.....	250,000.00	.....	
Sealing Abandoned Mine Openings	.....	.....	55,000.00	.....	
State Board of Housing	.....	.....	50,000.00	15,400.00	**15,400.00**
Prevention of Blindness in Infants	.....	.....	10,000.00	.....	
Birth Certificates—World War Veterans	.....	.....	5,000.00	.....	
Correcting Defective Hearing in Children	.....	.....	25,000.00	.....	
Research into Children's Nutrition	.....	.....	40,000.00	20,000.00	
Total	$ 2,842,550.00	$ 3,348,550.00	$ 3,378,500.00	$ 2,595,400.00	$ **3,122,400.00**
Institutional					
Sanatoria and Crippled Children's Hospital	$ 1,193,000.00	$ 2,535,000.00	$ 3,285,000.00	$ 3,504,000.00	$ **4,750,000.00**
Allocated from Lump Sums ‡	1,405,000.00	.....	.....	.....	
CONSTRUCTION AND LAND PURCHASE					
Sanatoria	.....	$ *150,000.00	$ ¶7,773,060.34	.....	
State Hospital for Crippled Children	.....	*1,221.80	¶545,471.65	.....	
Eliminating Fire Hazards —Health Institutions	.....	† 59,000.00	† 41,100.00	.....	
Total	.....	$ 210,221.80	$ 41,100.00	.....	
TOTAL—Department of Health	$ 5,440,550.00	$ 6,093,771.80	$ 6,704,600.00	$ 6,099,400.00	$ **7,872,400.00**

* Appropriated to Department of Property and Supplies.
† Part of an appropriation made to the Department of Property and Supplies.
¶ General State Authority Building Program as of January 17, 1941. Does not represent a State Appropriation; therefore not included in totals.
‡ See note under Department of Property and Supplies.

INSURANCE DEPARTMENT

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of Commissioner	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Salaries and Expenses	498,000.00	525,000.00	645,000.00	525,000.00	**545,000.00**
Allocated from Lump Sums *	43,650.00	44,450.00	.....	.....	
Revolving Fund—Insurance Company Liquidation	.....	.....	25,000.00	15,000.00	**15,000.00**
TOTAL—Insurance Department	$ 561,650.00	$ 589,450.00	$ 690,000.00	$ 560,000.00	**$ 580,000.00**

* See note under Department of Property and Supplies.

DEPARTMENT OF INTERNAL AFFAIRS

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Departmental Salaries and Expenses	383,000.00	378,000.00	455,750.00	415,000.00	
Departmental Salaries and Expenses—Deficiency	5,500.00	.....	.....	.....	
Allocated from Lump Sums *	23,350.00	37,600.00	.....	.....	
Topographic and Geologic Survey—Salaries and Expenses	125,000.00	115,000.00	120,250.00	120,000.00	**600,000.00**
Allocated from Lump Sums *	6,000.00	5,250.00	.....	.....	
Publishing Work on Geologic Survey	.....	.....	40,000.00	20,000.00	
Portrait of Secretary	.....	750.00	.....	750.00	
Fees of County Commissioners	12,000.00	.....	.....	.....	
Expenses — Conducting Local Government Conferences	.....	.....	10,000.00	.....	
Refunds Due in Abandoned Proceedings	.....	685.49	.....	.....	
Preservation of Old Records	.....	.....	.....	.....	**20,000.00**
TOTAL—Department of Internal Affairs	$ 574,850.00	$ 557,285.49	$ 646,000.00	$ 575,750.00	**$ 640,000.00**

* See note under Department of Property and Supplies.

DEPARTMENT OF JUSTICE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of Attorney General	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	**$ 24,000.00**
Departmental Salaries and Expenses	298,000.00	298,000.00	302,500.00	302,500.00	**302,500.00**
Departmental Salaries and Expenses—Deficiency	.....	20,000.00	30,000.00	.....	
Departmental Salaries and Expenses—Special Session of 1938	.....	.....	8,000.00	.....	
Allocated from Lump Sums *	18,800.00	17,300.00	.....	.....	
Special Deputies and Local Counsel—Salaries and Expenses	242,000.00	242,000.00	225,000.00	275,000.00	**275,000.00**
Special Deputies and Local Counsel—Salaries and Expenses—Special Session of 1938	.....	.....	42,000.00	.....	
Special Deputies and Local Counsel—Deficiency	.....	.....	43,522.00	.....	
Board of Pardons—Salaries and Expenses	14,000.00	14,000.00	21,000.00	21,000.00	**29,500.00**
Allocated from Lump Sums *	2,100.00	5,000.00	.....	.....	
Board of Pardons—Parole Supervision — Salaries and Expenses	240,000.00	230,000.00	261,000.00	261,000.00	**360,000.00**
Salaries and Expenses—Deficiency	.....	.....	15,000.00	.....	
Allocated from Lump Sums *	21,500.00	21,500.00	.....	.....	
Expenses—Board of Commissioners on Uniform State Laws	2,500.00	2,500.00	2,500.00	2,500.00	**2,500.00**
Revision of Criminal, Insurance, and Public Utility Company Laws	.....	5,000.00	10,000.00	.....	
Conference on Crime Abatement	.....	2,000.00	.....	.....	
Grand Jury Investigation of State Government	.....	.....	.....	100,000.00	
Anthracite Freight Rate Study	.....	.....	.....	50,000.00	
Bituminous Freight Rate Study	.....	.....	.....	50,000.00	
Special Investigation of Subversive Activities	.....	.....	.....	.....	**100,000.00**
TOTAL—Department of Justice	$ 862,900.00	$ 881,300.00	$ 984,522.00	$ 1,086,000.00	**$ 1,093,500.00**

* See note under Department of Property and Supplies.

DEPARTMENT OF LABOR AND INDUSTRY

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Salaries and Expenses	1,912,000.00	1,742,000.00	3,363,300.00	2,425,000.00	**2,600,000.00**
Salaries and Expenses—Special Session of 1936	.....	134,666.26	.....	.....	
Allocated from Lump Sums *	242,500.00	300,100.00	.....	.....	
Salaries and Expenses—Employment Service	Included with Salaries and Expenses		481,400.00	466,600.00	**466,600.00**
Salaries and Expenses—Rehabilitation	Included with Salaries and Expenses		303,800.00	312,750.00	**496,750.00**
Workmen's Compensation to Injured State Employes	25,000.00	8,500.00	5,000.00	1,500.00	**500.00**
Workmen's Compensation to Injured State Employes—Deficiency	.....	2,000.00	.....	.....	
Unemployment Administration Fund — 1936 Special Session No. 2	.....	50,000.00	.....	.....	
Occupational Disease Compensation Act — State Workmens' Insurance Fund	.....	.....	100,000.00	.....	**600,000.00**
Rehabilitation of Deaf	.....	.....	30,000.00	30,000.00	**30,000.00**
TOTAL—Department of Labor and Industry	$ 2,199,500.00	$ 2,257,266.26	$ 4,303,500.00	$ 3,255,850.00	**$ 4,213,850.00**

* See note under Department of Property and Supplies.

DEPARTMENT OF MINES

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Departmental Salaries and Expenses	75,000.00	75,000.00	83,650.00	72,000.00	**90,000.00**
Allocated from Lump Sums *	12,600.00	8,450.00	.....	.....	
Mine Inspectors Salaries Expenses	550,000.00	525,000.00	538,900.00	520,000.00	**557,000.00**
Allocated from Lump Sums *	15,000.00	15,900.00	.....	.....	
Expenses of Examining Boards	8,000.00	8,000.00	10,000.00	8,000.00	**12,835.00**
Licensing Bituminous Miners	.....	.....	70,000.00	5,000.00	
TOTAL—Department of Mines	$ 680,600.00	$ 652,350.00	$ 722,550.00	$ 625,000.00	**$ 679,835.00**

* See note under Department of Property and Supplies.

DEPARTMENT OF MILITARY AFFAIRS *

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Departmental					
Salary of the Adjutant General	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Departmental Salaries and Expenses	425,000.00	370,000.00	437,200.00		
Allocated from Lump Sums *	62,310.00	74,510.00	.....		
Support of National Guard	1,342,000.00	1,062,000.00			
Support of National Guard—Deficiency	.....	90,000.00	1,220,000.00	1,928,000.00	1,888,000.00
Support of National Guard—1936 Special Session	.....	275,000.00			
Allocated from Lump Sums *	115,000.00	150,000.00	.....	.....	
Arbitration Award Wilkes-Barre Armory	1,912.01	.....	.....	.....	
Salary of Division Commander	16,000.000	16,000.00	16,000.00	.....	
Salaries of Athletic Commissioners	30,000.00				
Athletic Commission — Salaries and Expenses	70,000.00	90,000.00	.....	.....	
Allocated from Lump Sums *	8,000.00	9,700.00	.....	.....	
Preliminary Expenses for Payment of Veterans' Compensation	†25,000.00	.....	.....	.....	
Compilation of World War Records	25,000.00	.....	.....	.....	
Organization of Colored Battalion	.....	100,000.00	.....	.....	
Delegates to Dedication in Europe	.....	.....	1,500.00	.....	
Participation — G. A. R. Celebration	.....	.....	.....	3,500.00	
Total	$ 2,140,222.01	$ 2,257,210.00	$ 1,694,700.00	$ 1,951,500.00	$ 1,908,000.00
Institutional					
Soldiers' and Sailors' Home at Erie	$ 250,000.00	$ 235,000.00	$ 240,000.00	$ 202,000.00	$ 202,000.00
SUBSIDIES					
Education of Veterans' Orphans	$ 20,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00
Education of Veterans' Orphans—Deficiency	5,000.00	.....	.....	.....	
State Veterans' Commission — Veterans' Assistance	190,000.00	§40,000.00	890,000.00	890,000.00	890,000.00
State Veterans' Commission—Veterans' Assistance—S. E. R. B.	600,000.00	375,000.00	.....	.....	
State Veterans' Commission—Veterans' Assistance—S. E. R. B.—1936 Special Session	.....	250,000.00	.....	.....	

* See note under Department of Property and Supplies.

†By terms of the act all expenditures from this appropriation were refunded to the General Fund from the first receipts of the Veterans' Compensation Fund.

§ For Administration only.

DEPARTMENT OF MILITARY AFFAIRS (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
SUBSIDIES (Continued)					
State Veterans' Commission—Veterans' Assistance—S. E. R. B.—Deficiency	.....	130,000.00	.....	.....	
Total	$ 815,000.00	$ 835,000.00	$ 930,000.00	$ 930,000.00	**$ 930,000.00**
CONSTRUCTION AND LAND PURCHASE					
Land—Military Reservation	.....	$ 100,000.00	$ 50,000.00	$ 28,000.00	**$ 40,000.00**
Construction of Armories	.....	‡500,000.00	¶1,963,631.77	.....	
Supplies and Equipment for Work at Indiantown Gap	250,000.00	.....	.....	.....	
Eliminating Fire Hazards —State Armories	.....	.....	**58,500.00	.....	
Total	$ 250,000.00	$ 600,000.00	$ 108,500.00	$ 28,000.00	**$ 40,000.00**
TOTAL—Department of Military Affairs	$ 3,455,222.01	$ 3,927,210.00	$ 2,973,200.00	$ 3,111,500.00	**$ 3,080,000.00**

‡ Appropriated to Department of Property and Supplies.
** Part of an appropriation made to the Department of Property and Supplies.
¶ General State Authority Building Program as of January 17, 1941. Does not represent a state appropriation: therefore not included in totals.

DEPARTMENT OF PROPERTY AND SUPPLIES

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Departmental					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Salaries and Expenses	1,625,000.00	1,500,000.00	1,815,000.00	1,765,000.00	**1,880,000.00**
Allocated from Lump Sums (See Note)	280,450.00	215,110.00	.....	.....	
Allocated Appropriations now made to Respective Departments					
Supplies, Equipment and Printing	***1,354,300.00*	***1,200,000.00*	.....	.....	
Supplies, Equipment and Printing—1936 Special Session	.....	*100,000.00*	.....	.....	
Supplies, Equipment and Printing—Deficiency	.....	*175,000.00*	.....	.....	
Heat, Light, Water and Rents	**533,100.00*	**513,700.00*	.....	.....	
Compensation and Liability Insurance	*†131,002.00*	*†209,445.00*	.....	.....	
Compensation and Liability Insurance—Deficiency	*‡134,433.00*	.....	.....	.....	

DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Allocated Appropriation Remaining under Property and Supplies					
Supplies, Equipment and Printing	**220,700.00	.....	.....	.....	
Capitol Building Service and Repairs	*358,908.00	*363,300.00	*542,000.00	550,000.00	580,000.00
Surety and Fidelity Bonds	†56,570.00	†23,465.00	†48,465.00	.....	
Motor Supplies and Equipment	250,000.00	400,000.00	400,000.00	392,000.00	400,000.00
Miscellaneous Purchasing Fund	10,000.00	.....	15,000.00	.....	
Cleaning and Repointing Stone Work — Capitol Building	.....	98,000.00	.....	.....	
Repairs to Ephrata Cloisters	.....	10,000.00	.....	.....	
Printing and Distributing Convention Reports	.....	.....	10,000.00	1,000.00	7,600.00
Printing and Distributing Convention Reports—Deficiency	.....	.....	.....	6,690.00	
Pennsylvania State Manual and Capitol News Clip Sheet	.....	.....	40,000.00	35,000.00	35,000.00
Surveys—Capitol Park Extension—1938 Special Session	.....	.....	50,000.00	.....	
Total under Governor	$ 2,821,628.00	$ 2,629,875.00	$ 2,940,465.00	$ 2,769,690.00	$ 2,922,600.00
Institutional					
Appropriations Allocated to Health Institutions					
Supplies, Equipment and Printing	$ **1,230,000.00	See Department of Health these periods			
Heat, Light, Water, and Rents	*175,000.00				
Total	$ 1,405,000.00	.....	.....	.....	
Departmental—Independent of Governor					
Allocated Appropriations now made to Respective Departments					
Workmen's Compensation and Liability Insurance	†4,800.00	†4,700.00	.....	.....	
Allocated Appropriations Remaining Under Property and Supplies					
Supplies, Equipment and Printing	$ 200,000.00	$ 150,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00
Supplies, Equipment and Printing—Deficiency	200,000.00	250,000.00	380,000.00	200,000.00	
Supplies, Equipment and Printing — By Special Sessions	35,000.00	110,000.00	250,000.00	.....	
Capitol Building Service and Repairs	*7,992.00	*8,000.00	*8,000.00	.....	
Surety and Fidelity Bonds	†7,628.00	†12,390.00	†16,535.00	.....	

DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Surety and Fidelity Bonds —Deficiency	‡4,567.00	.....	.....	.....	
Total — Independent of Governor	$ 455,187.00	$ 530,390.00	$ 904,535.00	$ 450,000.00	$ 250,000.00
TOTAL—Governmental operations other than subsidies	$ 3,276,815.00	$ 3,160,265.00	$ 3,845,000.00	$ 3,219,690.00	$ 3,172,600.00

Note: Italicized amounts were appropriated to the Department of Property anl Supplies for allocation to other departments. They are distributed and included in the totals of the respective departments and excluded from the totals of Property and Supplies.

The amounts in each column preceded by the same designation represent one appropriation.

SUBSIDIES					
Harrisburg Fire Companies	$ 5,000.00	$ 5,000.00	$ 5,000.00	A	A
Cresson Fire Company	900.00	1,000.00	1,000.00	A	A
Cresson Coal Measures	25,000.00	.....	.....	.....	
Total	$ 30,900.00	$ 6,000.00	$ 6,000.00	.....	
CONSTRUCTION AND LAND PURCHASE					
Air Conditioning Assembly Halls—Special Session of 1933	$ 40,000.00	.....	.....	.....	
Capitol Alterations—Legislative Rooms	.....	.....	.....	$ 124,500.00	
Architects Claims—Farm Show Building	4,893.54	.....	.....	.....	
Eliminating Institutional Fire Hazards — Special Session of 1936—Fees and Supervision	.....	$ ‡30,000.00	.....	.....	
Eliminating Institutional Fire Hazards—Fees and Supervision	.....	.....	$ **45,000.00	.....	
Memorial to General Pulaski	.....	10,000.00	.....	.....	
Acquisition of Ephrata Cloisters Park	.....	.....	15,000.00	15,000.00	
Acquisition of Daniel Boone Homestead	.....	.....	7,000.00	.....	
State Authority Rentals	.....	.....	2,750,000.00	5,717,700.00	$ 7,781,240.00
State Authority Rentals—State College	.....	.....	.....	398,000.00	759,121.00
State Authority Rentals—1938 Special Session	.....	.....	2,000,000.00	.....	
Kutztown State Teachers' College—Land Purchase	.....	.....	7,500.00	.....	
Edinboro State Teachers' College—Land Purchase	.....	.....	8,000.00	.....	
California State Teachers' College—Land Purchase	.....	.....	15,000.00	.....	
East Stroudsburg State Teachers' College — Sewer Construction	.....	.....	25,000.00	.....	
Finance Building	.....	.....	§ 5,178,974.19	.....	
Land Acquisition—Pennsbury Manor	.....	.....	.....	30,000.00	
Total	$ 44,893.54	$ 40,000.00	$ 4,872,500.00	$ 6,285,200.00	$ 8,540,361.00
TOTAL—Department of Property and Supplies	$ 3,352,608.54	$ 3,206,265.00	$ 8,723,500.00	$ 9,504,890.00	$ 11,712,961.00

‡ Part of an appropriation of $500,000 made to the Department of Property and Supplies. The balance of $470,000 has been allocated to the Department of Health, Public Instruction, and Welfare. (See these Departments.)

** Part of an appropriation of $1,500,000 made to the Department of Property and Supplies. The balance of $1,455,000 has been allocated to the Department of Health, Military Affairs, Public Instruction and Welfare. (See these Departments.)

§ General State Authority Building Program as of January 17, 1941. Does not represent a state appropriation; therefore not included in totals.

A See Administrative Miscellaneous and Commissions.

DEPARTMENT OF PUBLIC ASSISTANCE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary ...	.....	.....	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	.....	.....	1,452,000.00	1,000,000.00	900,000.00
Salaries and Expenses—Employment Board	.....	.....	280,000.00	100,000.00	100,000.00
Salaries and Expenses — County Boards	.....	.....	T 15,700,000.00	T 9,278,254.14 U†8,176,264.86	
Administration — Department of the Auditor General	.....	.....	T 180,000.00	T 194,900.00 U 150,000.00	
Administration — Treasury Deaprtment	.....	.....	T 1,663,200.00	T 846,045.00 U 550,000.00	
Administration — Mothers' Assistance, Aid to Dependent Children, Old Age Assistance, and Blind Penisons, 1933 to June 30, 1937 (Department of Welfare)	$B 456,127.00 C 77,929.20 M 10,000.00 12,000.00	$D 406,500.00 E 185,100.00 F 12,000.00 G 9,000.00 180,000.00 100,000.00	H 31,719.00 J 110,348.00 K 12,788.00 28,000.00	....	
Administration — State Emergency Relief Board 1933 to June 30, 1937 (See Note)	200,000.00 M 323,696.21 N 104,598.69	P 2,287,296.36 Q 1,703,789.31 R 4,815,190.27	S 483,460.68	....	
Allocated from Lump Sums *	90,000.00	.....	.....	.....	
Total Governmental Operations other than Subsidies	$ 1,274,351.10	$ 9,698,875.94	$ 19,961,515.68	$ 20,315,464.00	$ 1,020,000.00

Note: It has been the practice, in making appropriations for Emergency Relief, Aid to Dependent Children, Mothers' Assistance, Pensions for the Blind, and General Assistance, to make lump sums covering both administrative costs and grants (subsidies). In this Statement, portions of appropriations which were spent for administration are shown under Administration and the remainder of the appropriation is shown under Subsidies. In each column the amounts prefixed by the same letter must be added together to show the total amount of appropriation.

During 1933-1935 and part of the biennium 1935-1937, before the establishment of WPA work relief, the Federal Government participated in meeting the Emergency Relief cost and much of the cost of administration was paid from these Federal funds.

During 1933-1935 and 1935-1937 the counties paid part of the administrative cost of Mothers Assistance, Old Age Assistance and Pensions for the Blind. County expenditures are not shown.

* See Note under Department of Property and Supplies.

† Includes estimated expenditures to May 31, 1941.

DEPARTMENT OF PUBLIC ASSISTANCE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
SUBSIDIES					
Department of Welfare					
Mothers Assistance	$B 3,659,811.00	$D 3,708,500.00	$H 180,131.00	.....	
Old Age Assistance	2,776,000.00	19,880,000.00	J 908,002.00	.....	
Old Age Assistance—1934 Special Session	M 1,327,037.01	.....	.....	.....	
Pensions for Blind	C 334,070.80	E 2,899,900.00	K 332,912.00	.....	
Pensions for Blind—1936 Sepcial Session	.....	F 188,000.00	.....	.....	
Pensions for Blind—Deficiency	.....	G 141,000.00	.....	.....	
State Emergency Relief Board					
Emergency Relief—Regular Session	37,400,000.00	P58,837,703.64	S 4,353,539.32	.....	
Emergency Relief—1934 Special Session	M12,739,266.78	.....	.....	.....	
Emergency Relief—Deficiency	N 6,395,401.31	Q19,323,210.69	.....	.....	
Emergency Relief—1936 Special Session	.....	R39,934,809.73	.....	.....	
Department of Public Assistance					
Assistance	.....	.....	T113,193,900.00	T110,620,800.86	$ 130,370,000.00
Assistance—1938 Special Session	.....	.....	25,000,000.00	.....	
Assistance—1940 Special Session	.....	.....	.....	U62,973,735.14	
Assistance—Deficiency	.....	.....	44,720,000.00	14,500,000.00	
Total Subsidies	$ 64,631,586.90	$ 144,913,124.06	$ 188,688,484.32	$ 188,094,536.00	$ 130,370,000.00
TOTAL—Department of Public Assistance	$ 65,905,938.00	$ 154,612,000,00	$ 208,650,000.00	$ 208,410,000.00	$ 131,390,000.00

DEPARTMENT OF PUBLIC INSTRUCTION

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Departmental					
Salary of the Superintendent	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 21,100.00	$ 24,000.00
Departmental Salaries and Expenses	600,000.00	550,000.00	632,500.00	597,500.00	600,000.00
Allocated from Lump Sums *	76,800.00	74,400.00	.....	.....	
Library and Museum salaries and Expenses	210,000.00	185,000.00	223,000,00	215,000.00	223,000.00
Allocated from Lump Sums *	33,000.00	33,500.00	.....	.....	
Collections and Distributing Press Information	.....	15,000.00	15,000.00	10,000.00	

For footnotes see next page.

DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Examining Boards—Salaries and Expenses ..	506,000.00	480,000.00	552,300.00	500,000.00	600,000.00
Allocated from Lump Sums *	23,500.00	22,300.00	.....	.....	
State Board of Pharmacy	.....	.....	20,000.00	18,000.00	
Board of Censors — Salaries and Expenses	130,000.00	110,000.00	131,750.00	118,000.00	118,000.00
Allocated from Lump Sums *	24,000.00	21,750.00	.....	.....	
Pennsylvania Historical Commission — Salaries and Expenses	20,000.00	20,000.00	55,000.00	125,000.00	200,000.00
Allocated from Lump Sums *	3,200.00	5,000.00	.....	.....	
Eye and Ear Test of Pupils	.....	.....	25,000.00	.....	
Restoring "Old Economy"	.....	10,000.00	.....	.....	
Maintenance of Drake Well Park	1,200.00	.....	.....	.....	
Expense-Conducting Liquor Board Examinations	150,000.00	.....	.....	.....	
Celebration of Anniversary of Constitution—1936 Special Session ..	.....	12,500.00	.....	.....	
Celebration of Anniversary of Earliest Settlement—1936 Special Session	.....	12,500.00	.....	.....	
Maintenance of Historical Sites	.....	.....	10,000.00	30,000.00	
Total	$ 1,801.700.00	$ 1,575,950.00	$ 1,688,550.00	$ 1,634,600.00	$ 1,765,000.00
Institutional					
State Teachers' Colleges	$ 3,000,000.00	$ 3,200,000.00	$ 3,720,000.00	$ 3,720,000.00	$ 4,000,000.00
California — Payment of Claim	.....	91.18	.....	.....	
State Oral School	150,000.00	150,000.00	160,000.00	180,000.00	180,000.00
Home for Training in Speech	24,000.00	.....	.....	.....	
Soldiers' Orphans School	250,000.00	250,000.00	315,000.00	348,000.00	380,000.00
Thaddeus Stevens Industrial School	58,000.00	50,000.00	95,000.00	95,000.00	95,000.00
Total	$ 3,482,000.00	$ 3,650,091.18	$ 4,290,000.00	$ 4,343,000.00	$ 4,655,000.00
Total Governmental Operations other than Subsidies	$ 5,283,700.00	$ 5,226,041.18	$ 5,978,550.00	$ 5,979,600.00	$ 6,420,000.00

For footnotes see next page.

DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
SUBSIDIES					
Public Schools					
Salaries of County Superintendents	$ 441,000.00	$ 458,100.00	$ 482,027.00	$ 509,000.00	$ 511,155.00
Salaries of County Superintendents — Deficiency	44,150.00	.....	.....	.....	
Expenses of County Superintendents	50,000.00	50,000.00	50,000.00	48,500.00	50,000.00
Salaries of Assistant County Superintendents	485,000.00	442,800.00	459,500.00	486,000.00	520,000.00
Salaries of Assistant County Superintendents—Deficiency	46,850.00	.....	.....	16,428.00	
Expenses of Assistant County Superindentents	70,000.00	70,000.00	70,000.00	67,000.00	67,000.00
Salaries of County Boards	.....	.....	39,600.00	39,600.00	52,800.00
Transportation	2,500,000.00	2,500,000.00	3,500,000.00	3,500,000.00	4,500,000.00
Transportation—Deficiency	380,000.00	525,000.00	140,000.00	1,148,853.00	
Vocational Education	700,000.00				
Training Vocational Teachers	90,000.00	800,000.00	800,000.00	1,100,000.00	1,500,000.00
Vocational Education—Deficiency	205,000.00	.....	.....	.....	
Special Vocational Classes	.....	50,000.00	50,000.00	75,000.00	75,000.00
Miscellaneous Subsidies	217,000.00	200,000.00	283,000.00	326,000.00	326,000.00
Miscellaneous Subsidies Deficiency	.....	70,000.00	.....	.....	
Support of Public Schools	53,000,000.00	53,000,000.00	60,000,000.00	61,000,000.00	61,000,000.00
Support of Public Schools —Deficiency	4,306,000.00	5,457,969.00	1,510,000.00	3,000,000.00	
Increasing minimum salaries of Teachers in 4th Class Districts	.....	.....	.....	.....	3,000,000.00
Aid to Financially Handicapped School Districts	5,000,000.00	3,000,000.00	2,000,000.00	3,000,000.00	3,000,000.00
Aid to Financially Handicapped School Districts —1936 Special Session	.....	1,000,000.00	.....	.....	
Aid to Financially Handicapped School Districts —1940 Special Session	.....	.....	.....	1,000,000.00	
Aid to Financially Handicapped School Districts —Deficiency	.....	.....	1,000,000.00	500,000.00	
Total Public School Subsidies	$ 67,535,000.00	$ 67,623,869.00	$ 70,384,127.00	$ 75,816,381.00	$ 74,601,955.00
Education of Deaf and Blind					
Per Capita Payments to Schools for Blind and Deaf	$ 1,060,000.00	$ 1,060,000.00	$ 1,150,000.00	$ 1,140,000.00	$ 1,150,000.00
Total Education of Blind and Deaf	$ 1,060,000.00	$ 1,060,000.00	$ 1,150,000.00	$ 1,140,000.00	$ 1,150,000.00
Retirement of School Employes					
Contingent Reserve Account	$ 2,175,000.00	$ 2,435,000.00	$ 2,450,000.00	$ 2,450,000.00	$ 2,450,000.00
Annuity Reserve Account No. 2	3,520,000.00	3,550,000.00	3,600,000.00	3,500,000.00	3,500,000.00

For footnotes see next page.

DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
SUBSIDIES (Continued)					
Former Teachers Account	155,000.00	200,000.00	250,000.00	280,000.00	250,000.00
Former Teachers Account —Deficiency	.....	47,000.00	.....	.....	
Total Retirement of School Employes ...	$ 5,850,000.00	$ 6,232,000.00	$ 6,300,000.00	$ 6,230,000.00	$ 6,200,000.00
Universities and Colleges					
Pennsylvania State College					
Maintenance (Land Grant Act)	$ 3,708,000.00	$ 3,658,000.00	$ 4,150,000.00	$ 4,375,000.00	$ 4,375,000.00
School of Mineral Industries	.....	50,000.00	100,000.00	85,000.00	
Engineering Research .	.....	.....	25,000.00	.....	
University of Pennsylvania	1,485,000.00	1,485,000.00	1,485,000.00	1,485,000.00	1,485,000.00
School of Animal Pathology	.....	.....	100,000.00	.....	
University of Pittsburgh	1,188,000.00	1,188,000.00	1,188,000.00	1,238,000.00	1,238,000.00
Lincoln University	.....	.....	50,000.00	50,000.00	50,000.00
Women's Medical College	81,000.00	81,000.00	100,000.00	100,000.00	100,000.00
Jefferson Medical College	162,000.00	75,000.00	125,000.00	125,000.00	125,000.00
Hahnemann Medical College	99,000.00	99,000.00	110,000.00	100,000.00	100,000.00
Temple University	594,000.00	750,000.00	900,000.00	900,000.00	900,000.00
Total Universities and Colleges	$ 7,317,000.00	$ 7,386,000.00	$ 8,333,000.00	$ 8,458,000.00	$ 8,373,000.00
Other Educational Institutions					
Philadelphia Museum ..	$ 30,000.00	$ 30,000.00	$ 30,000.00	$ 27,000.00	$ 27,000.00
Pennsylvania Museum and School of Industrial Arts	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00
Philadelphia School of Design (Moore Institute)	40,000.00	20,000.00	20,000.00	.....	20,000.00
Downingtown Industrial and Agricultural School	50,000.00	50,000.00	60,000.00	60,000.00	60,000.00
Commissioners of Navigation Nautical School ..	90,000.00	90,000.00	100,000.00	A	
National Farm School .	30,000.00	30,000.00	36,000.00	35,000.00	35,000.00
Johnson Industrial School	45,000.00	22,500.00	22,500.00	22,500.00	22,500.00
Total Other Educational Institutions	$ 375,000.00	$ 332,500.00	$ 358,500.00	$ 234,500.00	$ 254,500.00
Other Subsidies					
Corplanter Indian Reservation Roads	$ 600.00	**			
Conrad Weiser Park Association	1,318.75	.....	.....	.....	
Aid to Free Public Libraries	17,000.00	$ 17,000.00	$ 28,000.00	$ 40,000.00	$ 40,000.00
Rehabilitating Libraries Damaged by Flood—1936 Special Session ..	.....	100,000.00	.....	.....	
Total Other Subsidies	$ 18,918.75	$ 117,000.00	$ 28,000.00	$ 40,000.00	$ 40,000.00
Total Subsidies	$ 82,155,918.75	$ 82,751,369.00	$ 86,553,627.00	$ 91,918,881.00	$ 90,619,455.00

For footnotes see next page.

DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
CONSTRUCTION AND LAND PURCHASES					
Historical Sites	.....	.....	$ §252,996.71	.....	
State Teachers' Colleges	.....	.....	§8,893,218.12	.....	
State Oral School	.....	.....	§396,140.09	.....	
Soldiers' Orphans School	.....	.....	§754,564.76	.....	
Thaddeus Stevens Industrial School	.....	.....	§125,413.21	.....	
Eliminating Fire Hazards —Educational Institutions	.....	$ ¶150,000.00	¶432,300.00	.....	
Pennsylvania State College	.....	.....	§4,825,035.76	.....	
State Authority Rentals—1938 Special Session	.....	.....	1,000,000.00	.....	
Total Construction and Land Purchases	.....	$ ** 150,000.00	$ 1,432,300.00	.....	
TOTAL—Department of Public Instruction	$ 87,439,618.75	$ 88,127,410.18	$ 93,964,477.00	$ 97,898,481.00	$ 97,039,455.00

** Transferred to Administrative Miscellaneous and Commissions.
§ General State Authority Building Program as of January 17, 1941. Does not represent a state appropriation; therefore not included in totals.
¶ Part of an appropriation made to the Department of Property and Supplies.
* See note under Department of Property and Supplies.
A See Department of Forests and Waters.

PENNSYLVANIA PUBLIC UTILITY COMMISSION

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Chairman	$ 21,000.00	$ 21,000.00	$ 101,000.00	$ 101,000.00	$ 101,000.00
Salaries of Commissioners	120,000.00	120,000.00			
Salaries and Expenses	1,050,000.00	1,000,000.00	2,900,000.00	1,750,000.00	1,850,000.00
Salaries and Expenses—Deficiency	.....	19,000.00	.....	.....	
Allocated from lump Sums (b)	58,050.00	62,650.00	.....	.....	
Salaries and Expenses Making Revaluations	.....	200,000.00	.....	.....	
Salaries and Expenses Making Revalutions —Deficiency	.....	21,000.00	.....	.....	
Total	$ 1,249,050.00	$ 1,443,650.00	$ 3,001,000.00	$ 1,851,000.00	$ 1,951,000.00
SUBSIDIES					
Grade Crossing Protection	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00
TOTAL — Pennsylvania Public Utility Commission	$ 1,264,050.00	$ 1,458,650.00	$ 3,016,000.00	$ 1,866,000.00	$ 1,966,000.00

(b) See note under Department of Property and Supplies.

DEPARTMENT OF REVENUE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	1,340,000.00	2,250,000.00	3,823,000.00	3,045,000.00	3,295,000.00
Salaries and Expenses—1936 Special Session	.....	250,000.00	.....	.....	
Salaries and Expenses—Deficiency	.....	150,000.00	.....	.....	
Allocated from Lump Sums (b)	116,500.00	219,000.00	.....	.....	
Compensation of Informants in Escheats	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00
Compensation of Informants in Escheats—Deficiency	.....	.....	.....	22,000.00	
Mileage of Mercantile Appraisers	20,000.00	35,000.00	35,000.00	30,000.00	30,000.00
Mileage of Mercantile Appraisers—Deficiency	15,000.00	.....	.....	4,000.00	
Costs in Suits vs. Delinlinquent Dealers	15,000.00	10,000.00	15,000.00	5,000.00	5,000.00
Costs in Suits vs. Delinquent Dealers — Deficiency	.....	5,000.00	.....	2,200.00	
State Athletic Commission	*	*	99,700.00	90,000.00	90,000.00
Administering Chain Store Tax	.....	.....	151,517.00	.....	
Salaries and Expenses — Garrett Estate	.....	.....	50,000.00	50,000.00	
TOTAL — Department of Revenue	$ 1,540,500.00	$ 2,953,000.00	$ 4,208,217.00	$ 3,277,200.00	$ 3,449,000.00

(b) See note under Department of Property and Supplies.
* See Department of Military Affairs these periods.

DEPARTMENT OF STATE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Secretary of the Commonwealth	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Departmental Salaries and Expenses	150,000.00	140,000.00	151,500.00	165,900.00	180,000.00
Allocated from Lump Sums **	14,575.00	16,275.00	.....	.....	
Departmental Salaries and Expenses — Deficiency	.....	.....	10,454.79	.....	
Publishing Constitutional Amendments	40,000.00	30,000.00	30,000.00	30,000.00	30,000.00
State Employes Retirement Board—Salaries and Expenses	35,000.00	35,000.00	*	80,000.00	80,000.00

* See Treasury Department this period.

DEPARTMENT OF STATE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES — Continued					
State Employes Retirement Board—Salaries and Expenses — Deficiency	.....	5,600.00	.....	.....	
Allocated from Lump Sums **	4,300.00	3,000.00	.....	.....	
Bureau of Civil Rights	.....	.....	17,500.00	.....	
Expenses—Voting of Citizens in Military Service	.....	.....	.....	.....	**300,000.00**
Total	$ 263,875.00	$ 249,875.00	$ 229,454.79	$ 295,900.00	**$ 610,000.00**
SUBSIDIES (Retirement of State Employes)					
Pensions of Retired State Employes	$ 59,800.00	$ 39,500.00	$ 33,420.00	$ 23,620.00	**$ 20,836.00**
Pensions and Gratuities	6,560.00	2,040.00	1,848.00	1,850.00	**1,850.00**
Annuity Reserve Account No. 2	718,620.00	742,600.00	*	659,000.00	**653,700.00**
Contingent Reserve Account	444,860.00	408,430.00	*	873,000.00	**880,900.00**
Motor Police Retirement System	.....	.....	.....	50,000.00	**50,000.00**
Total	$ 1,229,840.00	$ 1,192,570.00	$ 35,268.00	$ 1,607,470.00	**$ 1,607,286.00**
TOTAL — Department of State	$ 1,493,715.00	$ 1,442,445.00	$ 264,722.79	$ 1,903,370.00	**$ 2,217,286.00**

** See note under Department of Property and Supplies.

PENNSYLVANIA MOTOR POLICE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of the Superintendent	$ 15,000.00	$ 15,000.00			
Salaries and Expenses	2,168,000.00	2,100,000.00			
Salaries and Expenses—1936 Special Session	.....	9,000.00			
Allocated from Lump Sums **	197,300.00	200,300.00	$ *1,000,000.00	$ *1,000,000.00	**$ *1,000,000.00**
Teletype System	400,000.00	385,000.00			
Property Damage	1,500.00	.....			
Training School for Local Police	.....	20,000.00			
TOTAL — Pennsylvania Motor Police	$ 2,781,800.00	$ 2,729,300.00	$ 1,000,000.00	$ 1,000,000.00	**$ 1,000,000.00**

* Supported in part from Motor License Fund.
** See note under Department of Property and Supplies.

DEPARTMENT OF WELFARE
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Departmental					
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Departmental Salaries and Expenses	360,000.00	355,000.00	388,500.00	392,000.00	392,000.00
Allocated from Lump Sums *	50,500.00	34,500.00	.....	.....	
Council for the Blind and Alcohol Permit Board—Salaries and Expenses‡	90,000.00	50,000.00	51,000.00	47,000.00	51,000.00
Allocated from Lump Sums *	1,400.00	1,000.00	.....	.....	
Total—Departmental	$ 521,900.00	$ 460,500.00	$ 459,500.00	$ 459,000.00	$ 463,000.00
Institutional Maintenance					
Pennsylvania Industrial School at Huntingdon	$ 957,000.00				
Pennsylvania Training School	622,000.00				
State Industrial Home for Women	273,500.00				
Eastern State Penitentiary	2,092,000.00	$ 6,000,000.00	$ 6,400,000.00	$ 6,600,000.00	$ 7,600,000.00
Eastern State Penitentiary—Deficiency	150,000.00				
Western State Penitentiary	1,821,500.00				
State Penitentiary at Rockview					
Pennsylvania Industrial School at White Hill	.....				
Major Repairs	.....	¶131,700.00	.....	.....	
Flood Damage—1936 Special Session	.....	126,000.00	.....	.....	
Allocation from Appropriation for Additional Maintenance	.....	.....	120,000.00	300,000.00	
Total—Penal and Cortional	$ 5,916,000.00	$ 6,257,700.00	$ 6,520,000.00	$ 6,900,000.00	$ 7,600,000.00
Allentown State Hospital	$ 955,000.00				
Danville State Hospital	1,162,000.00				
Danville State Hospital—Damages	600.00				
Farview State Hospital	520,000.00				
Harrisburg State Hospital	1,013,000.00				
Norristown State Hospital	1,768,000.00	$ 8,500,000.00	$ 9,550,000.00	$ 15,250,000.00	$ 17,000,000.00
Philadelphia State Hospital	.....				
Torrance State Hospital	667,500.00				
Torrance State Hospital—Deficiency	68,000.00				
Warren State Hospital	763,000.00				
Wernersville State Hospital	1,166,000.00				
Western State Psychiatric Hospital	.....				
State Mental Hospitals—Deficiency	.....	.....	1,045,000.00	.....	
Major Repairs	.....	¶300,878.00	.....	.....	
Flood Damage—1936 Special Session	.....	3,100.00	.....	.....	
Allocation from appropriation for Additional Maintenance	.....	.....	730,000.00	.....	
Total—Mental Hospitals	$ 8,083,100.00	$ 8,803,978.00	$ 11,325,000.00	$ 15,250,000.00	$ 17,000,000.00

See next page for footnotes.

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES — Continued					
Laurelton State Village	$ 428,000.00				
Pennhurst State School	792,000.00	$ 2,700,000.00	$ 3,200,000.00	$ 3,550,000.00	$ 3,950,000.00
Polk State School	1,244,000.00				
Selinsgrove State Colony	270,500.00				
Major Repairs	.....	¶75,760.00	.....	.....	
Allocation from appropriation for Additional Maintenance	.....	.....	50,000.00	.....	
Total—Institutions for Defectives	$ 2,734,500.00	$ 2,775,760.00	$ 3,250,000.00	$ 3,550,000.00	$ 3,950,000.00
Ashland State Hospital	$ 419,000.00				
Blossburg State Hospital	184,000.00				
Coaldale State Hospital	204,500.00				
Connellsville State Hospitals	156,500.00				
Hazleton State Hospital	295,000.00	$ 2,350,000.00	$ 2,700,000.00	$ 2,900,000.00	$ 3,100,000.00
Locust Mountain State Hospital	175,000.00				
Nanticoke State Hospital	254,500.00				
Philipsburg State Hospital	184,000.00				
Scranton State Hospital	412,500.00				
Shamokin State Hospital	200,000.00				
Medical and Surgical Hospitals—Maintenance —Deficiency	.....	30,000.00	.....	.....	
Major Repairs	.....	¶91,662.00	.....	.....	
Allocation from appropriation for Additional Maintenance	.....	.....	100,000.00	.....	
Total Medical and Surgical Hospitals	$ 2,485,000.00	$ 2,471,662.00	$ 2,800,000.00	$ 2,900,000.00	$ 3,100,000.00
Materials—W. P. A. Sewing Projects	.....	.....	$ 75,000.00	.....	
Total—Instutional Maintenance	$ 19,218,600.00	$ 20,309,100.00	$ 23,970,000.00	$ 28,600,000.00	$ 31,650,000.00
Total Governmental Operations other than Subsidies	$ 19,740,500.00	$ 20,769,600.00	$ 24,429,500.00	$ 29,059,000.00	$ 32,113,000.00
SUBSIDIES					
Glen Mills School	$ 270,000.00	$ 250,000.00	$ 285,000.00	$ 285,000.00	$ 285,000.00
Sleighton Farms School	270,000.00	250,000.00	270,000.00	270,000.00	270,000.00
Maintenance of Indigent Insane in County and Poor District Hospitals	2,717,787.00	2,700,000.00	3,231,000.00	2,545,000.00	2,545,000.00
Maintenance of Indigent Insane in County and Poor District Hospitals —Deficiency	.....	281,330.00	.....	.....	
Dixmont Hospital	300,000.00	325,000.00	325,000.00	395,000.00	350,000.00
Elwyn Training School	360,000.00	360,000.00	420,000.00	420,000.00	420,000.00
Medical and Surgical Hospitals—State Aided **	7,553,350.00	7,691,150.00	8,374,200.00	8,487,450.00	8,487,450.00
Homes—State Aided **	624,600.00	503,650.00	508,000.00	468,100.00	468,100.00
Total Subsidies	$ 12,095,737.00	$ 12,361,130.00	$ 13,413,200.00	$ 12,870,550.00	$ 12,825,550.00

See next page for footnotes.

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
CONSTRUCTION AND LAND PURCHASE					
Pennsylvania Industrial School	.....	$ ‖75,000.00	$ §339,348.95	.....	
Pennsylvania Training School	.....	.....	§267,824.69	.....	
State Industrial Home for Women	.....	.....	§375,159.56 14,002.12	.....	
Eastern State Penitentiary	.....	.....	§655,419.83	.....	
Western State Penitentiary	.....	.....	§587,064.44	.....	
Western State Penitentiary—Architects Fees	.....	‖3,741.57	.....	.....	
State Penitentiary at Rockview	.....	.....	§215,483.50	.....	
Industrial School, White Hill	.....	.....	§3,741,154.02	.....	
Eliminating Fire Hazards	.....	†51,086.00	†176,500.00	.....	
Total—Penal and Correctional Institutions	.....	$ 129,827.57	$ 190,502.12	.....	
Allentown State Hospital	.....	.....	$ §1,367,460.17	.....	
Danville State Hospital	.....	.....	§1,088,704.05	.....	
Farview State Hospital	.....	.....	§1,034,393.51	.....	
Harrisburg State Hospital	.....	.....	§1,286,349.82	.....	
Norristown State Hospital	.....	.....	§2,173,579.26	.....	
Torrance State Hospital	.....	.....	§1,855,481.84	.....	
Warren State Hospital	.....	.....	§1,550,081.53	.....	
Wernersville State Hospital	.....	.....	§562,458.72	.....	
Western Psychiatric Hospital	.....	.....	§2,292,426.29	.....	
Eliminating Fire Hazards	.....	†162,145.00	†436,100.00	.....	
Total—Mental Hospitals	.....	$ 162,145.00	$ 436,100.00	.....	
Laurelton State Village	.....	.....	$ §1,210,485.96	.....	
Pennhurst State School	.....	.....	§1,402,738.58	.....	
Polk State School	.....	.....	§923,007.67	.....	
Selinsgrove State Colony	.....	.....	§1,942,116.10	.....	
Eliminating Fire Hazards	.....	†3,589.00	†244,000.00	.....	
Total Institutions for Mental Defectives and Epileptics	.....	$ 3,589.00	$ 244,000.00	.....	
Ashland State Hospital	.....	.....	$ §68,076.46	.....	
Blossburg State Hospital	.....	.....	§139,958.56	.....	
Coaldale State Hospital	.....	.....	§46,170.36	$ 1,112.00	
Connellsville State Hospital	.....	.....	§64,201.00	.....	
Hazleton State Hospital	.....	.....	§411,291.00	.....	
Locust Mountain State Hospital	.....	.....	§95,912.41	.....	
Nanticoke State Hospital	.....	.....	§59,634.71	.....	
Philipsburg State Hospital	.....	.....	§140,347.24	.....	
Scranton State Hospital	.....	.....	§1,052,463.22	.....	
Shamokin State Hospital	.....	.....	§36,407.15	.....	
Eliminating Fire Hazards	.....	†44,180.00	†66,500.00	.....	
Total—Medical and Surgical Hospitals	.....	$ 44,180.00	$ 66,500.00	$ 1,112.00	
Total Construction and Land	.....	$ 339,741.57	$ 937,102.12	$ 1,112.00	

See next page for footnotes.

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
CONSTRUCTION AND LAND PURCHASE — Continued					
TOTAL—Department of Welfare	$ 31,836,237.00	$ 33,470,471.57	$ 38,779,802.12	$ 41,930,662.00	$ 44,938,550.00

¶ These items composed one appropriation this period for $600,000 out of which allocations were made as shown to the various Welfare Institutions.
** See Detail on pages following.
‡ Alcohol Permit Board incorporated into State Liquor Control Board 1935-1937.
* See note under Department of Property and Supplies.
‖ Appropriated to Department of Property and Supplies.
† Part of an appropriation made to the Department of Property and Supplies.
§ See General State Authority Building Program as of January 17, 1941. Does not represent a state appropriation therefore not included in totals.

MEDICAL AND SURGICAL HOSPITALS — STATE AIDED					
Abington Memorial Hospital	$ 10,000.00	$ 34,200.00	$ 45,200.00	$ 50,200.00	
Adrian Hospital Association, Punxsutawney ..	38,000.00	38,000.00	38,100.00	40,100.00	
Allegheny General Hospital, Pittsburgh	181,200.00	181,200.00	181,200.00	181,200.00	
Allegheny Valley Hospital, Tarentum	21,800.00	24,200.00	28,200.00	30,200.00	
Allentown Hospital, Allentown	110,000.00	119,000.00	135,100.00	140,100.00	
Altoona Hospital, Altoona	58,000.00	58,400.00	59,000.00	59,000.00	
American Hospital for Diseases of Stomach, Philadelphia	10,000.00	8,800.00	8,800.00	8,000.00	
American Oncologic Hospital, Phila.	17,100.00	.....	20,000.00	19,000.00	
Armstrong General Hospital	8,200.00	8,200.00	14,000.00	15,500.00	
Barnes, Simon H., Memorial Hospital	3,000.00	3,000.00	3,600.00	4,500.00	
Beaver Valley General Hospital, New Brighton	16,000.00	16,100.00	17,000.00	17,000.00	
Belvedere Hospital, Pittsburgh	3,900.00	3,900.00	4,900.00	4,500.00	
Berwick Hospital	15,500.00	14,700.00	14,700.00	16,000.00	
Black, F. W., Community Hospital, Lewistown ..	.....	.....	.....	4,000.00	
Blair, J. C., Memorial, Huntingdon	37,100.00	34,100.00	34,500.00	35,500.00	
Bloomsburg Hospital ...	26,700.00	26,900.00	28,000.00	29,000.00	
Braddock General Hospital	47,300.00	47,600.00	47,600.00	48,600.00	
Bradford Hospital	35,900.00	31,400.00	31,600.00	31,600.00	
Broad Street Hospital, Philadelphia	30,500.00	26,700.00	26,700.00	26,700.00	
Brookville Hospital	7,500.00	10,900.00	15,000.00	15,500.00	
Brownsville General Hospital	34,000.00	32,400.00	32,600.00	32,600.00	
Bryn Mawr Hospital, Bryn Mawr	.....	.....	.....	5,000.00	
Butler County Memorial Hospital	16,800.00	19,100.00	22,800.00	23,800.00	
Canonsburg General Hospital	16,800.00	16,100.00	16,100.00	17,000.00	
Carbondale General Hospital	20,000.00	20,100.00	23,750.00	25,000.00	
Carlisle Hospital	24,800.00	24,800.00	26,000.00	27,000.00	
Centre County Hospital, Bellefonte	29,000.00	28,300.00	29,700.00	28,000.00	

The Recommended Appropriations To The State Aided Medical and Surgical Hospitals Are Given In Total

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
MEDICAL AND SURGICAL HOSPITALS — STATE AIDED (Continued)					
Chambersburg Hospital	19,100.00	17,400.00	20,100.00	18,000.00	
Charleroi-Monessen Hospital	28,000.00	24,500.00	28,000.00	28,000.00	
Chester County Hospital, West Chester	55,500.00	57,900.00	58,000.00	58,000.00	
Chester Hospital, City of Chester	71,900.00	77,400.00	85,300.00	88,000.00	
Chestnut Hill Hospital, Philadelphia	20,000.00	27,300.00	28,000.00	28,000.00	
Children's Heart Hospital, Philadelphia	.....	5,000.00	10,000.00	15,000.00	
Children's Hospital of Philadelphia	50,000.00	77,650.00	95,000.00	95,000.00	
Children's Hospital of Pittsburgh	100,000.00	100,000.00	100,200.00	100,200.00	
Christian H. Buhl Hospital, Sharon	26,100.00	31,400.00	34,000.00	38,000.00	
Citizens' General Hospital, New Kensington	39,300.00	35,900.00	39,000.00	39,000.00	
Clearfield Hospital	39,200.00	37,600.00	42,000.00	44,000.00	
Coatesville Hospital	47,000.00	41,100.00	41,200.00	43,200.00	
Columbia Hospital, Columbia	14,100.00	12,400.00	12,400.00	11,800.00	The Recommended Appropriations To The State Aided Medical and Surgical Hospitals Are Given In Total
Community Hospital, Kane	6,500.00	6,500.00	8,500.00	7,000.00	
Community Hospital of Jersey Shore	.....	.....	.....	3,000.00	
Conemaugh Valley Memorial Hospital	95,000.00	95,000.00	97,300.00	107,300.00	
Convalescent Hospital for Colored Women, Philadelphia	.....	.....	.....	3,500.00	
Corry Hospital Association	12,900.00	13,100.00	13,300.00	12,800.00	
Coudersport General Hospital	3,600.00	3,600.00	3,900.00	3,900.00	
Crozier, J. Lewis, Hospital, Chester	.....	.....	.....	3,000.00	
Delaware County Hospital	25,200.00	22,000.00	22,300.00	22,300.00	
Eagleville Sanatorium for Consumptives	110,900.00	110,900.00	121,000.00	121,000.00	
Easton Hospital	60,000.00	68,000.00	75,000.00	68,000.00	
Elizabeth Steel Magee, Pittsburgh	65,000.00	80,500.00	99,700.00	104,000.00	
Elk County General Hospital, Ridgway	20,000.00	17,500.00	19,100.00	19,100.00	
Ellwood City Hospital, Ellwood City	9,200.00	10,800.00	11,100.00	11,100.00	
Elm Terrace Hospital, Lansdale	.....	.....	.....	4,000.00	
Eye and Ear Hospital, Pittsburgh	24,500.00	22,100.00	23,100.00	24,000.00	
Frankfort Hospital, Philadelphia	66,000.00	67,900.00	70,000.00	70,000.00	
Franklin Hospital	8,800.00	8,800.00	11,150.00	14,000.00	
Frederick Douglass Memorial Hospital and Training School, Philadelphia	16,000.00	14,000.00	20,000.00	23,000.00	
Frick, Henry Clay, Memorial Hospital, Mt. Pleasant	20,700.00	22,000.00	22,000.00	22,000.00	
Geisinger, Geo. F., Memorial Hospital, Danville	25,000.00	30,000.00	48,600.00	52,000.00	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
MEDICAL AND SURGICAL HOSPITALS STATE AIDED (Continued)					
General Hospital, East Stroudsburg	11,000.00	12,900.00	15,000.00	15,000.00	
Germantown Dispensary and Hospital	119,100.00	130,500.00	175,100.00	175,100.00	
Good Samaritan Hospital, Lebanon	36,100.00	44,800.00	49,700.00	49,700.00	
Grandview Hospital, Sellersville	15,300.00	13,400.00	13,700.00	14,500.00	
Grandview Hospital for Consumptives, Oil City	17,000.00	17,000.00	17,000.00	17,000.00	
Greene County Memorial Hospital, Waynesburg	10,100.00	10,100.00	14,000.00	16,000.00	
Greenville Hospital, Greenville	4,800.00	4,800.00	6,000.00	7,000.00	
Grove City Hospital	3,600.00	3,600.00	3,600.00	3,600.00	
Hahnemann Hospital, Philadelphia	173,400.00	182,600.00	190,200.00	190,200.00	
Hahnemann Hospital, Scranton	55,100.00	55,100.00	59,850.00	59,850.00	
Hamot Hospital Association, Erie	$ 88,000.00	$ 97,000.00	$ 102,000.00	$ 107,000.00	
Hanover General Hospital, Hanover	12,100.00	11,700.00	12,000.00	13,000.00	
Harrisburg Hospital, Harrisburg	80,300.00	80,300.00	97,250.00	101,000.00	
Harrisburg Polyclinic Hospital	57,000.00	57,000.00	57,000.00	57,000.00	
Homeopathic Hospital of Chester County, West Chester	32,000.00	31,400.00	31,400.00	31,400.00	
Homeopathic Medical and Surgical Hospital, Reading	64,600.00	63,700.00	64,000.00	64,000.00	
Homestead Hospital	44,800.00	43,600.00	43,600.00	43,600.00	
Indiana Hospital	33,900.00	38,000.00	42,250.00	42,250.00	
Jamison Memorial Hospital Association, New Castle	28,000.00	28,000.00	31,000.00	27,000.00	
Jefferson Medical College	209,800.00	209,500.00	230,100.00	235,000.00	
Kane Summit Hospital Association	10,000.00	8,800.00	8,800.00	8,800.00	
Kensington Hospital for Women, Philadelphia	34,000.00	34,000.00	40,050.00	42,050.00	
Lancaster County Tuberculosis Society	57,400.00	57,400.00	57,400.00	57,400.00	
Lancaster General Hospital	61,000.00	64,400.00	69,900.00	69,900.00	
Latrobe Hospital	21,000.00	22,100.00	23,100.00	25,000.00	
Lankenau Hospital, Philadelphia		20,000.00	22,500.00	25,200.00	
Lee Homeopathic Hospital, Johnstown	2,500.00	7,500.00	22,500.00	23,000.00	
Lewistown Hospital	45,900.00	43,000.00	48,000.00	51,000.00	
Lock Haven Hospital	35,700.00	31,400.00	35,700.00	37,000.00	
Lying-in Charity Hospital, Philadelphia	78,500.00	75,000.00	77,900.00	77,900.00	
Maple Avenue Hospital Association, DuBois	18,000.00	18,000.00	18,000.00	17,000.00	
Maternity Hospital, Philadelphia	32,400.00	32,000.00	33,750.00	33,750.00	
McKeesport Hospital	63,000.00	74,800.00	80,000.00	83,000.00	
Meadville City Hospital	19,000.00	19,600.00	24,000.00	24,000.00	
Memorial Hospital Association, Monongahela City	13,700.00	12,000.00	13,700.00	13,700.00	

The Recommended Appropriations To The State Aided Medical and Surgical Hospitals Are Given In Total

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
MEDICAL AND SURGICAL HOSPITALS STATE AIDED (Continued)					
Memorial Hospital, Roxborough, Philadelphia	48,900.00	43,400.00	43,600.00	43,600.00	
Mercy Hospital, Altoona	46,800.00	41,000.00	45,000.00	47,500.00	
Mercy Hospital, Philadelphia	60,000.00	72,450.00	75,100.00	77,000.00	
Mercy Hospital, Wilkes-Barre	77,500.00	84,200.00	85,000.00	87,500.00	
Mid Valley Hospital, Blakely	26,000.00	26,200.00	28,000.00	34,000.00	
Milliken, A. C., Hospital, Pottsville	8,900.00	11,000.00	15,150.00	16,000.00	
Miners' Hospital of Northern Cambria	39,100.00	38,000.00	40,000.00	44,000.00	
Montefiore Hospital, Pittsburgh	64,500.00	66,400.00	71,150.00	71,150.00	
Montgomery Hospital, Norristown	36,100.00	40,000.00	43,150.00	43,150.00	
Mount Sinai Hospital, Philadelphia	120,000.00	120,000.00	140,000.00	130,000.00	
Nason Hospital Association, Roaring Spring	29,000.00	28,000.00	28,000.00	28,000.00	The
National Stomach Hospital, Philadelphia	5,700.00	5,100.00	5,100.00	3,100.00	Recommended
Northern Liberties Hospital	20,500.00	20,000.00	21,000.00	21,000.00	Appropriations
Northeastern Hospital of Philadelphia	29,800.00	31,000.00	33,000.00	33,000.00	To The
Northwestern General Hospital, Philadelphia	17,700.00	14,600.00	16,600.00	16,600.00	State Aided
Ohio Valley General Hospital, McKees Rocks	24,000.00	24,900.00	24,900.00	24,900.00	Medical and
Oil City Hospital	25,700.00	23,600.00	23,800.00	23,800.00	Surgical
Packer, Mary M., Hospital, Sunbury	27,900.00	28,600.00	29,900.00	32,000.00	Hospitals
Packer, Robert, Hospital, Sayre	120,000.00	120,000.00	129,900.00	128,000.00	Are Given
Passavant Hospital, Pittsburgh	54,700.00	47,900.00	48,200.00	48,200.00	In Total
Pennsylvania Epileptic Hospital and Colony Farm, Oakburne	40,000.00	40,300.00	40,300.00	42,300.00	
Pennsylvania Hospital of Philadelphia — (Contributors)	140,900.00	139,800.00	170,000.00	170,000.00	
Philadelphia College of Osteopathy and Osteopathic Hospital of Philadelphia	7,900.00	6,900.00	6,900.00	6,900.00	
Philadelphia Orthopaedic Hospital and Infirmary	65,000.00	61,500.00	62,100.00	58,000.00	
Phoenixville Hospital	17,500.00	19,600.00	19,800.00	19,800.00	
Pittsburgh Hospital Association	55,700.00	60,400.00	65,000.00	65,000.00	
Pittston Hospital Association	50,000.00	51,800.00	54,000.00	50,000.00	
Pottstown Homeopathic Hospital	10,500.00	11,000.00	12,050.00	12,050.00	
Pottstown Hospital	19,400.00	21,500.00	23,100.00	21,600.00	
Pottsville Hospital	57,000.00	61,000.00	71,000.00	79,000.00	
Presbyterian Hospital, Pittsburgh	63,200.00	55,300.00	58,000.00	53,000.00	
Providence Hospital of Beaver County	10,500.00	8,200.00	9,500.00	10,000.00	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
MEDICAL AND SURGICAL HOSPITALS STATE AIDED (Continued)					
Quakertown Hospital Asciation	6,500.00	6,500.00	8,000.00	8,000.00	
Reading Hospital	93,900.00	94,500.00	100,200.00	105,200.00	
Renovo Hospital	5,500.00	6,300.00	8,000.00	9,000.00	
Rochester General Hospital	31,000.00	29,200.00	29,200.00	29,200.00	
Rush Hospital for Consumptives, Philadelphia	66,000.00	66,000.00	79,800.00	84,800.00	
Saint Christopher's Hospital for Children, Philadelphia	60,000.00	62,800.00	63,000.00	63,000.00	
Saint Francis' Hospital, Pittsburgh	156,250.00	156,250.00	156,250.00	158,000.00	
Saint John's General Hospital, Pittsburgh	46,000.00	43,800.00	46,000.00	46,000.00	
Saint Joseph's Hospital, Carbondale	13,000.00	15,000.00	16,000.00	15,000.00	
Saint Luke's Hospital, South Bethlehem	75,000.00	86,300.00	103,400.00	100,000.00	
Saint Luke's and Children's Homeopathic Hospital, Philadelphia	$ 94,800.00	$ 94,800.00	$ 95,400.00	$ 90,400.00	
Saint Vincent's Hospital Association, Erie	81,600.00	84,300.00	90,000.00	92,000.00	The
Sewickley Valley Hospital	29,200.00	31,200.00	31,700.00	31,700.00	
Shady Side Hospital	86,000.00	80,500.00	84,600.00	84,600.00	Recommended
Somerset Community Hospital	5,000.00	6,000.00	7,500.00	10,000.00	Appropriations
South Side Hospital, Pittsburgh	71,000.00	66,200.00	67,900.00	67,900.00	To The
Spencer Hospital, Meadville	30,000.00	26,300.00	35,100.00	35,100.00	State Aided
Stetson Hospital, Philadelphia	14,100.00	12,300.00	13,000.00	11,000.00	Medical and
Suburban General Hospital, Bellevue	15,600.00	15,600.00	15,600.00	15,600.00	Surgical
Taylor Hospital Association	27,000.00	27,800.00	30,800.00	30,800.00	Hospitals
Taylor Hospital, Ridley Park	23,600.00	20,700.00	20,700.00	20,700.00	Are Given
Temple University Hospital, Philadelphia	119,200.00	123,000.00	137,000.00	137,000.00	In Total
Titusville Hospital	7,000.00	6,100.00	6,400.00	6,400.00	
Tuberculosis League of Pittsburgh	89,400.00	89,400.00	90,100.00	90,100.00	
Uniontown Hospital	56,700.00	56,700.00	62,000.00	67,000.00	
University of Pennsylvania Hospital	176,000.00	180,000.00	200,000.00	200,000.00	
University of Pennsylvania Graduate Hospital	180,000.00	164,000.00	168,000.00	168,000.00	
Warner, Annie M., Hospital, Gettysburg	7,700.00	10,000.00	15,000.00	12,000.00	
Warren General Hospital	16,100.00	19,000.00	22,000.00	24,000.00	
Washington Hospital	57,800.00	55,000.00	55,000.00	50,000.00	
Wayne County Memorial Hospital, Honesdale	3,700.00	4,000.00	5,000.00	6,500.00	
Waynesboro Hospital	13,900.00	14,000.00	15,100.00	16,000.00	
Western Pennsylvania Hospital, Pgh.	162,600.00	142,300.00	155,000.00	150,000.00	
Westmoreland Hospital Association Greensburg	40,000.00	48,000.00	53,400.00	55,000.00	
West Side Hospital Association, Scranton	65,200.00	61,400.00	62,200.00	63,000.00	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
MEDICAL AND SURGICAL HOSPITALS STATE AIDED (Continued)					
Wilkes-Barre General Hospital	135,000.00	141,000.00	155,200.00	160,200.00	
Williamsport Hospital	84,500.00	80,000.00	85,000.00	87,000.00	
Wills Eye Hospital, Philadelphia	67,500.00	74,000.00	91,500.00	91,500.00	The Recommended Appropriations To The State Aided Medical and Surgical Hospitals Are Given In Total
Women's Homeopathic Hospital, Phila.	63,200.00	63,200.00	63,400.00	63,400.00	
Women's Hospital of Philadelphia	75,000.00	75,000.00	75,000.00	75,000.00	
Women's Medical College, Philadelphia	75,000.00	75,000.00	80,000.00	75,000.00	
Wyoming Valley Homeopathic Hospital — Wilkes-Barre	34,400.00	38,000.00	41,000.00	43,000.00	
York Hospital	76,800.00	85,600.00	93,000.00	94,000.00	
Zem Zem Hospital for Crippled Children	8,500.00	8,500.00	10,000.00	11,500.00	
TOTAL MEDICAL AND SURGICAL HOSPITALS—STATE AIDED	$ 7,553,350.00	$ 7,691,150.00	$ 8,374,200.00	$ 8,487,450.00	$ 8,487,450.00
HOMES—STATE AIDED					
Aged Colored Women's Home, Williamsport	$ 2,000.00	$ 1,400.00	$ 1,400.00	$ 1,000.00	
Allegheny Temporary Home for Children	4,500.00	3,200.00	3,400.00	3,400.00	
Almira Home Association, New Castle	7,000.00	5,000.00	5,000.00	5,000.00	
Beacon Light Mission, Bradford	3,000.00	2,100.00	2,100.00	2,100.00	
Beaver County Children's Home, New Brighton	7,500.00	5,400.00	5,400.00	5,400.00	
Benevolent Home Association for Children, Pottsville	2,000.00	1,500.00	1,500.00	1,500.00	The Recommended Appropriations To The State Aided Homes Are Given In Total
Berean Manual Training School	22,000.00	20,000.00	20,000.00	20,000.00	
Beulah Anchorage, Reading	2,000.00	.....	.....	.....	
Boys' Haven, Allentown	.....	.....	500.00	1,000.00	
Boys' Industrial Home, Oakdale	13,000.00	9,300.00	9,300.00	9,300.00	
Chester Day Nursery and Children's Boarding Home	2,500.00	1,800.00	1,500.00	1,500.00	
Children's Aid Society of Clinton County	.....	.....	2,000.00	.....	
Children's Aid Society of Franklin County, Chambersburg	2,200.00	2,200.00	2,500.00	2,000.00	
Children's Aid Society of Pennsylvania, Philadelphia	68,000.00	68,000.00	68,000.00	58,000.00	
Children's Aid Society of Western Pennsylvania, Pittsburgh	28,000.00	28,000.00	28,000.00	24,000.00	
Children's Home of Easton	8,500.00	6,000.00	6,000.00	6,000.00	
Children's Home of the City of York	2,000.00	1,500.00	3,500.00	3,500.00	
Children's Home of South Bethlehem	4,500.00	3,200.00	3,200.00	3,200.00	
Children's Home Society of Pennsylvania	6,500.00	4,500.00	.....	.....	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
HOMES—STATE AIDED (Continued)					
Children's Industrial Home, Harrisburg	$ 11,000.00	$ 7,800.00	$ 7,800.00	$ 9,800.00	
Christian Home of Johnstown	3,500.00	2,500.00	2,800.00	2,800.00	
Coleman Industrial Home for Colored Boys, Pittsburgh	3,000.00	2,100.00	2,500.00	.....	
Colored Children's Bureau	2,500.00	1,800.00	3,000.00	3,000.00	
Colored Women's Relief Association of Western Pennsylvania, Pittsburg	2,500.00	1,700.00	1,700.00	1,700.00	
Convalescent Hospital for Colored Women, Philadelphia	5,000.00	3,500.00	3,500.00	.....	
Curtis Home for Girls	5,500.00	4,000.00	5,000.00	4,000.00	
Erie Infants' Home and Hospital	3,500.00	2,500.00	2,000.00	2,000.00	
Florence Crittenton Circle, Wilkes-Barre	1,000.00	700.00	700.00	.....	
Florence Crittenton Home, Erie	1,500.00	1,000.00	1,000.00	1,000.00	
Florence Crittenton Home, Philadelphia	2,000.00	1,400.00	1,500.00	2,000.00	
Florence Crittenton Home, Williamsport	1,000.00	700.00	700.00	700.00	
Friend's Home for Children	3,000.00	2,100.00	2,500.00	2,100.00	**The Recommended Appropriations To The State Aided Homes Are Given In Total**
George Junior Republic Association, Grove City	8,200.00	5,800.00	5,800.00	4,600.00	
Home for Aged, Philadelphia	4,500.00	3,200.00	3,200.00	3,200.00	
Home for Aged Couples, Philadelphia	2,000.00	1,400.00	1,400.00	1,400.00	
Home for Aged of Westmoreland County	1,100.00	700.00	700.00	.....	
Home for Aged and Infirm Women, Easton	5,500.00	3,900.00	3,900.00	3,900.00	
Home for Aged and Infirm Colored Women, Pittsburgh	4,500.00	3,200.00	3,200.00	3,200.00	
Home for Colored Children, Pittsburgh	3,900.00	2,800.00	3,000.00	2,500.00	
Home for Friendless, Harrisburg	6,500.00	4,600.00	.....	.....	
Home for Friendless Children, Lancaster	7,500.00	5,400.00	2,400.00	4,400.00	
Home for Friendless Children, Reading	3,400.00	2,400.00	2,500.00	1,800.00	
Home for Friendless, Williamsport	10,500.00	7,500.00	7,500.00	7,500.00	
Home for Friendless Women, Scranton	8,500.00	6,100.00	6,100.00	6,100.00	
Home of Industry for Discharged Prisoners, Philadelphia	4,000.00	2,900.00	2,900.00	2,400.00	
Home for Veterans of G. A. R. and Wives, Philadelphia	22,500.00	16,000.00	16,000.00	16,000.00	
Home for Widows and Single Women, Lebanon	3,500.00	2,500.00	2,500.00	2,500.00	
Home for Widows and Single Women, Reading	4,000.00	2,800.00	2,800.00	2,800.00	
Industrial Home for Crippled Children, Pittsburgh	20,000.00	14,300.00	15,000.00	15,000.00	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
HOMES—STATE AIDED (Continued)					
Julia White Priscilla Home for Colored People, Lamotte	$ 1,500.00	$.....	$.....	$.....	
Ladies G. A. R. Home, Hawkins Station	27,000.00	19,200.00	19,200.00	19,200.00	
McKeesport Day Nursery, McKeesport	1,000.00	700.00	700.00	.....	
Margaret Henry Children's Home of New Castle	1,000.00	700.00	1,200.00	1,200.00	
Meadville Children's Aid Society and Home for Aged	4,400.00	3,100.00	3,200.00	3,200.00	
Nazarene Home for Aged, Philadelphia	5,000.00	3,500.00	3,500.00	3,500.00	
New Future Association, Sherman Avenue, N. S., Pittsburgh	1,000.00	700.00	700.00	500.00	
Northern Home for Friendless Children, Philadelphia	14,000.00	10,000.00	14,000.00	14,000.00	The
Northern Tier Home, Harrison Valley	4,500.00	3,200.00	3,200.00	2,400.00	Recommended
Old Ladies Home, Philadelphia	12,000.00	8,600.00	7,000.00	.....	Appropriations
Osceola Home for Children	4,500.00	3,200.00	3,000.00	3,000.00	To The
Pennsylvania Memorial Home at Brookville	13,200.00	9,400.00	9,400.00	9,400.00	State Aided
Pennsylvania Association for Blind, Pittsburgh	30,000.00	30,000.00	30,000.00	30,000.00	Homes
Pennsylvania Home Teaching Society, and Free Circulating Library for Blind, Philadelphia	16,000.00	16,000.00	16,000.00	16,000.00	Are Given In Total
Pennsylvania Seaman's Friend Society, Philadelphia	3,200.00	3,200.00	2,200.00	.....	
Pennsylvania Society to Protect Children from Cruelty, Philadelphia	5,000.00	3,500.00	4,000.00	3,000.00	
Pennsylvania Working Home for Blind, Philadelphia	45,500.00	45,500.00	44,000.00	44,000.00	
Philadelphia Home for Infants	5,000.00	3,500.00	3,500.00	2,500.00	
Pittsburgh Home for Babies	12,500.00	8,700.00	9,000.00	9,000.00	
Pittsburgh and Allegheny Home for the Friendless	12,000.00	8,500.00	10,000.00	10,000.00	
Sarah A. Reed Home, Erie	14,500.00	10,300.00	10,300.00	9,000.00	
Seaman's Church Institute of Phila.	5,500.00	5,500.00	6,500.00	7,500.00	
Tabor Home for Children, Doylestown	6,500.00	4,600.00	5,500.00	5,000.00	
United Charities Home for Children, Hazleton	2,000.00	1,500.00	2,000.00	2,000.00	
Union Home for Old Ladies, Phila.	4,000.00	2,800.00	3,000.00	3,000.00	
Westmoreland County Children's Aid Society, Greensburg	9,000.00	6,500.00	6,500.00	6,000.00	
Western Temporary Home, Philadelphia	3,000.00	2,100.00	2,100.00	.....	

DEPARTMENT OF WELFARE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
HOMES—STATE AIDED (Continued)					
Workingmen's Home for the Aged located at Warrington, Bucks County	$ 1,500.00	$ 1,000.00	$ 1,200.00	$ 1,200.00	The Recommended Appropriations To The State Aided Medical and Surgical Hospitals Are Given In Total
York Society to Protect Children and Aged Persons	7,500.00	5,300.00	7,500.00	7,500.00	
Zoar Home for Mothers, Babies and Convalescents of Allison Park, Allegheny County	2,500.00	1,700.00	1,700.00	1,700.00	
York Blind Center	.....	750.00	1,000.00	1,000.00	
TOTAL HOMES—STATE-AIDED	$ 624,600.00	$ 503,650.00	$ 508,000.00	$ 468,100.00	$ 468,100.00

ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Board of Commissioners of Navigation of the Delaware River	$ 61,200.00	$ 50,000.00	$	.....	
State Planning Board	.....	10,000.00	$ 125,000.00	#	
Philadelphia Charter Commission—1937 Session	.....	25,000.00	.....	.....	
General State Authority—Administration	.....	.....	1,400,000.00	$ 750,000.00	$ 385,000.00
State Worlds Fair Commission	.....	.....	75,000.00	.....	
Celebration—Landing of Swedes	.....	.....	40,000.00	.....	
Celebration—Anniversary of Constitution	.....	.....	100,000.00	.....	
Contribution for Gettysburg Peace Memorial	.....	.....	5,000.00	.....	
Pennsylvania Scenic and Historic Commission	.....	20,000.00	.....	.....	
Dredging Delaware and Schuylkill Rivers	50,000.00	50,000.00	100,000.00	.....	
Port of Philadelphia	.....	.....	.....	100,000.00	150,000.00
Reimbursing City of Philadelphia—Delaware River Bridge	.....	12,084.17	.....	.....	
Expenses of Constitutional Convention	.....	650,000.00	.....	.....	
Cornplanter Indian Reservation—Roads	**	600.00	600.00	600.00	600.00
Anthracite Coal Industry Commission—1937 Session	.....	50,000.00	.....	.....	

ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Anthracite Coal Industry Commission — 1938 Special Session	$.....	$.....	$ 26,500.00	$.....	
Gettysburg Memorial Commission	.....	15,000.00	75,000.00	.....	
Commission to Investigate Oil Industry	.....	.....	50,000.00	.....	
Commission to Investigate Oil Industry — 1938 Special Session	.....	.....	20,000.00	.....	
Liquor Control Board	2,000,000.00	.....	.....	.....	
Harrisburg Fire Companies	A	A	A	5,000.00	5,000.00
Cresson Fire Company	A	A	A	1,000.00	1,000.00
Commission to Study Public School System, Subsidies, and needs therefor	.....	.....	.....	.....	50,000.00
TOTAL — Administrative Miscellaneous and Commissions	$ 2,111,200.00	$ 882,684.1[illegible]	$ 2,017,100.00	$ 856,600.00	$ 591,600.00

§ Transferred to Department of Forests and Waters.
* * Included in Department of Public Instruction this period.
A See Department of Property and Supplies these periods.
Incorporated in Department of Commerce. See that Department.

MILK CONTROL COMMISSION

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salaries and Expenses	$ 100,000.00	$ 225,000.00	$ 300,000.00	$ 200,000.00	$ 240,000.00

Supported also by Milk Control Fund. See that fund.

SENATE

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salaries					
Fifty Senators and Extra Compensation to President Pro Tempore	$ 151,000.00	$ 126,000.00	$ 138,500.00	$ 151,000.00	$ 151,000.00
Officers and Employes—Session	76,800.00	70,000.00	96,000.00	96,000.00	96,000.00
Officers and Employes—Session—Deficiency	26,446.60	35,000.00	.....	.....	
Vote Returning Officers and Employes	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Clerk to President of Senate	3,000.00	4,800.00	4,800.00	4,800.00	4,800.00
Clerk to President Pro Tempore	.....	.....	4,800.00	4,800.00	4,800.00
Secretary	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Assistant Secretary—Recess	.....	.....	4,200.00	4,200.00	4,200.00
Chief Clerk	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Assistant Clerk—Session	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Assistant Clerk—Recess	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00
Librarian	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
Assistant Librarian	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
Assistant Librarian—Recess	4,200.00	4,200.00	.....	.....	
Stenographer to President	2,400.00	2,400.00	3,240.00	3,240.00	3,240.00
Stenographer to Librarian—Recess	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00
Two Watchmen	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Custodians — Washroom and Basement	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
Custodian of Senate Chamber—Two Yrs.					3,600.00
Assistant Custodians of Senate Chamber—Recess Periods	8,625.00	8,625.00	9,255.00	9,255.00	5,655.00
Messenger	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
Senators Elected during 1935 Session	.....	1,000.00	.....	.....	
Sergeants-at-arms — For 1938 Special Session	.....	.....	.....	1,053.00	
Total Salaries	$ 358,571.60	$ 338,125.00	$ 346,895.00	$ 360,448.00	$ 359,395.00
Mileage					
Fifty Senators	$ 18,000.00	$ 18,000.00	$ 18,000.00	$ 18,000.00	$ 18,000.00
Fifty Senators—Deficiency	.....	2,500.00	.....	.....	
Officers and Employes	2,160.00	2,500.00	2,700.00	2,700.00	2,700.00
Vote Returning Officers and Employes	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Total Mileage	$ 22,160.00	$ 25,000.00	$ 22,700.00	$ 22,700.00	$ 22,700.00
Postage					
Fifty Senators	$ 7,500.00	$ 7,500.00	$ 7,500.00	$ 7,500.00	$ 7,500.00
Chief Clerk	150.00	150.00	150.00	150.00	150.00
Lieutenant-Governor	150.00	150.00	150.00	150.00	150.00
Legislative Journal	3,600.00	4,500.00	4,500.00	4,500.00	4,500.00
Legislative Journal—Deficiency	.....	1,000.00	.....	.....	
Total Postage	$ 11,400.00	$ 13,300.00	$ 12,300.00	$ 12,300.00	$ 12,300.00

SENATE (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Contingent Expenses					
Office of Secretary—Recess	$ 2,000.00	$ 2,300.00	$ 3,000.00	$ 3,000.00	$ 3,000.00
Office of Secretary—Session	2,000.00	2,300.00	3,000.00	3,000.00	3,000.00
Office of Librarian—Recess	2,240.00	2,500.00	2,800.00	2,800.00	2,800.00
Office of Librarian—Session	2,240.00	2,500.00	2,800.00	2,800.00	2,800.00
President—Pro Tempore—Recess	2,000.00	1,800.00	3,000.00	3,000.00	3,000.00
President—Pro Tempore—Session	2,000.00	1,800.00	3,000.00	3,000.00	3,000.00
Office of Chief Clerk—Years Ending May 31, 1934, 1936, 1938, 1940, 1942	3,200.00	3,500.00	5,000.00	5,000.00	5,000.00
Office of Chief Clerk—Six Months Ending Nov. 30, 1934, 1936, 1938, 1940, 1942	1,600.00	1,800.00	2,500.00	2,500.00	2,500.00
Total Contingent Expenses	$ 17,280.00	$ 18,500.00	$ 25,100.00	$ 25,100.00	$ 25,100.00
Miscellaneous Expenses					
Incidental Expenses	$ 6,400.00	$ 7,000.00	$ 8,000.00	$ 8,000.00	$ 8,000.00
Incidental Expenses—Deficiency	.....	3,000.00	.....	.....	
History of Legislation—Extra Services	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Appropriation Committee	9,600.00	9,000.00	12,000.00	10,000.00	10,000.00
Issuing Certificates of Election	75.00	75.00	75.00	75.00	75.00
Expense Attending Funerals	.....	1,000.00	1,000.00	1,000.00	1,000.00
Total Miscellaneous Expenses	$ 18,575.00	$ 22,575.00	$ 23,575.00	$ 21,575.00	$ 21,575.00
Total Regular Sessions	$ 427,986.60	$ 417,500.00	$ 430,570.00	$ 442,123.00	$ 441,070.00
Special Session 1933	$ 159,880.98	.....	.....	.....	
Special Session 1934	46,943.00	.....	.....	.....	
Special Session 1936	.....	$ 126,500.00	.....	.....	
Special Session 1936—No. 2	.....	41,400.00	.....	.....	
Special Session 1938	.....	.....	$ 132,566.00	.....	
Special Session 1940	.....	.....	.....	$ 50,657.00	
TOTAL—Senate	$ 634,810.58	$ 585,400.00	$ 563,136.00	$ 492,780.00	$ 441,070.00

HOUSE OF REPRESENTATIVES

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Salaries					
Members	$ 625,000.00	$ 521,000.00	$ 628,000.00	$ 625,000.00	$ 625,000.00
Officers and Employes—Session	94,400.00	80,000.00	120,000.00	120,000.00	120,000.00
Officers and Employes—Session, Deficiency	21,000.00	35,000.00	.....	.....	
Vote Returning Officers—Session	13,000.00	11,000.00	13,000.00	13,000.00	13,000.00
Chief Clerk	12,000.00	12,000.00	15,000.00	15,000.00	12,000.00
Chief Clerk—Deficiency	.....	500.00	.....	.....	
Assistant to Chief Clerk	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
Assistant Clerk—Session	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Assistant Clerk—Recess	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Resident Clerk	9,000.00	.....	.....	.....	
Assistant Resident Clerk	7,200.00	.....	.....	.....	
Stenographer to Resident Clerk	3,075.00	.....	.....	.....	
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Secretary to Speaker	.....	.....	4,800.00	4,800.00	4,800.00
Stenographer to Speaker	.....	3,600.00	3,600.00	3,600.00	3,600.00
Two Watchmen	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
Custodian of Basement	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Custodian of Hall	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Assistant Custodian	7,908.00	7,908.00	7,908.00	7,908.00	7,908.00
Messenger	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
Parliamentarian	6,000.00	6,000.00	7,200.00	7,200.00	7,200.00
Members Elected during 1935 Session	.....	1,000.00	.....	.....	
Stenographer to Chief Clerk	.....	.....	3,075.00	3,075.00	3,075.00
Secretary of House	.....	.....	.....	10,000.00	10,000.00
Total Salaries	$ 834,183.00	$ 713,608.00	$ 838,183.00	$ 845,183.00	$ 842,183.00
Mileage					
Members	$ 75,000.00	$ 75,000.00	$ 85,000.00	$ 85,000.00	$ 85,000.00
Members—Deficiency	.....	12,500.00	.....	.....	
Officers and Employes—Session	3,200.00	4,000.00	4,000.00	4,000.00	4,000.00
Vote Returning Officers—Session	3,000.00	2,500.00	3,000.00	3,000.00	3,000.00
Total Mileage	$ 81,200.00	$ 94,000.00	$ 92,000.00	$ 92,000.00	$ 92,000.00
Postage					
Members	$ 31,200.00	$ 31,200.00	$ 31,350.00	$ 31,200.00	$ 31,200.00
Chief Clerk Session	150.00	150.00	150.00	150.00	150.00
Legislative Journal—Session	8,000.00	8,000.00	10,000.00	10,000.00	10,000.00
Total Postage	$ 39,350.00	$ 39,350.00	$ 41,500.00	$ 41,350.00	$ 41,350.00
Contingent Expenses					
Speaker—Recess	$ 2,000.00	$ 2,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00
Speaker—Session	2,000.00	2,000.00	3,000.00	3,000.00	3,000.00
Office of Chief Clerk—Years ending 1934, 1936, 1938, 1940 and 1942	10,800.00	15,500.00	19,000.00	19,000.00	19,000.00
Office of Chief Clerk—Six Months ending Nov. 30, 1934, 1936, 1938, 1940 and 1942	4,800.00	6,000.00	9,100.00	9,100.00	9,100.00
Secretary — Year Ending May 31, 1942	.....	.....	.....	.....	3,500.00

HOUSE OF REPRESENTATIVES (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Secretary—Year Ending May 31, 1943	.....	.....	.....	.....	3,500.00
Office of Resident Clerk—Year ending May 31, 1934	2,800.00	.....	.....	.....	
Office of Resident Clerk—Year ending May 31, 1935	2,800.00	.....	.....	.....	
Office of Chief Clerk—Recess	.....	3,000.00	.....	.....	
Office of Chief Clerk—Session	.....	3,000.00	.....	.....	
Total Contingent Expenses	$ 25,200.00	$ 31,500.00	$ 34,100.00	$ 34,100.00	$ 41,100.00
Miscellaneous Expenses					
Appropriation Committee	$ 9,600.00	$ 9,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00
Issuing Certificates of Election	750.00	750.00	750.00	750.00	750.00
Incidental Expenses	10,400.00	10,000.00	20,000.00	20,000.00	20,000.00
Incidental Expenses—Deficiency	.....	3,000.00	.....	.....	
History of Legislation—Extra Services	.....	.....	.....	.....	2,500.00
Expenses Attending Funerals	.....	.....	3,000.00	3,000.00	3,000.00
Unpaid Bills—Investigating Philadelphia Poor Districts	.....	3,500.00	.....	.....	
Total Miscellaneous Expenses	$ 20,750.00	$ 26,250.00	$ 35,750.00	$ 35,750.00	$ 38,250.00
Total Regular Sessions	$ 1,000,633.00	$ 904,708.00	$ 1,041,533.00	$ 1,048,383.00	$ 1,054,883.00
Special Session 1933	$ 258,931.24	.....	.....	.....	
Special Session 1934	143,433.00	.....	.....	.....	
Special Session 1936	.....	$ 257,868.74	.....	.....	
Special Session 1936—No. 2	.....	136,200.00	.....	.....	
Special Session 1938	.....	.....	$ 257,868.74	.....	
Special Session 1940	.....	.....	.....	$ 144,848.00	
TOTAL—House of Representatives	$ 1,403,047.24	$ 1,298,776.74	$ 1,299,401.74	$ 1,193,231.00	$ 1,054,883.00

LEGISLATIVE JOURNAL

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Indices for Legislative Journal	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00
Proof Reading	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
Indexing the Legislative Journal	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Special Session 1933	2,500.00	.....	.....	.....	
Special Session 1934	1,000.00	.....	.....	.....	
Special Session 1936	.....	2,500.00	.....	.....	
Special Session 1936—No. 2	.....	300.00	.....	.....	
Special Session 1938	.....	.....	2,500.00	.....	
Special Session 1940	.....	.....	.....	2,400.00	
TOTAL — Legislative Journal	$ 11,000.00	$ 10,300.00	$ 10,000.00	$ 9,900.00	$ 7,500.00

LEGISLATIVE REFERENCE BUREAU

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Salary of Director Salary of Assistant Director Salaries and Expenses	$ 74,240.00	$ 85,000.00	$ 94,000.00	$ 94,000.00	$ 94,000.00
Salaries and Expenses—Deficiency	500.00	.....	.....	.....	
Compilation of Veterans Laws	.....	.....	.....	1,000.00	
TOTAL — Legislative Reference Bureau	$ 74,740.00	$ 85,000.00	$ 94,000.00	$ 95,000.00	$ 94,000.00

LEGISLATIVE MISCELLANEOUS AND COMMISSIONS

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Surety Bond Premiums for Officers of Senate and House of Representatives	.....	.....	.....	.....	$ 600.00
Expenses of Delegates to American Legislators Association	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	2,500.00
Support of American Legislators' Association	700.00	700.00	2,000.00	.....	
Convention on Repeal of 18th Amendment	1,000.00	.....	.....	.....	
Expenses of Electoral College	.....	1,000.00	.....	.....	
Expenses of Electoral College—Deficiency	.....	.....	.....	1,000.00	
Committee to Investigate Insurance Department	.....	2,000.00	.....	.....	
House Committee to Investigate Penal Institutions	.....	350.00	.....	.....	
House Committee to Investigate Liquor Stores	.....	20,000.00	.....	.....	
Commission to Study Bituminous Mining	.....	.....	7,500.00	.....	
Commission to Study Industrial Taxes	.....	.....	5,000.00	.....	
Commission to Study Industrial Taxes— 1938 Special Session	.....	.....	10,000.00	.....	
Committee to Investigate Pittsburgh Board of Education	.....	.....	392.00	.....	
Committee to Investigate Pennsylvania Working Home for Blind	.....	.....	3,000.00	.....	
Committee to Investigate Fairmount Park Commission	.....	.....	7,000.00	.....	
Commission on Inter-State Cooperation	.....	.....	7,500.00	5,000.00	5,000.00
Commission on Delaware Basin	.....	.....	20,000.00	25,000.00	25,000.00
Joint State Government Committee	.....	.....	10,000.00	65,000.00	
Committee on Flood Control Pittsburgh	.....	.....	3,500.00	.....	
Expenses in Election Contest of Albert McClaster	.....	.....	750.00	.....	
Local Government Commission	.....	10,000.00	5,000.00	10,000.00	
Committee to Investigate Unemployment Relief	.....	10,000.00	.....	.....	
Committee to Investigate Gilberton Mine Disaster	.....	1,000.00	.....	.....	
Commission to Study and Coordinate Relief—1937 Session	.....	5,000.00	.....	.....	
Commission to Investigate Court Procedure—1937 Session	.....	50,000.00	.....	.....	
Commission to Investigate Court Procedure—1938 Special Session	.....	.....	450.00	.....	

LEGISLATIVE MISCELLANEOUS AND COMMISSIONS (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Commission to Investigate Governmental Costs in Philadelphia—1937 Session	.....	25,000.00	.....	.....	
Commission to Investigate Gambling—1938 Special Session	.....	.....	25,000.00	.....	
Committee to Investigate Charges against State Officials—1938 Special Session	.....	.....	50,000.00	.....	
Committee to Investigate Charges against Philadelphia Magistrate — 1938 Special Session	.....	.....	5,000.00	.....	
Commission to Survey Aviation Facilities	.....	.....	500.00	.....	
Commission to Study Public School System	.....	10,000.00	.....	.....	
Expenses in Cambria County Election Contest	.....	.....	†968.41	.....	
Inaugural Committee	.....	.....	.....	5,000.00	
Interstate Commission on Crime	.....	.....	.....	3,000.00	**3,000.00**
Joint Legislative Committee	.....	.....	.....	1,000.00	
Commission to Study Economic Conditions of Colored People	.....	.....	.....	10,000.00	
Committee to Investigate Civil Service—Unemployment Compensation	.....	.....	.....	10,000.00	
Support of Interstate Legislative Reference Bureau	.....	.....	.....	10,000.00	**10,000.00**
TOTAL — Legislative Miscellaneous and Commissions	$ 4,200.00	$ 137,550.00	$ 166,060.41	$ 147,500.00	**$ 46,100.00**

†Ordered by Court of Common Pleas of Cambria County by authority of act of May 19, 1874, Section 9 as amended by act of April 28, 1899, P. L. 118, Section 1.

JUDICIAL DEPARTMENT

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES					
Supreme Court					
Salaries of Judges	$ 274,000.00	$ 274,000.00	$ 274,000.00	$ 274,000.00	$ 274,000.00
Expenses of Judges	56,000.00	56,000.00	56,000.00	56,000.00	56,000.00
Salary of Deputy Prothonotary-Eastern District	8,600.00	8,600.00	8,600.00	8,600.00	
Chief Clerk in Office of Prothonotary — Eastern District	6,000.00	6,000.00	6,000.00	6,000.00	
Assistant Chief Clerk in Office of Prothonotary —Eastern District	3,900.00	3,900.00	3,900.00	3,900.00	
Clerk in Office of Prothonotary — Eastern District	3,900.00	3,900.00	3,900.00	3,900.00	65,200.00
Salary of Record Clerk	6,000.00	6,000.00	6,000.00	6,000.00	
Salaries and Expenses of Librarian and Assistant	16,100.00	17,300.00	17,300.00	17,300.00	
Necessary Expenses — Eastern District	15,500.00	15,500.00	15,500.00	20,000.00	
Salary of Deputy Prothonotary and Clerk—Middle District	4,800.00	4,800.00	4,800.00	.....	
Assistant in Supreme Court Room — Middle District	1,200.00	1,200.00	1,200.00	.....	
Salary of Prothonotary—Middle District	.....	.....	.....	6,000.00	
Salary of the Secretary—Assistant-Middle District	.....	.....	.....	3,600.00	
Expenses of Supreme Court in Middle District and Superior Court in Harrisburg	800.00	800.00	1,500.00	1,500.00	11,100.00
Expenses of Supreme Court in Middle District and Superior Court in Harrisburg — Deficiency	.....	400.00	.....	.....	
Salary of Clerk in Office of Prothonotary—Western District	6,600.00	6,600.00	6,600.00	6,600.00	
Salary of Court Clerk in Office of Prothonotary —Western District	4,800.00	4,800.00	4,800.00	4,800.00	30,700.00
Necessary Expenses—Western District	5,500.00	5,500.00	5,500.00	5,500.00	
Salaries and Expenses of Criers and Tipstaves	70,796.00	69,596.00	69,596.00	69,596.00	71,496.00
Fees of Prothonotaries of the Supreme Court—All Districts	5,000.00	5,000.00	5,000.00	5,000.00	4,500.00
Board of Governance	5,000.00	5,000.00	5,000.00	10,000.00	5,000.00
Procedural Rules Committee	.....	.....	20,000.00	20,000.00	20,000.00
Portrait of Chief Justice Kephart	.....	.....	750.00	.....	
Portrait of Chief Justice Frazer	.....	.....	750.00	.....	
Portrait of Chief Justice Schaffer	.....	.....	.....	.....	750.00
Total Supreme Court	$ 494,496.00	$ 494,896.00	$ 516,696.00	$ 528,296.00	$ 538,746.00

JUDICIAL DEPARTMENT (Continued)

GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
GOVERNMENTAL OPERATIONS OTHER THAN SUBSIDIES (Continued)					
Superior Court					
Salaries of Judges	$ 253,000.00	$ 253,000.00	$ 253,000.00	$ 253,000.00	**$ 253,000.00**
Expenses of Judges	49,000.00	49,000.00	49,000.00	49,000.00	**49,000.00**
Salaries and Expenses of Criers and Tipstaves	56,000.00	56,000.00	56,000.00	60,000.00	**60,000.00**
Salaries and Expenses of Criers and Tipstaves-Deficiency	300.00	.....	.....	.....	
Dockets—Stationery and Supplies	10,000.00	10,000.00	10,000.00	12,000.00	**12,000.00**
Total Superior Court	$ 368,300.00	$ 368,000.00	$ 368,000.00	$ 374,000.00	**$ 374,000.00**
Court of Common Pleas					
Salaries of Judges	$ 2,836,000.00	$ 2,842,000.00	$ 3,031,500.00	$ 3,028,000.00	**$ 3,044,000.00**
Salaries of Judges—Deficiency	12,000.00	8,750.00	.....	.....	
Expenses of Traveling Judges	130,000.00	100,000.00	100,000.00	100,000.00	**100,000.00**
Expenses of Traveling Judges—Deficiency	26,000.00	.....	.....	.....	
Payment of Mileage in Divided Judicial Districts	5,000.00	5,000.00	5,000.00	5,000.00	**5,000.00**
Clerk Hire—Dauphin County	14,400.00	14,400.00	14,400.00	19,200.00	**19,200.00**
Total Court of Common Pleas	$ 3,023,400.00	$ 2,970,150.00	$ 3,150,900.00	$ 3,152,200.00	**$ 3,168,200.00**
Orphans' Court					
Salaries of Judges	$ 564,000.00	$ 564,000.00	$ 618,000.00	$ 618,000.00	**$ 618,000.00**
Municipal Court of Philadelphia					
Salaries of Judges	$ 221,000.00	$ 221,000.00	$ 116,700.00	$ 221,000.00	**$ 221,000.00**
Salaries of Judges—Deficiency	.....	.....	79,000.00	.....	
Total Municipal Court of Philadelphia	$ 221,000.00	$ 221,000.00	$ 195,700.00	$ 221,000.00	**$ 221,000.00**
County Court of Allegheny					
Salaries of Judges	$ 121,000.00	$ 121,000.00	$ 121,000.00	$ 121,000.00	**$ 121,000.00**
Juvenile Court of Allegheny County					
Salary of Judge—1933 Special Session	$ 15,000.00	.....	.....	.....	
Salary of Judge	.....	$ 20,000.00	$ 20,000.00	$ 20,000.00	**$ 20,000.00**
Miscellaneous					
Salaries of Retired Judges	$ 160,000.00	$ 160,000.00	$ 160,000.00	$ 125,000.00	**$ 100,000.00**
Salaries of Associate Judges	50,000.00	50,000.00	50,000.00	50,000.00	**50,000.00**
Mileage of Associate Judges	7,000.00	7,000.00	7,000.00	7,000.00	**7,000.00**
Total Miscellaneous	$ 217,000.00	$ 217,000.00	$ 217,000.00	$ 182,000.00	**$ 157,000.00**
State Reporter					
Salary of State Reporter	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	**$ 10,000.00**
Salary of Assistant Reporter	6,000.00	6,000.00	6,000.00	6,000.00	**6,000.00**
Salaries and General Expenses	8,000.00	8,000.00	12,000.00	12,000.00	**14,000.00**
Total State Reporter	$ 24,000.00	$ 24,000.00	$ 28,000.00	$ 28,000.00	**$ 30,000.00**
TOTAL—Judicial Department	$ 5,048,196.00	$ 5,000,046.00	$ 5,235,296.00	$ 5,244,496.00	**$ 5,247,946.00**

GENERAL FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated	Estimated
	1935-1937	1937-1939	1939-1941	1941-1943
BONUS, TAXES, PENALTIES AND INTEREST				
BONUS				
Bonus—Domestic	$ 645,088.00	$ 445,485.97	$ 196,608.00	$ 225,000.00
Bonus—Foreign	646,203.00	720,471.80	294,675.00	500,000.00
Total Bonus	$ 1,291,291.00	$ 1,165,957.77	$ 491,283.00	$ 725,000.00
TAXES ON CAPITAL STOCK, SHARES AND LOANS				
Capital Stock Taxes—Domestic	$ 53,052,929.00	$ 41,936,756.12	$ 43,123,619.00	$ 44,175,000.00
Capital Stock Taxes—Foreign	12,017,562.00	15,524,473.24	13,337,095.00	15,500,000.00
Tax on Shares—Trust Companies	1,764,324.00	4,633,509.54	3,208,541.00	3,550,000.00
Tax on Shares—State Banks	314,636.00	350,496.37	314,900.00	325,000.00
Tax on Shares—National Banks	2,187,705.00	3,762,706.62	3,133,550.00	3,550,000.00
Tax on Stock—Building and Loan Associations	911,160.00	128,788.43	8,001.00	.....
Loans Tax—Corporation—Domestic	10,091,426.00	7,206,587.47	5,285,944.00	5,250,000.00
Loans Tax—Corporation—Foreign	818,498.00	511,864.92	463,924.00	450,000.00
Loans Tax—Cities, Boroughs and Townships	1,440,082.00	1,035,789.08	920,735.00	950,000.00
Loans Tax—Counties	3,540,389.00	2,031,444.91	5,965,942.00	3,100,000.00
Loans Tax—School Districts	1,366,242.00	1,154,420.66	1,153,998.00	1,150,000.00
Loans Tax—Poor Districts	2,051.00	1,403.20	1,109.00	1,200.00
Tax on Electric Cooperative Corporations	.....	210.00	1,110.00	1,150.00
Total Taxes on Capital Stock, Shares and Loans	$ 87,507,004.00	$ 78,278,450.56	$ 76,918,468.00	$ 78,002,350.00
TAXES ON INCOME, RECEIPTS, PREMIUMS, AND COMMODITIES PRODUCED				
Gross Receipts Tax—Transportation, Power and Transmission	$ 6,549,243.00	$ 6,023,056.64	$ 6,821,945.00	$ 7,000,000.00
Gross Receipts Tax—Private Bankers	51,361.00	195,252.68	15,166.00	15,500.00
Gross Receipts Tax—Boxing and Wrestling Exhibits	80,417.00	80,657.46	79,872.00	89,000.00
Insurance Premium Tax—Domestic—Casualty	171,398.00	295,305.33	229,796.00	230,000.00
Insurance Premium Tax—Domestic—Marine	1,126.00	258.64	3,983.00	2,000.00
Insurance Premium Tax—Domestic—Fire	138,007.00	183,704.61	184,625.00	184,750.00
Insurance Premium Tax—Domestic—Excess Reinsurance	6,590.00	14,457.78	50,396.00	50,500.00
Insurance Premium Tax—Foreign—Life	10,094,366.00	10,763,329.91	11,008,134.00	11,050,000.00
Insurance Premium Tax—Foreign—Casualty	1,917,540.00	2,417,486.16	2,306,442.00	2,375,000.00
Insurance Premium Tax—Foreign—Marine	4,307.00	2,417.49	2,956.00	3,000.00
Insurance Premium Tax—Foreign—Excess Fire	36,060.00	66,943.79	31,725.00	40,000.00
Insurance Premium Tax—Foreign—Excess Insurance Brokers	2,804.00	1,957.76	1,959.00	2,000.00
Tax on Net Income—Savings Fund Societies	339,191.00	245,328.13	255,006.00	255,000.00
Anthracite Coal Tax	5,351.00	1,002.31	.....	.....
Emergency Profits Tax	381.00	278.95	20.00	.....
Emergency Relief Sales Tax	125,765.00	24,166.74	6,882.00	.....
Malt Beverage Tax	14,155,564.00	14,276,698.52	14,377,286.00	15,000,000.00
Liquor Floor Tax	3,323,997.00	2,192.00	.....	.....
Distilled Spirits Tax	41,410.00	28,178.88	17,236.00	18,000.00
Rectified Spirits Tax	14,742.00	13,503.01	13,629.00	13,600.00
Wines Tax	1,545.00	2,467.08	1,906.00	2,000.00
Total Taxes on Income, Receipts, Premiums and Commodities Produced	$ 37,061,165.00	$ 34,638,643.87	$ 35,408,964.00	$ 36,330,350.00
TAXES ON LEGAL DOCUMENTS AND TRANSFER OF SECURITIES				
Stock Transfer Stamp Tax	$ 1,038,940.00	$ 669,395.24	$ 727,017.00	$ 730,000.00
Tax on Legal Documents	585,240.00	575,408.16	596,174.00	597,650.00
Total Taxes on Legal Documents and Transfer of Securities	$ 1,624,180.00	$ 1,244,803.40	$ 1,323,191.00	$ 1,327,650.00

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
BONUS, TAXES, PENALTIES AND INTEREST (Continued)				
BUSINESS LICENSE TAXES				
Retail Mercantile	$ 5,011,233.00	$ 5,167,718.37	$ 5,113,571.00	$ 5,250,000.00
Wholesale Mercantile	1,348,004.00	1,336,404.02	1,278,179.00	1,350,000.00
Restaurants and Eating Houses	424,975.00	496,863.67	461,854.00	515,000.00
Billiards, Bowling Alleys, Etc.	222,063.00	339,868.29	598,560.00	600,000.00
Brokers	229,532.00	267,071.71	276,181.00	280,000.00
Auctioneers	33,220.00	70,883.43	80,804.00	81,000.00
Public Amusements	117,625.00	102,972.79	139,909.00	140,000.00
Peddlers	418.00	459.50	348.00	350.00
Public Service Liquor and Malt Beverage Licenses	400.00	.....	.....	.....
Appraisers' Fees	14,343.00	25,057.25	25,621.00	25,750.00
Business License Tax Deductions—Commissions	*63,252.00	*66,034.03	*66,766.00	*67,250.00
Business License Tax Deductions—Expense	*739,918.00	*700,798.03	*764,006.00	*775,000.00
Total Business License Taxes	$ 6,598,643.00	$ 7,040,466.95	$ 7,144,255.00	$ 7,399,850.00
PENALTIES AND INTEREST ON TAXES AND BONUS	$ 162,654.00	$ 857,337.45	$ 624,570.00	$ 674,000.00
INHERITANCE TAXES				
Resident Transfer Inheritance and Estate Tax	$ 35,258,745.00	$ 48,666,623.23	$ 40,065,098.00	$ 42,045,000.00
Non-Resident Transfer Inheritance Tax	186,205.00	294,405.27	280,555.00	305,000.00
Direct Inheritance Tax	6,897.00	9,772.01	11,435.00	12,400.00
Collateral Inheritance Tax	427,255.00	313,719.66	317,630.00	380,000.00
Expense Deduction from Resident Transfer Direct, and Collateral Inheritance Taxes and Estate Tax	* 1,197,014.00	* 1,330,999.36	* 1,499,121.00	* 1,525,000.00
Total Inheritance Taxes	$ 34,682,088.00	$ 47,953,520.81	$ 39,175,597.00	$ 41,217,400.00
SPECIAL EMERGENCY TAXES				
Amusement Tax	$ 6,782,433.00	$ 968,340.20	$ 17.00	.....
Cigarette Tax	19,507,584.00	22,450,008.08	23,982,658.00	$ 24,750,000.00
Gasoline Tax	22,379,761.00	27,832,558.88	29,845,010.00	31,668,000.00
State Personal Property Tax	18,313,305.00	24,015,033.95	25,101,079.00	27,600,000.00
Corporate Net Income Tax	42,842,528.00	44,533,211.84	51,797,247.00	61,347,500.00
Documentary Stamp Tax	887,473.00	57,690.11	482.00	.....
Gross Receipts Tax—Transportation, Power and Transmission Business	4,362,398.00	8,707,773.37	10,205,185.00	10,500,000.00
Escheats	47,039.00	.....	.....	.....
Loans Tax—Domestic	3,453,123.00	6,256,560.65	5,724,512.00	5,250,000.00
Loans Tax—Foreign	27,943.00	412,751.90	399,429.00	450,000.00
Inheritance Tax	47,899.00	.....	.....	.....
Tax on Shares—Banks and Trust Companies	261,177.00	5,816,341.64	5,436,823.00	5,750,000.00
Distillers' Tax	1,379,798.00	227,239.67	.....	.....
Liquor Tax	7,290,262.00	15,147,718.94	14,743,054.00	17,260,000.00
Total Special Emergency Taxes	$ 127,582,723.00	$ 156,425,229.23	$ 167,235,496.00	$ 184,575,500.00
TOTAL BONUS, TAXES, PENALTIES AND INTEREST	$ 296,509,748.00	$ 327,604,410.04	$ 328,321,824.00	$ 350,252,100.00
LICENSES AND FEES				
Governor's Office—Notary Public Commission Fees	$ 154,900.00	$ 159,775.00	$ 166,675.00	$ 159,775.00
Auditor General's Department—Miscellaneous Fees	.....	50.00	25.00	50.00

* Indicates Deduction.

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
LICENSES AND FEES (Continued)				
Department of Agriculture				
Oleomargarine Licenses	$ 844,051.00	$ 802,361.25	$ 667,094.00	$ 661,100.00
Feeding Stuffs Licenses and Analysis Fees	76,439.00	85,617.00	91,194.00	91,000.00
Carbonated Beverage Licenses	96,550.00	97,300.00	94,900.00	100,200.00
Fertilizer Licenses	46,105.00	47,900.00	45,425.00	45,400.00
Milk Dealer Permit Fees	12,609.00	.....	.....	.....
Milk Testers' Licenses and Certificate Fees	9,799.00	.....	.....	.....
Milk Weighers' Licenses and Certificate Fees	4,939.00	.....	.....	.....
Farm Product Inspection Fees	24,642.00	27,725.44	29,005.00	30,400.00
Cold Storage Warehouse Licenses	6,350.00	7,050.00	7,650.00	7,800.00
Insecticide and Fungicide Licenses	4,868.00	8,135.00	8,551.00	8,600.00
Lime and Gypsum Licenses and Analysis Fees	3,025.00	4,725.00	4,425.00	4,400.00
Egg Opening Licenses	1,950.00	2,150.00	2,210.00	2,400.00
Seed Testing and Certification	1,477.00	1,118.14	1,472.00	1,300.00
Egg Laying Contest Fees	3,150.00	3,855.00	3,350.00	3,800.00
Bakery Licenses	36,330.00	40,080.00	41,040.00	41,000.00
Ice Cream Licenses	33,905.00	37,095.00	40,880.00	44,200.00
Egg Inspection Licenses	33.00	156.00	573.00	193.00
Domestic Animal Dealers' Licenses	.....	8,422.00	10,076.00	10,200.00
Farm Produce Dealers' Licenses	.....	4,900.00	3,620.00	3,570.00
Miscellaneous Licenses and Fees	52.00	21.00	60.00	40.00
Department of Banking				
Investment Licenses	100.00	100.00	50.00	50.00
Security Dealers' Application Fees	14,090.00	13,220.00	11,440.00	11,440.00
Security Dealers' Registration Fees	49,800.00	48,480.00	43,620.00	43,620.00
Securities Salesmen Application Fees	28,660.00	24,390.00	17,620.00	17,620.00
Securities Salesmen Registration Fees	106,860.00	103,530.00	69,040.00	69,040.00
Certified Copy Fees	858.00	447.63	99.00	98.00
Department of Health				
Vital Statistics Fees	143,691.00	160,475.53	189,183.00	300,000.00
Bathing Place Licenses	12,925.00	14,045.00	14,865.00	15,000.00
Approved Inspectors Certificate and Registration Fees	2,817.00	2,515.00	3,220.00	3,300.00
State Board of Undertakers' Fees	46,728.00	49,663.14	52,222.00	53,000.00
Sewage and Industrial Waste Permit Fees	.....	3,185.00	4,460.00	4,500.00
Insurance Department				
Agents' Licenses	442,341.00	458,783.55	464,694.00	473,482.00
Brokers' Licenses	148,199.00	158,644.82	163,395.00	162,566.00
Examination Fees and Expenses	194,689.00	237,675.70	224,202.00	181,329.00
Valuation of Policies Fees	78,339.00	80,953.00	82,045.00	83,995.00
Filing of Statements and Charter Fees	33,238.00	36,713.03	35,690.00	36,434.00
Company, Association and Exchange Licenses	10,449.00	11,902.67	11,692.00	11,371.00
Public Adjusters' Licenses	4,477.00	4,665.50	3,910.00	3,792.00
Certified Copies and Certificate Fees	13,274.00	12,859.74	16,083.00	17,267.00
Service of Process Fees	2,034.00	1,674.00	1,385.00	1,217.00
Miscellaneous Licenses and Fees	10.00	4.00	.....	.....
Department of Internal Affairs				
Land Office Fees	2,050.00	1,956.50	1,723.00	1,800.00
Municipal Indebtedness Fees	41.791.00	39,669.15	25,566.00	25,000.00
Weighmasters' Licenses	24,260.00	13,890.00	25,950.00	24,600.00
Miscellaneous Fees	41.00	.....	17.00	.....
Department of Justice				
Attorney and Litigation Fees	10,693.00	18,847.66	14,787.00	15,000.00
Board of Pardon Fees	23,950.00	22,730.48	23,311.00	24,000.00

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
LICENSES AND FEES (Continued)				
Department of Labor and Industry				
Bedding and Upholstery Fees	$ 117,117.00	$ 109,506.13	$ 133,250.00	$ 134,000.00
Boiler Inspection Fees	84,860.00	112,442.00	175,737.00	376,000.00
Elevator Inspection Fees	48,151.00	89,138.47	117,119.00	118,000.00
Employment Agents' Licenses	29,905.00	42,700.00	58,400.00	59,000.00
Projectionists' Examination and License Fees	24,392.00	26,460.10	22,924.00	23,500.00
Approval of Elevator Plan Fees	3,048.00	6,127.50	6,835.00	6,900.00
Approval of Building Plan Fees	17,504.00	20,613.75	23,028.00	24,000.00
Explosive Storage Permit Fees	.....	16,767.50	18,615.00	19,000.00
Industrial Homework Permit Fees	.....	36,500.00	15,825.00	16,000.00
Workmen's Compensation Association Fees	.....	29,363.70	*9,664.00	20,000.00
Department of Military Affairs				
Boxing and Wrestling Licenses	36,625.00	.....	.....	.....
Department of Mines				
Examination and Certificate Fees	9,117.00	17,512.00	12,846.00	15,500.00
Bituminous Miners' Examination Fees	.....	132,124.90	17,607.00	15,000.00
Bituminous Shot-Firers' and Machine Runners' Examination and Certificate Fees	.....	12,026.00	3,699.00	4,000.00
Miscellaneous	.....	.....	50.00	15.00
Department of Public Instruction				
State Board of Medical Education and Licensure Fees	74,666.00	77,216.00	80,417.00	80,000.00
State Board of Pharmacy Fees	32,280.00	69,374.00	60,394.00	60,000.00
State Dental Council and Examining Board Fees	25,855.00	26,442.00	26,293.00	27,000.00
State Board of Optometrical Examiners' Fees	18,721.00	20,217.00	19,248.00	19,248.00
State Board of Osteopathic Examiners' Fees	6,934.00	7,667.00	8,763.00	9,262.00
Osteopathic Surgeons' Examining Board Fees	375.00	985.00	1,800.00	1,700.00
State Board of Examiners for Registration of Nurses Fees	101,708.00	110,121.50	122,765.00	130,800.00
State Board of Undertakers' Fees	2,400.00	.....	.....	.....
State Board of Veterinary Medical Examiners' Fees	2,922.00	3,172.00	3,774.00	3,800.00
State Board of Examiners of Public Accountants Fees	9,951.00	13,413.25	12,260.00	10,000.00
State Board of Examiners of Architects' Fees	11,534.00	12,435.00	15,065.00	15,000.00
State Registration Board for Professional Engineers' Fees	18,4 .00	21,121.00	19,710.00	27,756.00
Real Estate Brokers and Salesmen License Fees	95,083.00	112,680.00	108,993.00	116,000.00
Barber Registration and Examination Fees	92,347.00	75,871.00	86,674.00	80,000.00
Beauty Culture Examination and Registration Fees	198,437.00	238,704.58	257,258.00	260,000.00
Motion Picture Examination Fees	307,357.00	320,600.50	311,985.00	313,500.00
State Library and Museum Fees	238.00	213.45	295.00	300.00
Sunday Concert Permit Fees	140.00	90.00	120.00	130.00
Miscellaneous Fees	32,110.00	31,508.00	32,025.00	32,065.00
Public Utility Commission				
Filing and Copy Fees	166,542.00	265,438.12	36,556.00	36,400.00
Testing Fees	24,396.00	26,819.00	23,536.00	23,000.00
Special Assessment Fees	.....	213,074.92	578,699.00	269,000.00
General Assessment Fees	.....	332,032.56	1,199,217.00	2,257,852.00
Department of Revenue				
Boxing and Wrestling Licenses	.....	27,857.46	32,130.00	33,600.00
Dog Licenses	1,402,871.00	1,358,468.00	1,458,662.00	1,460,000.00
Amusement Permit Fees	119,316.00	3,160.60	.....	.....
Cigarette Permit Fees	244,292.00	185,012.50	182,056.00	182,500.00
Certificate and Copy Fees	3,839.00	5,391.24	6,070.00	6,500.00
Liquid Fuels Pump Permit Fees	.....	167,914.14	.....	.....
Stores and Theatre Licenses	.....	151,517.00	.....	.....

*Deduction.

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
LICENSES AND FEES (Continued)				
Department of State				
Commission and Filing Fees	$ 380,045.00	$ 380,044.40	$ 399,789.00	$ 400,000.00
Recorders of Deeds Fees	22,586.00	20,029.00	30,037.00	30,000.00
Department of Welfare				
Solicitation Fees	5,470.00	7,200.00	8,560.00	9,300.00
Maternity Hospital Licenses	840.00	1,080.00	480.00	300.00
Private Home and Hospital Licenses	2,730.00	3,105.00	5,235.00	5,400.00
Infant Boarding House Licenses	430.00	575.00	735.00	750.00
Special Administrative Commissions				
Board of Commissioners of Navigation Licenses	281.00	35.00	163.00	394.00
Pennsylvania Liquor Control Board				
Brewery Permit Fees	3,250.00	.....	.....	.....
Distillery Permit Fees	315,655.00	10,000.00	.....	.....
Winery Permit Fees	3,375.00	20.00	.....	.....
Transporters' Permit Fees	15,650.00	325.00	.....	.....
Bonded Warehouse Permit Fees	1,700.00	.....	.....	.....
Bailee for Hire Permit Fees	5,725.00	200.00	.....	.....
TOTAL LICENSES AND FEES	$ 6,918,726.00	$ 7,811,869.20	$ 8,444,529.00	$ 9,527,421.00
FINES AND PENALTIES				
Department of Agriculture				
General Food Fines	$ 18,095.00	$ 11,761.75	$ 14,045.00	$ 14,200.00
Feeding Stuffs Fines	4,150.00	4,032.70	2,402.00	2,600.00
Carbonated Beverage Fines	1,210.00	1,595.00	2,950.00	3,000.00
Sausage Fines	5,710.00	5,200.00	8,540.00	8,620.00
Milk Fines	250.00	149.25	25.00	200.00
Milk Container Fines	275.00	25.00	50.00	40.00
Milk Testing Fines	2,455.00	20.00	.....	.....
Egg Fines	830.00	500.00	80.00	40.00
Fertilizer Fines	1,250.00	750.00	150.00	200.00
Butter Fines	7,254.00	2,425.00	2,900.00	3,000.00
Meat Fines	1,000.00	42.00	.....	.....
Meat Hygiene Fines	1,200.00	25.00	110.00	100.00
Oleomargarine Fines	600.00	200.00	200.00	200.00
Vinegar Fines	765.00	500.00	300.00	600.00
Cold Storage Fines	50.00	20.00	100.00	50.00
Plant Pest Act Fines	1,095.00	969.00	60.00	100.00
Bakery Act Fines	2,575.00	3,632.42	1,102.00	1,200.00
Potato Fines	.....	1,025.00	.....	.....
Miscellaneous Fines	3,135.00	3,191.92	2,270.00	4,000.00
Department of Health				
Milk Supply Fines	35.00	165.00	40.00	40.00
Insurance Department				
Miscellaneous Fines	1,600.00	550.00	.....	.....
Department of Labor and Industry				
Female Labor Law Fines	3,563.00	1,620.00	2,555.00	2,600.00
Minor Labor Law Fines	2,577.00	1,395.00	585.00	600.00
Fire Alarm and Panic Fines	350.00	205.00	310.00	350.00
Factory Act Fines	470.00	50.00	110.00	150.00
Bedding and Upholstery Fines	980.00	120.00	190.00	250.00
Boiler Inspection Fines	243.00	631.00	299.00	300.00
Elevator Inspection Fines	181.00	354.00	880.00	900.00
General Department Act Fines	85.00	.....	.....	.....
Miscellaneous Fines	1,002.00	420.00	405.00	500.00

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
FINES AND PENALTIES (Continued)				
Department of Military Affairs				
Boxing and Wrestling Fines	$ 588.00	.....	.....	.....
Court-Martial Fines	1,642.00	$ 1,247.82	$ 1,275.00	$ 600.00
Department of Public Instruction				
Motion Picture Law Fines	285.00	65.00	400.00	400.00
Professional Licensing Fines	1,928.00	2,887.85	3,515.00	3,049.00
Public Utility Commission				
Violation of Order Fines	2,060.00	6,377.51	8,069.00	6,000.00
Department of Revenue				
Dog Law Fines	20,190.00	14,450.00	18,474.00	20,000.00
Registered Container Fines	1,193.00	734.87	1,221.00	1,250.00
Sabbath Breaking Fines	692.00	68.00	99.00	100.00
Malt Liquor Fines and Penalties	720.00	310.00	895.00	1,000.00
Spirituous and Vinous Liquor Fines and Penalties	39,334.00	24,706.26	8,970.00	9,000.00
Boxing and Wrestling Fines	.....	190.00	1,079.00	800.00
Motor Law Fines	.....	837,618.32	769,245.00	800,000.00
Pennsylvania Motor Police				
Summary Court Fines	80.00	.....	.....	.....
Fire Prevention Fines	50.00	37.70	20.00	.....
Special Administrative Commissions				
Pennsylvania-New Jersey Joint Bridge Commission—Fines	1,596.00	1,145.00	1,150.00	1,200.00
TOTAL FINES AND PENALTIES	$ 133,343.00	$ 931,412.37	$ 855,070.00	$ 887,239.00
MISCELLANEOUS REVENUE				
Governor's Office				
Miscellaneous	.....	$ 4.00	.....	.....
Department of the Auditor General				
Allocation of Audit Costs	$ 239,283.00	249,196.10	$ 203,728.00	$ 215,000.00
Treasury Department				
Interest on Deposits	119,298.00	203,655.37	95,155.00	70,000.00
Penalty on Interest on Deposits	7.00	4.46	.....	.....
Allocation of Treasury Costs	226,532.00	265,574.45	119,928.00	135,000.00
Interest, Premium and Discount on Sale of Bonds and Tax Anticipation Notes	*163,504.00	857,358.12	2,285,827.00	.....
Miscellaneous	100.00	25,184.67	40.00	.....
Department of Agriculture				
Sale of Surplus Products	11,040.00	13,864.99	12,924.00	12,700.00
Recovered Damages—Dog Law	2,981.00	4,857.53	2,113.00	2,200.00
Reimbursement—Plant Pest Law	.....	555.70	29.00	50.00
Miscellaneous	95.00	506.83	61.00	.....
Department of Banking				
Miscellaneous	2,250.00	29,755.00	28,510.00	28,510.00
Department of Forests and Waters				
Miscellaneous	45.00	13.00	72.00	.....

* Indicates deduction.

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
MISCELLANEOUS REVENUE (Continued)				
Department of Health				
Borough Refunds	$ 4,442.00	$ 2,336.34	$ 705.00	$ 704.00
Vital Statistics Transcripts—Federal Government	15,476.00	16,415.01	17,975.00	20,000.00
Assessment of Cadavers	90.00	.....	.....	.....
Miscellaneous	58.00	2,877.67	146.00	146.00
Department of Highways				
Miscellaneous	.....	11.52	30.00	.....
Department of Labor and Industry				
Recovery on Workmen's Compensation Costs	.....	160.00	.....	.....
Miscellaneous	.....	6,598.63	2,632.00	1,300.00
Department of Military Affairs				
Sale of Surplus Products	808.00	.....	.....	.....
Recovery on Surety Bonds	1,056.00	925.02	.....	.....
Recovery on Workmen's Compensation Costs	2,280.00	.....	.....	.....
Rentals State Armories	89.00	.....	.....	.....
Sale of Military Stores	367.00	2,315.72	977.00	300.00
Boxing and Wrestling Forfeitures	580.00	.....	.....	.....
Miscellaneous	8,931.00	3,663.57	1,300.00	1,200.00
Department of Mines				
Miscellaneous	6.00	147.03	4.00	.....
Department of Property and Supplies				
Sale of Publications	13,753.00	13,408.47	14,027.00	13,800.00
Sale of Unserviceable Property	25,066.00	36,151.56	50,808.00	51,616.00
Sale of Documents and Waste Paper	4,888.00	6,705.47	6,767.00	.....
Rental of State Property	15,677.00	20,619.37	34.00	.....
Recovery on Insurance and Surety Bonds	131,483.00	3,963.86	7,654.00	7,706.00
Recovered Damages	561.00	130.20	416.00	200.00
Mileage of State Automobiles	122,304.00	154,677.99	94,880.00	94,958.00
Contract Forfeitures and Damages	7,685.00	1,579.87	1,681.00	1,000.00
Allocation of Property Costs	226,208.00	199,310.44	291,848.00	320,440.00
Sale of State Property	782.00	1,207.81	.....	.....
Miscellaneous	4,561.00	5,654.96	76,638.00	34,300.00
Department of Public Instruction				
Miscellaneous	269.00	214.55	165.00	.....
Public Utility Commission				
Miscellaneous	13.00	.....	2,791.00	.....
Department of Revenue				
Escheats	383,863.00	500,645.27	921,101.00	925,000.00
Federal Water Power Contributions	38.00	75.50	.....	.....
Reimbursements for Tax Liens	3.00	1.50	6,291.00	6,000.00
Interest on Deposits—Mercantile and Inheritance Tax Accounts	439.00	105.30	.....	.....
Penalty on Interest on Deposits	2,552.00	1,817.28	7,171.00	7,000.00
Water Obstruction Rents	1,876.00	3,777.57	3,382.00	3,400.00
Dredging Royalties	506.00	174.18	.....	.....
Boxing and Wrestling Forfeitures	.....	1,815.55	15.00	2,200.00
Miscellaneous	72.00	112.69	69.00	.....
Pennsylvania Motor Police				
Reimbursement for Lost Property	229.00	407.29	727.00	600.00
Miscellaneous	30.00	.....	95.00	.....

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
MISCELLANEOUS REVENUE (Continued)				
Delaware River Joint Commission				
Interest on Contributions	.....	.....	$ 1,621.00	.....
Reimbursements for Contributions	.....	.....	12,609.00	.....
Forfeiture of Bonds	$ 28,535.00	.....	.....	.....
Pennsylvania Liquor Control Board				
Forfeiture of Bonds	.....	$ 12,896.81	.....	.....
Miscellaneous				
Conscience Money	$ 45.00	$ 730.35	$ 1,072.00	$ 1,000.00
Surplus Funds—Departments, Boards and Commissions other than State Institutions	332.00	.....	28.00	.....
Refunds of Expenditures not credited to Appropriations	19,875.00	434,663.07	280,871.00	280,000.00
TOTAL MISCELLANEOUS REVENUE	$ 1,463,955.00	$ 3,086,887.65	$ 4,554,917.00	$ 2,236,330.00
INSTITUTIONAL REIMBURSEMENTS				
Schools for the Deaf	$ 21,947.00	$ 29,132.88	$ 32,402.00	$ 32,000.00
Schools for Vocational Education	486.00	384.26	384.00	385.00
Medical and Surgical Hospitals	871,201.00	789,962.73	781,953.00	834,183.00
Mental Hospitals	5,818,657.00	5,172,718.11	7,862,722.00	8,028,524.00
Institutions for Feeble Minded and Epileptics	569,227.00	528,454.94	583,150.00	737,966.00
Penal and Correctional Institutions	4,744,262.00	3,940,788.86	4,816,561.00	4,587,315.00
Soldiers' and Sailors' Home	685.00	41.21	48.00	.....
County and State-Aided Institutions	175,391.00	199,558.85	200,546.00	208,000.00
Federal Reimbursements (Soldiers and Sailors' Home)	53,725.00	60,450.09	64,894.00	64,894.00
Miscellaneous	60.00	.....	.....	.....
TOTAL INSTITUTIONAL REIMBURSEMENTS	$ 12,255,641.00	$ 10,721,491.93	$ 14,342,660.00	$ 14,493,267.00
LIQUOR STORE PROFITS (Transfer)	$ 24,000,000.00	$ 32,000,000.00	$ 32,000,000.00	$ 36,000,000.00
REVENUE TRANSFERS FROM SPECIAL FUNDS				
State Insurance Fund	1,000,000.00	.....	.....	.....
Soldiers' and Sailors' Memorial Bridge Fund	1,354.00	.....	.....	.....
TOTAL REVENUE TRANSFERS	$ 1,001,354.00	.....	.....	.....
TOTAL REVENUE EXCLUDING BORROWINGS FROM SPECIAL FUNDS	$ 342,282,767.00	$ 382,156,071.19	$ 388,519,000.00	$ 413,396,357.00
SPECIAL FUND BORROWINGS: (Transfers)				
Motor License Fund	$ 18,416,211.00	$ 17,500,000.00	$ 43,400,000.00	.....
State Stores Fund	7,000,000.00	.....	.....	.....
Liquid Fuels Tax Fund	5,500,000.00	2,950,000.00	11,000,000.00	.....
Liquor License Fund	1,500,000.00	4,000,000.00	7,250,000.00	.....
Fire Insurance Tax Fund	.....	1,500,000.00	2,300,000.00	.....
State School Fund	.....	.....	2,000,000.00	.....
Flood Control Fund	.....	800,000.00	.....	.....
Total Special Fund Borrowings	$ 32,116,211.00	$ 26,750,000.00	$ 65,950,000.00	.....
TOTAL REVENUE AVAILABLE FOR APPROPRIATION	$ 374,398,978.00	$ 408,906,071.19	$ 454,469,000.00	$ 413,396,357.00

GENERAL FUND REVENUES AND RECEIPTS—(Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
SPECIFIC RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES				
TRANSFERS FROM SPECIAL FUNDS				
Federal Government:				
Vocational Education Fund	$ 1,351,610.00	$ 1,914,873.58	$ 2,763,675.00	$ 2,674,403.00
Industrial Rehabilitation Fund	203,128.00	334,536.15	328,000.00	526,750.00
Bureau of Employment Fund	.....	609.35	.....	.....
Other				
Motor License Fund—Pennsylvania Motor Police	.....	7,150,000.00	8,070,000.00	8,070,000.00
Motor License Fund—Department of Commerce	.....	.....	400,000.00	400,000.00
TOTAL	$ 1,554,738.00	$ 9,400,019.08	$ 11,561,675.00	$ 11,671,153.00
OTHER				
Federal Government:				
National Forest Revenue Allotment	$ 7,615.00	$ 6,628.68	$ 2,832.00	.....
Nautical School	50,000.00	50,000.00	50,000.00	50,000.00
Pennsylvania State College	179,261.00	336,307.35	375,568.00	375,568.00
Mothers' Assistance	1,312,172.00	5,277,806.92		
Old Age Assistance	7,292,372.00	23,014,383.90	36,885,002.00	43,051,000.00
Blind Pensions	2,121,110.00	1,051,593.75		
Administration—Old Age, Blind Pensions, and Mothers' Assistance	640,146.00	1,748,970.77	2,158,615.00	3,431,000.00
Allotment for Forest Protection	88,963.00	94,136.34	90,000.00	90,000.00
Aid to Forest Nurseries	3,580.00	4,594.00	5,353.00	5,200.00
Construction of Public Works	24,715.00	302,500.00	242,000.00	.....
Bureau of Employment	.....	493,941.92	486,430.00	526,000.00
Jr. Employment Service Allocation	.....	23,008.24	38,667.00	.....
State Teachers' Colleges	4,196,868.00	4,396,024.79	4,728,785.00	4,634,126.00
Miscellaneous:				
Restitutions and Overpayments—Public Assistance	156,539.00	729,231.20		
Restitutions and Overpayments—Public Assistance Federal Share	.....	181,629.88	2,016,492.00	2,640,000.00
Sale of Land—Mt. Gretna	.....	47,584.50	10,645.00	.....
Annuity for Right of Way	20,000.00	20,000.00	20,000.00	20,000.00
Rentals of State Armories	29,204.00	37,081.26	56,118.00	31,100.00
Contributions for Relief	11.00	.....	.....	.....
Rehabilitation Gifts—Labor and Industry	15,815.00	5,156.37	2,583.00	2,600.00
Examination Fees—Insurance Department	31,920.00	45,450.29	10,721.00	11,000.00
Pennsylvania State Police Training School Fees	5,635.00	2,755.00	1,789.00	1,200.00
Construction of Green House—Mt. Alto	2,000.00	.....	.....	.....
Contribution for Restoration of John Morton Birthplace	.....	1,000.00	.....	.....
Purchase and Erection of Armories	.....	4,200.00	11,000.00	.....
Tubercular Rehabilitation Costs	.....	.....	2,815.00	3,000.00
Reimbursements for Return of Parole Violators	.....	.....	1,585.00	.....
State World's Fair Exhibit	.....	.....	62,818.00	.....
TOTAL SPECIFIC RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES	$ 17,732,664.00	$ 47,274,004.24	$ 58,821,493.00	$ 66,542,947.00
SHORT TERM BORROWINGS FOR CASH AGAINST CURRENT REVENUES				
TAX ANTICIPATION NOTES:				
Series AT—Principal	$ 50,000,000.00	.....	.....	.....
Series BT—Principal	45,000,000.00	.....	.....	.....
Series CT—Principal	.....	$ 60,000,000.00	.....	.....
Series DT—Principal	.....	60,000,000.00	.....	.....
Series ET—Principal	.....	.....	$ 100,000,000.00	.....
Series FT—Principal	.....	.....	30,000,000.00	.....
Series GT—Principal	.....	.....	25,000,000.00	.....
TOTAL SHORT TERM BORROWINGS	$ 95,000,000.00	$ 120,000,000.00	$ 155,000,000.00	

SECTION TWO

MOTOR LICENSE FUND

SHOWING SUMMARY OF THE MOTOR LICENSE FUND BUDGET; APPROPRIATIONS RECOMMENDED BY THE GOVERNOR; AND REVENUES AND RECEIPTS TO THE MOTOR LICENSE FUND.

SUMMARY STATEMENT OF CASH AND LIABILITIES
MOTOR LICENSE FUND

1939-1941 BIENNIUM			
CASH:			
Cash Balance, June 1, 1939			$ 8,212,842.90
Return of Loans made to General Fund prior to June 1, 1939			17,500,000.00
Revenue including Federal Aid for 1939-1941			169,600,000.00
TOTAL AVAILABLE CASH, 1939-1941			$ 195,312,842.90
APPROPRIATIONS:			
In specific amounts to departments other than Highways		$ 12,952,014.55	
Liabilities, June 1, 1939, on account of specific appropriations to departments other than Highways		3,175,999.19	
In specific amounts to Department of Highways	$ 8,507,000.00		
Less: Amount carried over to 1941-1943	2,125,000.00	6,382,000.00	
Liabilities, June 1, 1939, on account of specific appropriations to Department of Highways		3,781,028.61	
Continuing, to Department of Highways		140,000,000.00	
Continuing, to Department of Highways for 1937-1939 Commitments		11,000,000.00	
Continuing, to Department of Revenue		5,304,000.00	
Continuing, to Department of Revenue for 1937-1939 Commitments		282,331.21	
Continuing, to Treasury Department, Board of Finance and Revenue		145,000.00	
Continuing, to Pennsylvania Motor Police		8,070,000.00	
Continuing, to Pennsylvania Motor Police for 1937-1939 Commitments		920,000.00	
		$ 192,012,373.56	
Liabilities estimated to lapse deducted		1,510,000.00	$ 190,502,373.56
1941-1943 BIENNIUM			
CASH:			
Estimated Unobligated Cash Balance, June 1, 1941			$ 4,810,469.34
Revenue, including Federal Aid, estimated for 1941-1943			176,660,512.00
TOTAL AVAILABLE CASH, 1941-1943			**$ 181,470,981.34**
APPROPRIATIONS RECOMMENDED:			
In Specific Amounts to Departments other than Highways		$ 12,291,799.55	
In Specific Amounts to Department of Highways		8,500,000.00	
Continuing, to Department of Highways		147,250,000.00	
Continuing, to Pennsylvania Motor Police		8,070,000.00	
Continuing, to Department of Revenue		5,207,000.00	
Continuing, to Treasury Department, Board of Finance and Revenue		145,000.00	
TOTAL APPROPRIATIONS IN SPECIFIC AND CONTINUING AMOUNTS RECOMMENDED FOR THE BIENNIUM 1941-1943			**$ 181,463,799.55**

NOTE: The sum of $43,400,000 representing money borrowed from the Motor License Fund for the General Fund ($37,000,000 borrowed by the Special Session of 1940 and $6,400,000 recommended to be borrowed by the present regular Session) will be repaid immediately after June 1, 1941. Meanwhile it has been budgeted by the Department of Highways and programs calling for its expenditure during the 1941 Construction season are in course of preparation. This borrowing has not interfered with the routine financing of Department of Highways operations.

MOTOR LICENSE FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
APPROPRIATIONS IN SPECIFIC AMOUNTS					
TREASURY DEPARTMENT					
Board of Finance and Revenue					
Interest and Sinking Fund Requirements—Road Bonds	$ 13,210,219.55	$ 12,722,719.55	$ 12,392,892.88	$ 11,570,914.55	$ 11,218,699.55
Loan and Transfer Agent	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Replacement Checks	.....	3,000.00	.....	.....	
Expenses—Refunding Series "D" Bonds	.....	25,000.00	.....	.....	
State Employes' Retirement Board*					
State Annuity Reserve Account No. 2	.....	.....	322,800.00	.....	
Contingent Reserve Account	.....	.....	161,400.00	.....	
Pennsylvania Motor police—Retirement	.....	.....	50,000.00	.....	
Total Treasury Department	$ 13,240,219.55	$ 12,780,719.55	$ 12,957,092.88	$ 11,600,914.55	$ 11,248,699.55
DEPARTMENT OF PROPERTY AND SUPPLIES					
Aircraft Landing Fields	$ 50,000.00	.....	.....	.....	
Highway Purchasing Expenses	60,000.00	$ 60,000.00	$ 63,500.00	$ 63,500.00	$ 63,500.00
ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS					
Commission to Study Highways	$ 10,000.00	.....	.....	.....	
Commission to Acquire Bridge at Lackawaxen	.....	.....	$ 15,000.00	.....	
Delaware Joint Bridge Commission — Dingman's Ferry	.....	.....	50,000.00	.....	
World's Fair Commission	.....	.....	.....	$ 312,500.00	
DEPARTMENT OF HIGHWAYS					
Commissary Supplies	$ 500.48	.....	.....	.....	
Cities of First Class	1,000,000.00	$ 1,000,000.00	.....	.....	
Townships of Second Class	11,352,000.00	9,000,000.00	$ 8,550,000.00	$ 8,500,000.00	$ 8,500,000.00
Fire Damages	.....	1,908.75	.....	.....	
Insurance Payment—Carrier Insolvent	1,000.00	1,500.00	.....	.....	
State Publicity Commission	.....	.....	500,000.00	.....	
Judgments—Liability Insurance	.....	.....	.....	7,000.00	
Total Department of Highways	$ 12,353,500.48	$ 10,003,408.75	$ 9,050,000.00	$ 8,507,000.00	$ 8,500,000.00
DEPARTMENT OF COMMERCE					
Transfer to General Fund Appropriation	.....	.....	.....	$ 400,000.00	$ 400,000.00

MOTOR LICENSE FUND APPROPRIATIONS (Continued)

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
DEPARTMENT OF STATE					
State Employes' Retirement Board*					
State Annuity Reserve Account No. 2	$ 267,750.00	$ 197,600.00	.....	$ 204,400.00	$ 204,300.00
Contingent Reserve Account	165,750.00	108,680.00	.....	270,700.00	275,300.00
Motor Police Retirement System	.....	.....	.....	100,000.00	100,000.00
TOTAL APPROPRIATIONS IN SPECIFIC AMOUNTS	$ 26,147,220.03	$ 23,150,408.30	$ 22,135,592.88	$ 21,459,014.55	$ 20,791,799.55
CONTINUING APPROPRIATIONS (ACT OF 1929, P. L. 1046)					
TREASURY DEPARTMENT					
Board of Finance and Revenue					
Refunding Motor Licenses and Fees	$ 52,911.56	$ 64,869.12	$ 77,174.70	$ 75,000.00	$ 75,000.00
Refunding Highway Maintenance and Construction Contributions	3,471.67	2,140.86	2,070.67	5,000.00	5,000.00
Refunding Liquid Fuels Tax (State's Share)	78,981.97	37,556.03	10,441.64	65,000.00	65,000.00
Total Treasury Department	$ 135,365.20	$ 104,566.01	$ 89,687.01	$ 145,000.00	$ 145,000.00
PENNSYLVANIA MOTOR POLICE					
Transfer to General Fund Appropriation	A	A	$ 7,150,000.00	$ 8,070,000.00	$ 8,070,000.00
DEPARTMENT OF REVENUE					
Collecting Motor License Fees and Fines and Liquid Fuels Tax; Operating State Highway Patrol	$ 6,285,496.23	$ 7,911,422.54	$ 5,831,425.86		
Accident Prevention Campaign	.....	.....	136,845.83	$ 5,032,000.00	$ 5,032,000.00
Special Safety Campaign	.....	188,535.58	370,291.11		
Division of Aeronautics	.....	.....	365,749.65	180,000.00	175,000.00
Purchasing and Conditioning Airfields	.....	204,606.08	938,765.10	92,000.00	
Total Department of Revenue	$ 6,285,496.23	$ 8,304,564.20	$ 7,643,077.55	$ 5,304,000.00	$ 5,207,000.00
DEPARTMENT OF HIGHWAYS					
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses	$ 100,569,635.79	$ 83,658,138.75	$ 143,302,078.49	$ 140,000,000.00	$ 147,250,000.00
TOTAL CONTINUING APPROPRIATIONS	$ 106,990,497.22	$ 92,067,268.96	$ 158,184,843.05	$ 153,519,000.00	$ 160,672,000.00
TOTAL—MOTOR LICENSE FUND APPROPRIATIONS	$ 133,137,717.25	$ 115,217,677.26	$ 180,320,435.93	$ 174,978,014.55	$ 181,463,799.55

* The State Retirement Board was part of the Treasury Department in 1937-1939.

A—See General Fund appropriations to Pennsylvania Motor Police and Motor License Fund appropriations for operating State Highway Patrol.

MOTOR LICENSE FUND REVENUES AND RECEIPTS

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
TAXES, PENALTIES AND INTEREST				
LIQUID FUELS TAX, PENALTIES AND INTEREST				
Liquid Fuels Tax	$ 63,106,218.00	$ 69,900,909.59	$ 74,630,630.00	$ 79,170,000.00
Liquid Fuels Tax Penalties	15,225.00	2,158.42	2,471.00	2,500.00
Liquid Fuels Tax Interest	12,216.00	9,317.24	8,217.00	7,000.00
TOTAL LIQUID FUELS TAX, PENALTIES AND INTEREST	$ 63,133,659.00	$ 69,912,385.25	$ 74,641,318.00	$ 79,179,500.00
GROSS RECEIPTS TAX, PENALTIES AND INTEREST				
Gross Receipts Tax	$ 11,474.00	$ 21,541.93	$ 12,317.00	$ 12,000.00
Gross Receipts Tax Penalties	424.00	563.84	214.00	250.00
Gross Receipts Tax Interest	54.00	74.93	4.00	.....
TOTAL GROSS RECEIPTS TAX, PENALTIES AND INTEREST	$ 11,952.00	$ 22,180.70	$ 12,535.00	$ 12,250.00
TOTAL TAXES, PENALTIES AND INTEREST	$ 63,145,611.00	$ 69,934,565.95	$ 74,653,853.00	$ 79,191,750.00
MOTOR LICENSES AND FEES				
Passenger Motor Vehicle Licenses	$ 35,216,465.00	$ 38,066,409.39	$ 41,882,422.00	$ 43,467,983.00
Commercial Motor Vehicle and Truck Tractor Licenses	16,760,512.00	17,400,423.47	19,118,699.00	19,863,550.00
Motor Bus and Omnibus Licenses	1,175,598.00	1,106,040.35	1,187,751.00	1,218,000.00
Tractor Licenses	43,850.00	55,909.00	70,422.00	71,050.00
Trailer and Semi-Trailer Licenses	695,616.00	827,976.93	1,121,972.00	1,167,250.00
Motorcycle and Motor Bicycle Licenses	57,955.00	63,447.25	60,448.00	60,900.00
Manufacturers', Jobbers', and Dealers' Licenses	730,060.00	757,826.50	839,748.00	883,050.00
Operators' Licenses	10,685,721.00	6,394,630.50	6,799,879.00	6,902,000.00
Certificates of Title Fees	3,926,183.00	3,702,404.75	4,289,289.00	4,394,950.00
Transferring Registration Fees	2,330,487.00	2,106,653.38	2,453,881.00	2,507,050.00
Duplicate Registration Card Fees	24,968.00	26,050.66	25,899.00	27,000.00
Certified Copies of Records Fees	2,097.00	2,015.00	1,786.00	1,827.00
Testing Fees	7,525.00	11,452.00	10,051.00	11,165.00
Uncollectible Check Fees	25,622.00	25,239.30	23,020.00	26,390.00
Returned Checks Collected	116,445.00	132,374.59	110,568.00	140,070.00
Miscellaneous Licenses and Fees	8,929.00	22,855.56	22,358.00	24,360.00
Deduct Returned Checks	*126,460.00	*140,101.67	*123,041.00	*124,845.00
TOTAL MOTOR LICENSES AND FEES	$ 71,681,573.00	$ 70,561,606.96	$ 77,895,152.00	$ 80,641,750.00
FINES AND PENALTIES				
Aeronautics Fines	$ 150.00	$ 625.00	$ 350.00	$ 400.00
Liquid Fuels Tax Fines	796.00	325.00	400.00	500.00
Motor Law Fines	955,148.00	48,866.35	.....	.....
Miscellaneous Fines	75.00	85.00	.....	.....
TOTAL FINES AND PENALTIES	$ 956,169.00	$ 49,901.35	$ 750.00	$ 900.00
MISCELLANEOUS REVENUE				
Interest on Deposits on Motor License Fund	$ 178,736.00	$ 398,019.15	$ 126,875.00	$ 100,000.00
Interest on Deposits on Liquid Fuels Tax Fund	27,689.00	21,852.39	3,329.00	.....
Interest on Overdue Accounts	1,306.00	4,486.54	8,635.00	8,000.00
Highway Encroachment Permits	177,372.00	260,797.97	258,771.00	260,000.00
Highway Bridges Income	40,013.00	39,562.62	42,211.00	44,000.00
Rentals of State Equipment	8,552.00	10,997.71	28,225.00	28,000.00
Rentals of State Property	.....	2,035.50	6,308.00	5,080.00
Sale of Maps and Plans	19,217.00	20,503.35	18,984.00	19,000.00
Contract Deposit Forfeitures and Recovery on Surety Bonds	6,083.00	899.32	39.00	38.00

* Indicates deduction.

MOTOR LICENSE FUND REVENUES AND RECEIPTS (Continued)

Sources	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
MISCELLANEOUS REVENUE (Continued)				
Certified Copies	182.00	205.30	202.00	200.00
Sale of Unserviceable Property	27,998.00	47,769.44	33,342.00	36,684.00
Sale of Registration Lists	35,126.00	39,284.81	30,300.00	25,000.00
Refund of Expenditures not Credited to Appropriations	18.00	10,241.52	4,426.00	4,000.00
Miscellaneous Revenue	10,526.00	34,804.57	38,016.00	30,110.00
Sale of Inspection Stickers	272,211.00	429,214.23	458,936.00	460,000.00
Sale of Real Estate	.....	1,200.00	1,460.00	.....
TOTAL MISCELLANEOUS REVENUE	$ 805,029.00	$ 1,321,874.42	$ 1,060,059.00	$ 1,020,112.00
CONSTRUCTION AND MAINTENANCE CONTRIBUTIONS				
Federal Aid Buildings (P. W. A.)	$ 137,645.00	$ 1,007,465.89	$ 1,187,908.00	.....
Federal Aid (Regular)	4,608,932.00	11,923,807.63	13,758,269.00	$ 14,800,000.00
Highway Construction Contributions	469,254.00	927,835.92	1,037,795.00	1,000,000.00
Highway Maintenance Contributions	5,004.00	14,250.28	6,308.00	6,000.00
TOTAL CONSTRUCTION AND MAINTENANCE CONTRIBUTIONS	$ 5,220,835.00	$ 13,873,359.72	$ 15,990,280.00	$ 15,806,000.00
TOTAL REVENUES	$ 141,809,217.00	$ 155,741,308.40	$ 169,600,094.00	$ 176,660,512.00
REVENUE TRANSFERS FROM OTHER FUNDS				
General Fund (Repayment of Loan)	$ 5,140,000.00	$ 19,216,211.00	$ 17,500,000.00	$ 43,400,000.00

DEPARTMENT OF HIGHWAYS

MOTOR LICENSE FUND

Department of Highways Functional Expenditures for 1935-1939 Compared With Estimates for 1939-1943

Expended for	Actual 1935-1937	Actual 1937-1939	Available 1939-1941	Available 1941-1943
CONSTRUCTION AND RECONSTRUCTION				
State Highways	$ 14,144,684.74	$ 24,182,600.52	$ 41,790,708.00	$ 37,641,066.00
Rural Highways	3,353,043.74	15,190,910.90	21,478,448.00	20,612,434.00
State Highways in Cities	203,610.78	1,092,016.49	4,085,154.00	2,428,998.00
Roads in Boroughs	1,519,010.94	3,884,655.41	7,606,287.00	6,651,502.00
Township Roads	983,777.32	1,917,333.58	.....	.....
Total Construction	$ 20,204,127.52	$ 46,267,516.90	$ 74,960,597.00	$ 67,334,000.00
RESURFACING	$ 2,577,487.73	$ 5,184,650.51	$ 2,620,037.00	$ 2,800,000.00
MAINTENANCE				
State Highways	$ 19,234,519.69	$ 20,718,853.04	$ 15,469,803.00	$ 16,500,000.00
Rural Highways	18,281,974.07	20,737,173.65	16,269,068.00	17,600,000.00
State Highways in Cities	628,675.88	1,354,361.19	1,208,570.00	1,355,000.00
Roads in Boroughs	2,006,856.26	2,346,655.94	1,822,009.00	2,055,000.00
Township Roads	8,735,863.96	9,029,564.90	10,156,040.00	8,500,000.00
Total Maintenance	$ 48,887,889.86	$ 54,186,608.72	$ 44,925,490.00	$ 46,010,000.00
SPECIAL WORK	$ 4,279,189.28	$ 2,244,342.48	$ 2,529,914.00	$ 2,506,000.00
ADMINISTRATION AND MISCELLANEOUS	12,843,087.03	17,226,033.40	13,861,665.00	15,500,000.00
RIGHT-OF-WAY	567,466.09	1,593,390.84	3,432,000.00	4,000,000.00
W. P. A. SPONSORSHIP	3,656,556.57	14,605,268.17	17,362,977.00	16,000,000.00
PLANT AND EQUIPMENT MAINTENANCE AND STORES	* 1,131,449.84	* 1,918,493.85	* 1,970,745.00	* 1,400,000.00
PLANT AND EQUIPMENT ACQUIRED	2,649,453.43	4,626,383.33	3,141,094.00	3,000,000.00
TOTAL EXPENDITURES	$ 94,533,807.67	$ 144,015,700.50	$ 160,863,029.00	$ 155,750,000.00

* Indicates deduction. The total maintenance and operation costs of plant, equipment, and stores are distributed to and included in the various functions for which the equipment and stores are used.

NOTE: The sum of $43,400,000 representing money borrowed from the Motor License Fund for the General Fund ($37,000,000 borrowed by the Special Session of 1940 and $6,400,000 recommended to be borrowed by the present regular Session) will be repaid immediately after June 1, 1941. Meanwhile it has been budgeted by the Department of Highways and programs calling for its expenditure during the 1941 construction season are in course of preparation. This borrowing has not interfered with the routine financing of Department of Highways operations.

SECTION THREE

OTHER SPECIAL FUNDS

SHOWING REVENUES, RECEIPTS, BALANCES, AND APPROPRIATIONS RECOMMENDED BY THE GOVERNOR FROM (1) THE OPERATING SPECIAL FUNDS; (2) THE CUSTODIAL SPECIAL FUNDS; AND (3) THE STATE STORES FUND.

FISH FUND

	Actual		Actual and Estimated	Estimated
	1935-1937	1937-1939	1939-1941	1941-1943
CASH BALANCE JUNE 1	$ 407,407.77	$ 461,072.72	$ 882,591.50	$ 353,365.00
RECEIPTS				
Licenses and Fees				
Resident Fishing Licenses	$ 838,526.55	$ 1,313,439.42	$ 1,143,803.00	$ 1,145,000.00
Non-Resident Fishing Licenses	27,966.75	33,263.45	31,565.00	32,000.00
Special Eel Licenses	356.00	308.00	329.00	350.00
Motor Boat Licenses	8,270.50	22,011.25	24,716.00	24,500.00
Tourists Fishing Licenses	2,591 60	8,051.05	7,278.00	7,000.00
Lake Erie Licenses	6,340.00	4,689.00	5,632.00	7,000.00
Commercial Hatchery Licenses	1,765.00	1,910.00	1,925.00	1,940.00
Seine Licenses	20.00	20.00	20.00	20.00
Fee Deductions	.....	*44,984.02	*52,482.00	*52,500.00
Total Licenses and Fees	$ 885,836.40	$ 1,338,708.15	$ 1,162,786.00	$ 1,165,310.00
Fines and Penalties				
Fish Law Fines	$ 22,734.18	$ 25,537.38	$ 25,933.00	$ 26,100.00
Motor Boat Fines	35.00	335.00	510.00	600.00
Total Fines and Penalties	$ 22,769.18	$ 25,872.38	$ 26,443.00	$ 26,700.00
Miscellaneous Revenue				
Interest on Deposits	$ 6,433.09	$ 5,733.30	$ 6,580.00	$ 3,000.00
Sale of Publications	5,685.33	7,464.78	7,523.00	7,400.00
Sale of Unserviceable Property	213.28	372.28	751.00	752.00
Contributions for Restocking Streams	17,900.00	18,450.00	20,375.00	21,000.00
Miscellaneous Revenue	30.18	846.13	330.00	.....
Total Miscellaneous Revenue	$ 30,261.88	$ 32,866.49	$ 35,559.00	$ 32,152.00
TOTAL RECEIPTS	$ 938,867.46	$ 1,397,447.02	$ 1,224,788.00	$ 1,224,162.00
TOTAL AVAILABLE FUNDS	$ 1,346,275.23	$ 1,858,519.74	$ 2,107,379.50	$ 1,577,527.00
EXPENDITURES				
Continuing Appropriations				
Board of Fish Commissioners				
Salaries and General Expenses	$ 857,587.93	$ 934,788.49	$ 1,705,976.00	**$ 1,500,000.00**
Department of Revenue				
Collecting Fishing Licenses, Fees and Fines	18,624.58	33,489.75	42,878.00	**40,000.00**
Specific Appropriations				
State Employes' Retirement Board				
State Annuity Reserve Account No. 2	5,800.00	5,100.00	2,170.00	**2,100.00**
Contingent Reserve Account	3,190.00	2,550.00	2,900.00	**2,900.00**
Treasury Department				
Replacement Checks	.....	.....	90.60	.....
TOTAL EXPENDITURES	$ 885,202.51	$ 975,928.24	$ 1,754,014.60	**$ 1,545,000.00**
CASH BALANCE MAY 31	$ 461,072.72	$ 882,591.50	$ 353,364.90	$ 32,527.00

* Indicates deduction.

GAME FUND

	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
CASH BALANCE JUNE 1	$ 967,407.35	$ 1,108,655.01	$ 1,088,829.41	$ 574,234.00
RECEIPTS				
Licenses and Fees				
Resident Hunting Licenses	$ 2,279,476.25	$ 2,503,670.36	$ 2,407,776.00	$ 2,200,000.00
Non-Resident Hunting Licenses	236,265.27	238,025.63	240,060.00	210,000.00
Commission Deductions	*117,970.20	*128,188.20	*123,907.00	*113,500.00
Special Game Licenses	22,906.00	29,032.00	27,319.00	29,000.00
Special Deer Licenses	.....	106,378.10	.....	.....
Total Licenses and Fees	$ 2,420,677.32	$ 2,748,917.89	$ 2,551,248.00	$ 2,325,500.00
Fines and Penalties				
Game Law Fines	$ 119,574.31	$ 151,795.23	$ 127,137.00	$ 135,000.00
Miscellaneous Revenue				
Interest on Deposits	$ 19,265.79	$ 15,573.48	$ 12,585.00	$ 15,000.00
Sale of Publications	13,466.23	23,404.66	20,141.00	20,500.00
Sale of Unserviceable Property	719.00	575.31	1,023.00	1,046.00
Sale of Skins and Guns	9,700.38	19,516.69	17,225.00	13,000.00
Sale of Non Usable Property	669.50	1,153.00	897.00	800.00
Rental of State Property	350.00	860.60	1,041.00	1,600.00
Contributions by Federal Government	.....	916.67	111,908.00	180,000.00
Miscellaneous Revenue	1,355.22	1,741.27	3,755.00	18,000.00
Total Miscellaneous Revenue	$ 45,526.12	$ 63,741.68	$ 168,575.00	$ 249,946.00
TOTAL RECEIPTS	$ 2,585,777.75	$ 2,964,454.80	$ 2,846,960.00	$ 2,710,446.00
TOTAL AVAILABLE FUNDS	$ 3,553,185.10	$ 4,073,109.81	$ 3,935,789.41	$ 3,284,680.00
EXPENDITURES				
Continuing Appropriations:				
Board of Game Commissioners:				
Salaries and General Expenses	$ 2,379,604.20	$ 2,899,328.84	$ 3,241,695.00	**$ 2,626,300.00**
Department of Revenue:				
Collecting Hunting Licenses, Fees and Fines	44,620.89	59,451.56	100,560.69	**65,000.00**
Specific Appropriations:				
State Employes' Retirement Board				
State Annuity Reserve Account No. 2	13,100.00	17,000.00	8,200.00	**8,200.00**
Contingent Reserve Account	7,205.00	8,500.00	10,900.00	**10,900.00**
Treasury Department				
Replacement Checks	.....	.....	200.00	.....
TOTAL EXPENDITURES	$ 2,444,530.09	$ 2,984,280.40	$ 3,361,555.69	**$ 2,710,400.00**
CASH BALANCE MAY 31	$ 1,108,655.01	$ 1,088,829.41	$ 574,233.72	$ 574,280.00

* Indicates Deduction.

BANKING DEPARTMENT FUND

	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
CASH BALANCE JUNE 1	$ 40,900.90	$ 39,820.27	$ 137,982.71	$ 53,379.00
RECEIPTS				
Licenses and Fees				
Examination Fees	$ 835,099.75	$ 876,347.71	$ 828,289.00	$ 772,000.00
Overhead Assessment Fees	510,551.74	489,031.42	444,869.00	414,000.00
Money Lenders' Licenses	32,300.00	109,050.00	113,000.00	112,400.00
Liquidation Fees	15,416.38	41,869.36	20,491.00	19,200.00
Miscellaneous Fees	4,030.47	2,116.68	237.00	170.00
Pawnbrokers' Licenses	.....	1,800.00	1,400.00	1,200.00
Consumer Discount Company Licenses	.....	3,800.00	9,200.00	9,000.00
Total Licenses and Fees	$ 1,397,398.34	$ 1,524,015.17	$ 1,417,486.00	$ 1,327,970.00
Miscellaneous Revenue				
Interest on Deposits	$ 2,145.72	$ 474.49	.....	.....
Sale of Publications	.....	119.75	$ 64.00	$ 64.00
Miscellaneous	.....	155.06	9.00	.....
Total Miscellaneous Revenue	$ 2,145.72	$ 749.30	$ 73.00	$ 64.00
TOTAL RECEIPTS	$ 1,399,544.06	$ 1,524,764.47	$ 1,417,559.00	$ 1,328,034.00
TOTAL AVAILABLE FUNDS	$ 1,440,444.96	$ 1,564,584.74	$ 1,555,541.71	$ 1,381,413.00
EXPENDITURES				
Continuing Appropriations:				
Department of Banking				
Salaries and General Expenses—Examination of Bank and Building and Loan Associations	$ 1,366,524.69	$ 1,385,652.03	$ 1,474,112.86	**$ 1,326,000.00**
Specific Appropriations:				
State Employes' Retirement Board				
State Annuity Reserve Account No. 2	22,000.00	27,300.00	12,050.00	**11,950.00**
Contingent Reserve Account	12,100.00	13,650.00	16,000.00	**16,100.00**
TOTAL EXPENDITURES	$ 1,400,624.69	$ 1,426,602.03	$ 1,502,162.86	**$ 1,354,050.00**
CASH BALANCE MAY 31	$ 39,820.27	$ 137,982.71	$ 53,378.85	$ 27,363.00

MILK CONTROL FUND

	Actual 1935-1937	Actual 1937-1939	Actual and Estimated 1939-1941	Estimated 1941-1943
CASH BALANCE JUNE 1	$ 7,875.32	$ 8,814.41	$ 102,287.95	$ 42,628.00
RECEIPTS				
Licenses and Fees	$ 194,931.47	$ 303,379.95	$ 223,310.00	$ 214,050.00
Fines and Penalties	4,670.00	4,610.00	4,785.00	5,400.00
Underpayments to Dairy Farmers	14,823.33	25,950.38	32,000.00	.....
Miscellaneous Revenue	974.95	684.92	479.00	500.00
TOTAL RECEIPTS	$ 215,399.75	$ 334,625.25	$ 260,574.00	$ 219,950.00
TOTAL AVAILABLE FUNDS	$ 223,275.07	$ 343,439.66	$ 362,861.95	$ 262,578.00
EXPENDITURES				
Administration				
Milk Control Board—Salaries and Expenses	$ 200,160.83	$ 217,313.21	$ 281,374.72	**$ 261,578.00**
Underpayments to Dairy Farmers	13,823.33	22,091.69	36,858.69	.....
Treasury Department—Refunds	476.50	1,746.81	2,000.00	**1,000.00**
TOTAL EXPENDITURES	$ 214,460.66	$ 241,151.71	$ 320,233.41	**$ 262,578.00**
CASH BALANCE MAY 31	$ 8,814.41	$ 102,287.95	$ 42,628.54	.....

STATE FARM PRODUCTS SHOW FUND

	Actual		Actual and Estimated	Estimated
	1935-1937	1937-1939	1939-1941	1941-1943
CASH BALANCE JUNE 1	$ 13,624.60	$ 10,556.90	$ 32,743.50	$ 30,235.00
RECEIPTS				
Fees				
Exhibit Fees—Competitive	$ 8,657.87	$ 9,337.50	$ 10,598.00	$ 10,000.00
Exhibit Fees—Commercial	88,071.28	99,731.28	112,310.00	112,300.00
Exhibit Fees—State Agencies	4,728.60	12,645.40	11,932.00	11,600.00
Total Fees	$ 101,457.75	$ 121,714.18	$ 134,840.00	$ 133,900.00
Miscellaneous Revenue				
Interest on Deposits	$ 171.28	$ 47.74	.....	.....
Concession Revenue	11,336.90	30,206.45	$ 32,908.00	$ 33,000.00
Service Charges	5,359.74	4,861.25	5,313.00	5,100.00
Rentals	8,873.50	6,037.00	7,958.00	9,300.00
Sale of Exhibits—Net Proceeds	224.06	87.07	95.00	100.00
Sale of Exhibits—Commission	1,042.59	1,047.18	657.00	1,000.00
Sale of Publications	232.35	231.75	227.00	200.00
Miscellaneous Revenue	711.27	1,056.59	902.00	800.00
Total Miscellaneous Revenue	$ 27,951.69	$ 43,575.03	$ 48,060.00	$ 49,500.00
TOTAL RECEIPTS	$ 129,409.44	$ 165,289.21	$ 182,900.00	$ 183,400.00
TOTAL AVAILABLE FUNDS	$ 143,034.04	$ 175,846.11	$ 215,643.50	$ 213,635.00
EXPENDITURES				
Department of Agriculture				
Salaries, Expenses and Premiums of the State Farm Show	$ 132,477.14	$ 143,102.61	$ 185,385.87	**$ 173,000.00**
Treasury Department				
Replacement Checks	.....	.....	22.75	.....
TOTAL EXPENDITURES	$ 132,477.14	$ 143,102.61	$ 185,408.62	**$ 173,000.00**
CASH BALANCE MAY 31	$ 10,556.90	$ 32,743.50	$ 30,234.88	$ 40,635.00

FLOOD CONTROL FUND

	Actual		Actual and Estimated	Estimated
	1935-1937	1937-1939	1939-1941	1941-1943
CASH BALANCE JUNE 1	.....	$ 146,051.70	$ 307,321.02	$ 507,321.00
RECEIPTS				
Appropriations from Commonwealth of Pennsylvania	$ 150.000.00	$ 2,000,000.00	.....	.....
Miscellaneous	.....	3,146.19	$ 100,000.00	.....
Repayment of Loan by General Fund	.....	.....	800,000.00	.....
Total Receipts	$ 150,000.00	$ 2,003,146.19	$ 900,000.00	.....
TOTAL AVAILABLE FUNDS	$ 150,000.00	$ 2,149,197.89	$ 1,207,321.02	$ 507,321.00
EXPENDITURES				
Department of Forests and Waters—Flood Control Work	$ 3,948.30	$ 1,041,876.87	$ 700,000.00	**$ 507,321.00**
Loaned to General Fund	.....	800,000.00	.....	.....
TOTAL EXPENDITURES	$ 3,948.30	$ 1,841,876.87	$ 700,000.00	.....
CASH BALANCE MAY 31	$ 146,051.70	$ 307,321.02	$ 507,321.02	.....

STATE FORESTS AND WATERS FUND

	Actual		Actual and Estimated 1939-1941	Estimated 1941-1943
	1935-1937	1937-1939		
CASH BALANCE JUNE 1	.....	$ 104,924.71	$ 58,307.89	$ 20,778.00
RECEIPTS				
Licenses and Fees				
Water Power and Supply Power Permits	$ 24,224.95	$ 24,233.70	$ 24,406.00	$ 24,000.00
Dams and Encroachment Fees	14,091.17	8,305.83	14,164.00	9,000.00
Navigation Commission Filing Fees	.....	166.50	94.00	150.00
Miscellaneous Fees	.....	103.50	.....	.....
Total Licenses and Fees	$ 38,316.12	$ 32,809.53	$ 38,664.00	$ 33,150.00
Miscellaneous Revenue				
Interest on Deposits	$ 364.83	$ 294.94	.....	.....
Wood Products	3,118.62	4,113.17	$ 3,614.00	$ 4,000.00
Stumpage	17,482.72	21,114.53	21,072.00	24,000.00
Minerals	10,372.83	13,762.43	15,622.00	15,000.00
Camp Leases	64,355.85	69,692.27	69,414.00	70,000.00
Water Leases	697.69	514.20	1,419.00	1,200.00
Rights of Way	8,203.86	7,947.46	8,114.00	9,000.00
Housing Rents	13,650.71	25,566.34	40,969.00	34,000.00
Ground Rents	4,554.55	9,450.47	13,476.00	12,000.00
Cost of Extinction of Forest Fires	17,632.29	12,712.99	19,629.00	20,250.00
Recovered Damages	27.34	.....	.....	.....
Sale of Seedlings	23,118.86	40,462.64	41,722.00	40,000.00
Rental of Telephone Lines	997.76	1,467.63	1,392.00	1,400.00
Pymatuning Project Revenues	10,051.50	16,031.82	14,100.00	14,000.00
Concession Leases	.....	.....	31,954.00	34,000.00
Miscellaneous Revenues	7,771.57	28,583.04	16,309.00	18,000.00
Total Miscellaneous Revenue	$ 182,401.28	$ 251,713.93	$ 298,806.00	$ 296,850.00
TOTAL RECEIPTS	$ 220,717.40	$ 284,523.46	$ 337,470.00	$ 330,000.00
TOTAL AVAILABLE FUNDS	$ 220,717.40	$ 389,448.17	$ 395,777.89	$ 350,778.00
EXPENDITURES				
Salaries and General Expenses	$ 115,792.69	$ 331,140.28	$ 375,000.00	$ 350,000.00
CASH BALANCE MAY 31	$ 104,924.71	$ 58,307.89	$ 20,777.89	$ 778.00

TRUST ACCOUNT, NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUND

	Actual		Actual and Estimated 1939-1941	Estimated 1941-1943
	1935-1937	1937-1939		
CASH BALANCE JUNE 1	$ 314,234.40	$ 346,143.12	$ 1,318,769.52	.....
RECEIPTS				
Contributions				
Federal Aid for National Recovery Highways	$ 16,483,139.45	$ 17,494,542.34	$ 3,090,565.32	.....
Miscellaneous Revenue				
Interest on Deposits	10,181.03	2,063.78	.....	.....
TOTAL RECEIPTS	$ 16,493,320.48	$ 17,496,606.12	$ 3,090,565.32	**
TOTAL AVAILABLE FUNDS	$ 16,807,554.88	$ 17,842,749.24	$ 4,409,334.84	**

TRUST ACCOUNT, NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUND (Continued)

	Actual		Actual and Estimated	Estimated
	1935-1937	1937-1939	1939-1941	1941-1943
EXPENDITURES				
Construction of Highways	$ 14,004,625.29	$ 11,930,781.80		
Maintenance of Highways	69,966.08	13,511.30		
Special Work	584,633.01	71,734.78		
Plant and Equipment	6,164.34	*1,301.07	$ 2,859,334.84	.....
Stores	891.01	*78.54		
Flood Repairs	1,050,129.34	2,547,136.18		
Miscellaneous	234,821.65	460,131.49		
Refund to Federal Government	510,181.03	1,502,063.78	1,550,000.00	.....
TOTAL EXPENDITURES	$ 16,461,411.76	$ 16,523,979.72	$ 4,409,334.84	**
CASH BALANCE MAY 31	$ 346,143.12	$ 1,318,769.52	.....	.....

* Indicates Deduction.
** No estimate for 1941-1943. Any funds available will depend on future action of the Federal Government.

SPECIFIC APPROPRIATIONS RECOMMENDED FROM CUSTODIAL SPECIAL FUNDS AND THE STATE STORES FUND

Purpose of Appropriations	Amount of Appropriation for two years				Recommended by the Governor for the two years 1941-1943
	1933-1935	1935-1937	1937-1939	1939-1941	
STATE WORKMEN'S INSURANCE FUND					
State Employes' Retirement Board					
State Annuity Reserve Account No. 2	$ 8,085.00	$ 14,100.00	$ 19,000.00	$ 11,100.00	**$ 11,100.00**
Contingent Reserve Account	5,005.00	7,755.00	9,500.00	14,700.00	**14,700.00**
Treasury Department					
Replacement Checks	.....	5,000.00	966.00	.....	.....
TOTAL STATE WORKMEN'S INSURANCE FUND	$ 13,090.00	$ 26,855.00	$ 29,466.00	$ 25,800.00	**$ 25,800.00**
MANUFACTURING FUND					
State Employes' Retirement Board					
State Annuity Reserve Account No. 2	$ 5,460.00	$ 4,800.00	$ 6,000.00	$ 3,150.00	**$ 3,150.00**
Contingent Reserve Account	3,380.00	2,640.00	3,000.00	4,200.00	**4,200.00**
Treasury Department					
Replacement Checks	.....	100.00	100.00	.....	.....
TOTAL MANUFACTURING FUND	$ 8,840.00	$ 7,540.00	$ 9,100.00	$ 7,350.00	**$ 7,350.00**
STATE SCHOOL FUND					
Treasury Department					
Refunding Store and Theatre License Fees	.....	.....	.....	.....	**$ 350,000.00**
STATE STORES FUND					
State Employes' Retirement Board					
State Annuity Reserve Account No. 2	.....	.....	$ 204,900.00	$ 100,000.00	**$ 105,500.00**
Contingent Reserve Account	.....	.....	102,450.00	132,500.00	**142,000.00**
TOTAL STATE STORES FUND	.....	.....	$ 307,350.00	$ 232,500.00	**$ 247,500.00**

SECTION FOUR

THE SINKING FUNDS AND THE PUBLIC DEBT AS OF DECEMBER 31, 1940

THE GENERAL STATE AUTHORITY PROGRAMS

SINKING FUND

STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

Sources	1933-1935	1935-1937	1937-1939	June 1, 1939 to Dec. 31, 1940
APPROPRIATION RECEIPTS				
Motor License Fund Appropriations (Road Bonds)	$ 13,210,219.55	$ 12,722,719.55	$ 9,311,734.03	$ 12,945,691.74
General Fund Appropriations (General Expense Bonds)	3,625,000.00	6,734,375.00	5,890,625.00	5,843,750.00
TOTAL APPROPRIATIONS	$ 16,835,219.55	$ 19,457,094.55	$ 15,202,359.03	$ 18,789,441.74
REVENUE RECEIPTS				
Interest on Investments	$ 1,090,574.10	$ 871,962.36	$ 551,947.50	$ 409,670.08
Interest on Deposits	43,818.85	96,481.26	43,456.38	56,287.54
Premiums on Sale of Securities	11,931.25	517,515.63	.....	.....
TOTAL REVENUE RECEIPTS	$ 1,146,324.20	$ 1,485,959.25	$ 595,403.88	$ 465,957.62
TOTAL APPROPRIATIONS AND REVENUE RECEIPTS	$ 17,981,543.75	$ 20,943,053.80	$ 15,797,762.91	$ 19,255,399.36
EXPENDITURES				
Road Bonds Matured	$ 7,118,000.00	$ 15,200,000.00	$ 2,000,000.00	$ 5,516,000.00
General Expense Bonds Matured	2,500,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Interest on Road Bonds	7,399,975.00	6,817,940.65	5,713,280.00	4,442,657.73
Interest on General Expense Bonds	1,359,375.00	1,500,000.00	1,125,000.00	609,375.00
TOTAL EXPENDITURES	$ 18,377,350.00	$ 28,517,940.65	$ 13,838,280.00	$ 15,568,032.73
EXCESS OF RECEIPTS OVER EXPENDITURES	$ †395,806.25	$ †7,574,886.85	$ 1,959,482.91	$ 3,687,366.63
BALANCE AT BEGINNING	$ 15,656,538.99	$ 15,260,732.74	$ 7,685,845.39	$ 9,645,328.80
BALANCE AT END				
Cash	$ 2,321,732.74	$ 528,845.39	$ 2,504,828.80	$ 6,820,195.43
Investments	12,939,000.00	7,157,000.00	7,140,500.00	6,512,500.00
TOTAL BALANCE AT END	$ 15,260,732.74	$ 7,685,845.89	$ 9,645,328.80	$ 13,332,695.43

† Excess of Expenditures over Receipts.

TAX ANTICIPATION NOTE SINKING FUND

STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

Sources	1933-1935	1935-1937	1937-1939	June 1, 1939 to Dec. 31, 1940
APPROPRIATION RECEIPTS				
Series "AT"	.....	$ 50,000,000.00	.....	.....
Series "BT"	.....	45,000,000.00	.....	.....
Series "CT"	.....	.....	$ 60,000,000.00	.....
Series "DT"	.....	.....	60,000,000.00	.....
Series "ET"	.....	.....	.....	$ 5,000,000.00
Series "FT"	.....	.....	.....	30,000,000.00
TOTAL RECEIPTS	.....	$ 95,000,000.00	$ 120,000,000.00	$ 35,000,000.00
EXPENDITURES				
Redeemed and Cancelled (Series "AT")	.....	$ 50,000,000.00	.....	.....
Redeemed and Cancelled (Series "BT")	.....	45,000,000.00	.....	.....
Redeemed and Cancelled (Series "CT")	.....	.....	$ 60,000,000.00	.....
Redeemed and Cancelled (Series "DT")	.....	.....	60,000,000.00	.....
Redeemed and Cancelled (Series "ET")	.....	.....	.....	$ 3,300,000.00
Redeemed and Cancelled (Series "FT")	.....	.....	.....	30,000,000.00
TOTAL EXPENDITURES	.....	$ 95,000,000.00	$ 120,000,000.00	$ 33,300,000.00
BALANCE, DEC. 31, 1940	.....	.....	.....	$ 1,700,000.00

VETERANS' COMPENSATION SINKING FUND

STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

Sources	1933-1935	1935-1937	1937-1939	June 1, 1939 to Dec. 31, 1940
APPROPRIATION RECEIPTS				
Veterans' Compensation Fund Appropriations	$ 3,725,096.25	.....	.....	$ 712,500.00
General Fund Appropriations	.....	$ 6,537,349.46	$ 5,425,439.29	6,737,692.50
TOTAL APPROPRIATIONS	$ 3,725,096.25	$ 6,537,349.46	$ 5,425,439.29	$ 7,450,192.50
REVENUE RECEIPTS				
Interest on Deposits	.....	$ 35,771.76	$ 32,821.72	$ 79,559.27
Interest on Securities	.....	81,168.75	324,675.00	243,506.25
TOTAL APPROPRIATIONS AND REVENUE RECEIPTS	$ 3,725,096.25	$ 6,654,289.97	$ 5,782,936.01	$ 7,773,258.02
EXPENDITURES				
Interest on Veterans' Compensation Bonds	$ 1,575,000.00	$ 3,150,000.00	$ 3,150,000.00	$ 2,362,500.00
Premiums and Accrued Interest on Investments Purchased	.....	551,992.20	.....	1,272.32
TOTAL EXPENDITURES	$ 1,575,000.00	$ 3,701,992.20	$ 3,150,000.00	$ 2,363,772.32
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 2,150,096.25	$ 2,952,297.77	$ 2,632,936.01	$ 5,409,485.70
BALANCE AT BEGINNING	.....	2,150,096.25	5,102,394.02	7,735,330.03
BALANCE AT END				
Cash	$ 2,150,096.25	$ 447,394.02	$ 3,072,830.03	$ 8,472,315.73
Investments	.....	4,655,000.00	4,662,500.00	4,672,500.00
TOTAL BALANCE AT END	$ 2,150,096.25	$ 5,102,394.02	$ 7,735,330.03	$ 13,144,815.73

SCHEDULE OF PAYMENTS TO TAX ANTICIPATION NOTE SINKING FUND FOR OUTSTANDING TAX ANTICIPATION NOTES

FROM JANUARY 31, 1941 TO MAY 31, 1941

	Series "ET"	Series "GT"
January 31, 1941	$ 5,000,000.00	
February 28, 1941	15,000,000.00	
March 31, 1941	25,000,000.00	$ 5,000,000.00
April 15, 1941		10,000,000.00
April 30, 1941	25,000,000.00	10,000,000.00
May 31, 1941	25,000,000.00	
	$ 95,000,000.00	$ 25,000,000.00
Paid prior to Jan. 31, 1941	5,000,000.00	
TOTAL ISSUE	$ 100,000,000.00	$ 25,000,000.00

SINKING FUNDS

STATEMENT SHOWING THE APPROPRIATION NECESSARY TO MEET THE PRINCIPAL AND INTEREST REQUIREMENTS FOR ROAD BONDS

(SERIES "A" TO "G" INCLUSIVE)

JUNE 1, 1941 TO MAY 31, 1943

Date of Payment	Requirements		
	Principal	Interest	Total
July 1, 1941	$ 683,972.69	$ 445,465.00	$ 1,129,437.69
August 1, 1941	214,736.61	292,200.00	506,936.61
September 2, 1941	660,138.29	228,440.00	888,578.29
October 1, 1941	313,818.29	120,000.00	433,818.29
December 1, 1941	384,958.90	200,000.00	584,958.90
January 2, 1942	20,440.00	445,465.00	465,905.00
February 2, 1942		292,200.00	292,200.00
March 2, 1942	10,150.00	188,440.00	198,590.00
April 1, 1942	687,591.66	146,666.67	834,258.33
June 1, 1942	168,000.00	160,000.00	328,000.00
July 1, 1942	683,972.69	445,465.00	1,129,437.69
August 1, 1942	214,736.61	292,200.00	506,936.61
September 1, 1942	660,138.29	188,440.00	848,578.29
October 1, 1942	313,818.29	120,000.00	433,818.29
December 1, 1942	384,958.90	160,000.00	544,958.90
January 2, 1943	20,440.00	445,465.00	465,905.00
February 1, 1943		292,200.00	292,200.00
March 1, 1943	10,150.00	188,440.00	198,590.00
April 1, 1943	687,591.66	120,000.00	807,591.66
June 1, 1943	168,000.00	160,000.00	328,000.00
TOTAL	$ 6,287,612.88	$ 4,931,086.67	$ 11,218,699.55

STATEMENT SHOWING THE APPROPRIATION NECESSARY TO MEET THE PRINCIPAL AND INTEREST REQUIREMENTS FOR GENERAL EXPENSE BONDS (SERIES "H")

JUNE 1, 1941 TO MAY 31, 1943

December 1, 1941	$ 2,500,000.00	$ 140,625.00	$ 2,640,625.00
June 1, 1942		93,750.00	93,750.00
December 1, 1942	2,500,000.00	93,750.00	2,593,750.00
June 1, 1943		46,875.00	46,875.00
TOTAL	$ 5,000,000.00	$ 375,000.00	$ 5,375,000.00

STATEMENT SHOWING THE APPROPRIATION NECESSARY TO MEET THE PRINCIPAL AND INTEREST REQUIREMENT FOR VETERANS' COMPENSATION BONDS (SERIES "I" AND "J")

JUNE 1, 1941 TO MAY 31, 1943

September 2, 1941		$ 487,500.00	$ 487,500.00
November 1, 1941		300,000.00	300,000.00
March 2, 1942	$ 1,237,253.21	487,500.00	1,724,753.21
May 1, 1942	912,843.04	300,000.00	1,212,843.04
September 1, 1942		487,500.00	487,500.00
November 2, 1942		300,000.00	300,000.00
March 1, 1943	1,237,253.21	487,500.00	1,724,753.21
May 1, 1943	912,843.04	300,000.00	1,212,843.04
TOTAL	$ 4,300,192.50	$ 3,150,000.00	$ 7,450,192.50

RECAPITULATION OF SINKING FUND REQUIREMENTS

State Road Bonds	$ 6,287,612.88	$ 4,931,086.67	$ 11,218,699.55
General Expense Bonds	5,000,000.00	375,000.00	5,375,000.00
Veterans' Compensation Bonds	4,300,192.50	3,150,000.00	7,450,192.50
TOTAL REQUIREMENTS	$ 15,587,805.38	$ 8,456,086.67	$ 24,043,892.05

STATEMENT OF OUTSTANDING PUBLIC DEBT OF THE COMMONWEALTH

DECEMBER 31, 1940

DATE OF LOAN	PAMPHLET LAW REFERENCE	PURPOSE	AMOUNT	RATE OF INTEREST	DATE OF MATURITY	AMOUNT OUTSTANDING DECEMBER 31, 1940	
		STATE HIGHWAY ROAD BONDS					
July 1, 1919	62—1919	Series "A"	$ 12,000,000.00	4¼%	July 1, 1949 (3)	$ 3,316,000.00	
August 2, 1920	62—1919	Series "B" (Old)	112,000.00	4½%	August 2, 1923	.....	
August 2, 1921	62—1919	Series "B"	11,688,000.00	5 %	August 2, 1951	11,688,000.00	
July 1, 1921	62—1919	Series "C"	15,000,000.00	5 %	July 1, 1951	15,000,000.00	
December 1, 1921	62—1919	Series "D"	11,200,000.00	4¾%	December 1, 1951 (1)	.....	
April 1, 1925	24—1925	Series "E"	20,000,000.00	4 %	April 1, 1952 (3)	10,000,000.00	
September 1, 1925	24—1925	Series "F"	20,000,000.00	4 %	September 1, 1953 (3)	11,422,000.00	
October 1, 1926	24—1925	Series "G"	10,000,000.00	4 %	October 1, 1954 (3)	6,000,000.00	
		TOTAL ROAD BONDS OUTSTANDING					$ 57,426,000.00
		GENERAL EXPENSE BONDS					
December 1, 1933	211—1932	Series "H"	$ 25,000,000.00	3¾%	December 1, 1943 (4)	$ 7,500,000.00	
		VETERANS' COMPENSATION BONDS					
March 1, 1934	219—1933	Series "I"	$ 30,000,000.00	3¼%	March 1, 1955	$ 30,000,000.00	
May 1, 1934	219—1933 Extra	Series "J"	20,000,000.00	3 %	March 1, 1953	20,000,000.00	
		TOTAL VETERANS' COMPENSATION BONDS OUTSTANDING					$ 50,000,000.00
		NON-INTEREST BEARING DEBT AND MATURED LOANS UNCLAIMED (2)					141,320.26
		TOTAL PUBLIC DEBT DECEMBER 31, 1940					$ 115,067,320.26
		LESS CASH AND INVESTMENTS DECEMBER 31, 1940:					
		Sinking Fund				$ 13,332,695.43	
		Veterans' Compensation Sinking Fund				13,144,815.73	
							$ 26,477,511.16
		NET PUBLIC DEBT DECEMBER 31, 1940					$ 88,589,809.10

(1) Called December 1, 1936.
(2) For Detail see page 85 of the 1933 Budget.
(3) Serial Bonds due at various dates.
(4) Serial Bonds which mature at the rate of $2,500,000 each December 1.

THE GENERAL STATE AUTHORITY

ESTIMATED COST OF PROJECTS AND AMOUNT OF BIENNIAL RENTALS

AS OF JANUARY 17, 1941, AS REPORTED BY THE GENERAL STATE AUTHORITY

Department and Project	Total Estimated Cost of Project January 17, 1941	Estimated Rental for the Biennium 1941-1943
BUILDING CONSTRUCTION—FIRST PROGRAM		
DEPARTMENT OF AGRICULTURE		
Farm Show Building Arena	$ 1,197,053.59	$ 136,400.00
DEPARTMENT OF HEALTH		
Mont Alto Sanatorium	$ 4,651,235.11	$ 520,000.00
Hamburg Sanatorium	530,691.69	68,800.00
New Sanatorium at Butler	2,513,919.66	288,600.00
New Sanatorium at Butler—Sewer	77,213.88	.....
Crippled Children's Hospital	545,471.65	65,600.00
Total Department of Health	$ 8,318,531.99	$ 943,000.00
DEPARTMENT OF MILITARY AFFAIRS		
Harrisburg Armory—Administration Building	$ 116,910.36	$ 13,000.00
Harrisburg Armory—107th F. A.	89,743.40	10,400.00
Clearfield Armory	92,244.38	10,600.00
Waynesboro Armory	94,155.13	10,400.00
Williamsport Armory	48,278.44	5,200.00
Tunkhannock Armory	85,826.20	10,600.00
Huntingdon Armory	44,850.83	5,400.00
Philadelphia Armory, 108th F. A.	125,000.46	14,400.00
Lancaster Armory	67,456.24	8,000.00
Ligonier Armory	64,394.75	8,080.00
Hamburg Armory	65,473.51	8,000.00
Altoona Armory	96,704.04	10,600.00
Allentown Armory	123,796.81	14,000.00
Phoenixville Armory	48,098.51	5,200.00
Canonsburg Armory	94,495.46	10,600.00
Coraopolis Armory	106,311.54	12,800.00
Sunbury Armory	84,000.97	10,600.00
Lewisburg Armory	88,989.17	10,600.00
Lewistown Armory	90,275.91	10,600.00
Philadelphia Armory—Special Troop	179,927.38	16,400.00
Gettysburg Armory	65,048.06	6,000.00
State Military Reservation—Indiantown Gap —(Sewage Disposal Plant)	91,650.22	11,400.00
Total Department of Military Affairs	$ 1,963,631.77	$ 222,880.00
DEPARTMENT OF PROPERTY AND SUPPLIES		
Finance Building	$ 5,178,974.19	$ 733,000.00
DEPARTMENT OF PUBLIC INSTRUCTION		
Bloomsburg State Teachers College	$ 585,991.92	$ 63,000.00
California State Teachers College	542,959.93	67,000.00
Cheyney Training School for Teachers	451,637.05	51,000.00
Clarion State Teachers College	340,138.14	43,400.00
East Stroudsburg State Teachers College	632,276.25	71,400.00
Edinboro State Teachers College	726,229.85	81,000.00
Indiana State Teachers College	705,449.90	80,400.00
Kutztown State Teachers College	615,023.82	66,000.00
Lock Haven State Teachers College	627,243.92	70,600.00
Mansfield State Teachers College	563,493.54	62,400.00
Millersville State Teachers College	556,467.98	73,000.00
Shippensburg State Teachers College	636,913.40	73,800.00
Slippery Rock State Teachers College	1,127,809.10	133,000.00
West Chester State Teachers College	781,383.32	85,000.00
Pennsylvania Historical Commission—Pennsbury House	220,866.21	24,000.00
Pennsylvania Historical Commission — Old Economy (Ambridge)	32,130.50	4,000.00
Thaddeus Stevens Industrial School	125,413.21	17,400.00
Soldiers' Orphan School	754,564.76	81,000.00
State Oral School for the Deaf	396,140.09	46,000.00
Pennsylvania State College	4,825,035.76	617,085.00
Total Department of Public Instruction	$ 15,247,368.65	$ 1,810,485.00

THE GENERAL STATE AUTHORITY (Continued)

ESTIMATED COST OF PROJECTS AND AMOUNT OF BIENNIAL RENTALS

AS OF JANUARY 17, 1941, AS REPORTED BY THE GENERAL STATE AUTHORITY

Department and Project	Total Estimated Cost of Project January 17, 1941	Estimated Rental for the Biennium 1941-1943
DEPARTMENT OF WELFARE		
Ashland State Hospital	$ 68,076.46	$ 9,000.00
Blossburg State Hospital	139,958.56	15,400.00
Coaldale State Hospital	46,170.36	5,400.00
Connellsville State Hospital	64,201.88	8,800.00
Hazleton State Hospital	411,291.00	53,400.00
Locust Mountain State Hospital	95,912.41	10,400.00
Nanticoke State Hospital	59,634.71	7,400.00
Philipsburg State Hospital	140,347.24	14,800.00
Scranton State Hospital	1,052,463.22	113,800.00
Shamokin State Hospital	36,407.15	5,000.00
Allentown State Hospital	1,367,460.17	151,400.00
Danville State Hospital	1,088,704.05	126,000.00
Farview State Hospital	1,034,393.51	138,200.00
Harrisburg State Hospital	1,286,349.82	151,800.00
Norristown State Hospital	2,173,579.26	238,000.00
Torrance State Hospital	1,855,481.84	211,800.00
Warren State Hospital	1,550,081.53	188,800.00
Wernersville State Hospital	562,458.72	73,600.00
Western Psychiatric Hospital	2,292,426.29	310,600.00
Pennsylvania Industrial School—Huntingdon	339,348.95	41,600.00
Pennsylvania Training School—Morganza	267,824.69	31,000.00
State Industrial Home for Women—Muncy	375,159.56	41,600.00
Eastern State Penitentiary—Philadelphia	198,980.07	25,200.00
Eastern State Penitentiary—Graterford	456,439.76	68,000.00
Western State Penitentiary—Rockview	215,483.50	27,600.00
Western State Penitentiary—Pittsburgh	587,064.44	65,000.00
Industrial School—White Hill	3,741,154.02	432,000.00
Laurelton State Village	1,210,485.96	133,800.00
Pennhurst State School	1,402,738.58	154,800.00
Polk State School	923,007.67	107,000.00
Selinsgrove State Colony for Epileptics	1,942,116.10	218,000.00
Total Department of Welfare	$ 26,985,201.48	$ 3,179,200.00
TOTAL BUILDING CONSTRUCTION — FIRST PROGRAM	$ 58,890,761.67	$ 7,024,965.00
EQUIPMENT AND FURTHER DEVELOPMENT— FIRST PROGRAM	$ 8,500,000.00	$ 489,780.00
BUILDING CONSTRUCTION AND EQUIPMENT— SECOND PROGRAM	$ 10,000,000.00	$ 1,025,616.00
TOTAL GENERAL STATE AUTHORITY PROGRAMS	$ 77,390,761.67	$ 8,540,361.00

SUPPLEMENT TO THE 10TH BIENNIAL BUDGET OF THE COMMONWEALTH OF PENNSYLVANIA, FOR THE FISCAL BIENNIUM, JUNE 1, 1941, TO MAY 31, 1943

Submitted to the

GENERAL ASSEMBLY

By ARTHUR H. JAMES, Governor

February, 1941

Presenting Actual Classified Operating Expenditures of the State Government by Departments and Appropriations from June 1, 1933 to May 31, 1940.

Included in this Supplement are Statements of the Custodial Special Funds except the Sinking Funds.

BUDGET SUPPLEMENT—SECTION ONE

ACTUAL AND ESTIMATED CLASSIFIED OPERATING EXPENDITURES BY DEPARTMENTS AND APPROPRIATIONS

JUNE 1, 1933 TO MAY 31, 1940

COMMONWEALTH OF PENNSYLVANIA

SUMMARY STATEMENT OF ACTUAL CASH EXPENDITURES BY DEPARTMENTS DURING THE PERIODS INDICATED

GENERAL FUND

	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
EXECUTIVE DEPARTMENT					
Governor's Office	$ 149,735.15	$ 153,831.59	$ 156,928.28	$ 168,949.84	$ 156,127.48
Lieutenant Governor's Office	11,860.19	11,144.18	15,485.20	13,328.40	11,924.80
Department of the Auditor General	753,153.11	800,880.39	703,056.10	746,496.64	781,494.32
Treasury Department	6,128,338.06	†104,949,467.42	‡68,083,513.15	@67,520,210.31	#42,554,008.88
Department of Agriculture	1,238,290.32	1,132,526.47	1,486,700.96	1,848,131.24	1,374,826.20
Department of Banking	55,729.11	62,705.93	92,095.59	62,237.37	53,606.49
Department of Commerce	.....	.....	.....	.....	290,573.66
Department of Forests and Waters	941,294.40	1,026,251.03	1,232,381.53	1,094,181.08	A1,245,754.80
Department of Health	2,270,811.99	2,921,817.71	3,106,257.63	3,197,495.08	2,921,717.10
Insurance Department	292,456.58	273,902.00	323,345.99	355,245.43	244,272.97
Department of Internal Affairs	248,867.01	268,343.57	299,081.41	320,780.06	268,430.25
Department of Justice	433,996.62	453,604.65	504,859.07	476,702.63	B532,619.06
Department of Labor and Industry	991,934.88	1,121,063.42	2,406,090.52	2,688,845.36	2,039,936.90
Department of Military Affairs	1,551,114.49	1,546,211.83	1,648,256.76	1,455,082.68	1,442,899.49
Department of Mines	262,288.70	271,319.31	328,849.62	349,057.78	312,870.62
Department of Property and Supplies	2,679,090.85	2,906,931.02	2,880,563.37	2,928,906.60	C4,612,076.07
Department of Public Instruction	49,744,904.79	47,103,787.21	55,119,970.13	40,935,409.60	D61,309,905.56
Public Utility Commission	655,696.90	714,122.11	1,141,341.99	1,635,855.24	920,431.23
Department of Revenue	1,178,440.49	1,562,357.94	2,068,226.17	1,953,223.03	1,452,155.90
Department of State	583,560.12	334,333.71	587,103.13	128,076.78	E929,176.92
Pennsylvania Motor Police	1,266,456.65	1,242,956.25	3,337,631.40	4,600,599.17	4,445,379.06
Department of Welfare	17,414,488.32	17,341,016.08	18,512,381.92	17,516,919.53	F21,170,946.98
Administrative Miscellaneous and Commissions	136,647.40	343,337.29	948,102.64	753,367.26	414,813.40
Milk Control Commission	160,138.62	16,446.26	260,076.98	44,626.69	G190,920.02
Total Executive Department without Public Assistance—not adjusted	$ 89,149,294.75	$ 186,558,357.37	$ 165,242,299.54	$ 150,793,727.80	$ 149,676,868.16
Adjustments for Expenditures which normally would have been made within the fiscal year but which, because of need for cash to finance public assistance, were postponed—Deduct expenditures belonging in preceding fiscal year:					
Treasury Department	.....	$ 2,150,096.25	$ 912,843.04	$ 2,150,096.25	$ 3,171,971.25

COMMONWEALTH OF PENNSYLVANIA

SUMMARY STATEMENT OF ACTUAL CASH EXPENDITURES BY DEPARTMENTS DURING THE PERIODS INDICATED

GENERAL FUND

	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
EXECUTIVE DEPT.—Continued					
Department of Public Instruction	$ 10,880,507.23	4,083,495.71	6,217,976.14	1,759,944.22	10,516,236.31
Department of State	.....	.....	473,407.50	.....	.....
Department of Welfare	2,036,256.60	816,735.37	285,248.78	.....	1,267,541.54
Total Deducted	$ 12,916,763.83	$ 7,050,327.33	$ 7,889,475.46	$ 3,910,040.47	$ 14,955,749.10
Adjustments—to add back expenditures which belong in fiscal year:					
Treasury Department	$ 2,150,096.25	$ 912,843.04	$ 2,150,096.25	$ 3,171,971.25	.....
Department of Public Instruction	4,083,495.71	6,217,976.14	1,759,944.22	10,516,236.31	.....
Department of State	.....	473,407.50	.....	.....	.....
Department of Welfare	816,735.37	285,248.78	.....	1,267,541.54	.....
Total Added	$ 7,050,327.33	$ 7,889,475.46	$ 3,910,040.47	$ 14,955,749.10	.....
Total Executive Department without Public Assistance —Adjusted	$ 83,282,858.25	$ 187,397,505.50	$ 161,262,864.55	$ 161,839,436.43	$ 134,721,119.06
Department of Public Assistance**	$ 81,327,715.77	$ 91,094,612.26	$ 106,810,807.90	$ 132,113,769.50	$ 140,128,399.97
Total Executive Department —Adjusted	$ 164,610,574.02	$ 278,492,117.76	$ 268,073,672.45	$ 293,953,205.93	$ 274,849,519.03
LEGISLATIVE DEPARTMENT					
Senate	$ 165,209.88	$ 359,731.34	$ 136,762.50	$ 423,292.75	$ 120,145.63
House of Representatives	312,720.58	964,186.37	195,447.61	1,148,900.28	220,369.20
Legislative Journal	1,500.00	2,700.00	5,052.00	3,090.00	4,643.00
Legislative Reference Bureau	36,936.16	46,116.23	41,736.84	48,001.10	44,364.52
Legislative Miscellaneous and Commissions	43,616.54	28,923.56	94,688.31	107,127.78	62,304.21
Total Legislative Department	$ 559,983.16	$ 1,401,657.50	$ 473,687.26	$ 1,730,411.91	$ 451,826.56
JUDICIAL DEPARTMENT					
Supreme Court	$ 237,920.03	$ 242,607.09	$ 255,116.27	$ 253,236.23	$ 264,190.73
Superior Court	180,496.71	183,508.31	183,654.78	177,290.74	188,591.02
Common Pleas Court	1,495,746.24	1,484,361.22	1,568,941.24	1,564,279.87	1,556,076.56
Orphans Court	281,596.99	279,320.29	308,186.90	310,101.52	308,999.28
Municipal Court of Philadelphia	110,499.60	101,291.30	109,403.18	94,075.36	108,401.90
County Court of Allegheny County	60,499.80	60,500.20	60,499.80	60,500.20	60,499.80
Juvenile Court, Allegheny County	9,999.96	10,000.04	9,999.96	10,000.04	9,999.96
State Reporter	12,043.97	11,947.91	13,956.63	13,745.00	14,295.21
Miscellaneous	75,635.93	79,298.16	66,404.51	64,665.70	67,836.47
Total Judicial Department	$ 2,464,439.23	$ 2,452,834.52	$ 2,576,163.27	$ 2,547,894.66	$ 2,578,890.93
TOTAL EXPENDITURES EXCLUDING REPAYMENTS OF MONIES BORROWED FROM SPECIAL FUNDS — ADJUSTED	$ 167,634,996.41	$ 282,346,609.78	$ 271,123,522.98	$ 298,231,512.50	$ 277,880,236.52

** Expenditures from the State Emergency Relief Board and the Department of Welfare covering Public Assistance items prior to the inception of the Department of Public Assistance on July 1, 1937, are shown under this department for comparison.
† Includes $95,000,000 Series "AT" and "BT" Tax Anticipation Notes redeemed.
‡ Includes $60,000,000 Series "CT" Tax Anticipation Notes redeemed.
@ Includes $60,000,000 Series "DT" Tax Anticipation Notes redeemed.
# Includes $30,000,000 Series "FT" Tax Anticipation Notes redeemed.

These expenditures included in 1939-1940 for the first time:
A. Valley Forge Land Purchase, $88,000; Improvements to Presque Isle, $40,000; and Nautical School, $60,000.
B. Dauphin Couny Grand Jury Investigation.
C. State Authority Rentals for the year cover the full program.
D. See adjustments in body of statement.
E. State Employes' Retirement System transferred from the Treasury Department.
F. Philadelphia State Hospital for a full year. See also adjustments in body of statement.
G. Milk Control Commission supported from the General Fund in alternate years.

COMMONWEALTH OF PENNSYLVANIA

SUMMARY STATEMENT OF ACTUAL CASH EXPENDITURES BY DEPARTMENTS AND FUNDS DURING THE PERIODS INDICATED

OPERATING SPECIAL FUNDS

	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
DEPARTMENTS					
Treasury Department	$ 6,461,376.67	$ 6,397,466.75	$ 6,761,967.40	$ 3,583,100.45	$ 8,989,158.79
Department of Agriculture	65,995.73	66,481.41	61,492.22	81,610.39	92,498.31
Department of Banking	650,844.87	715,679.82	713,298.38	672,353.65	592,280.01
Department of Forests and Waters	35,695.86	84,045.13	592,670.88	780,346.27	499,737.35
Department of Health	3,834.10	360,877.70	719,764.32	786,817.13	1,108,187.79
Department of Highways	41,579,749.84	69,415,469.59	82,432,738.38	78,106,941.84	54,989,344.46
Department of Labor and Industry	147,746.45	136,966.72	28,993.93	.....	.....
Department of Military Affairs	544,028.48	309,406.64	216,376.27	143,912.53	85,840.59
Department of Property and Supplies	25,237.02	31,038.86	29,833.34	208,391.53	528,373.00
Public Utility Commission	.....	.....	.....	14,700.00	.....
Department of Revenue	3,694,902.46	4,575,250.00	3,844,975.73	3,975,901.46	2,452,980.83
Department of State	184,837.50	184,837.50	.....	.....	429,910.00
Department of Welfare	65.57	24,672 63	42,948.94	72,808.70	75,679.97
Board of Fish Commissioners	406,988.39	450,599.54	466,656.77	468,131.72	607,830.10
Board of Game Commissioners	1,125,309.96	1,254,294.24	1,531,998.60	1,367,330.24	1,479,582.80
Special Administrative Commissions	.....	.....	.....	143,509.15	158,768.72
Milk Control Board	2,774.49	211,209.67	3,500.35	235,904.55	56,738.73
State Emergency Relief Board	324,765.19	68,593.00	.....	.....	.....
Total Expenditures	$ 55,254,152.58	$ 84,286,889.20	$ 97,447,215.51	$ 90,641,759.61	$ 72,146,911.45
FUNDS					
Motor License Fund	$ 44,843,369.61	$ 71,118,267.85	$ 78,857,271.03	$ 83,066,485.41	$ 64,968,821.78
State Farm Products Show Fund	65,995.73	66,481.41	61,492.22	81,610.39	92,498.31
Banking Department Fund	667,894.87	732,729.82	733,773.38	692,828.65	606,305.01
Game Fund	1,156,981.98	1,287,548.11	1,572,934.64	1,411,345.76	1,526,646.39
Fish Fund	419,750.50	465,452.01	486,184.28	489,743.96	627,549.50
Bureau of Employment Fund	147,746.45	136,966.72	28,993.93	.....	.....
Trust Account, National Intustrial Recovery Highway Fund	7,041,012.00	9,420,399.76	13,976,953.27	2,547,026.45	1,881,217.55
Milk Control Fund	3,012.24	211,448.42	4,177.35	236,974.33	56,958.23
State Stores Fund—Profits	324,830.76	68,593.00	153,675.00	331,860.00	617,468.98
State Forests and Waters Fund	35,695.86	80,636.83	181,736.38	149,403.90	121,381.86
Flood Control Fund	.....	3,948.30	410,934.50	630,942.37	378,355.49
Federal Social Security Fund	3,834.10	385,550.33	762,713.26	859,625.83	1,183,867.76
Veterans Compensation Fund	544,028.48	309,406.64	216,376.27	143,912.53	85,840.59
Total Expenditures	$ 55,254,152.58	$ 84,286,889.20	$ 97,447,215.51	$ 90,641,759.61	$ 72,146,911.45

COMMONWEALTH OF PENNSYLVANIA

SUMMARY STATEMENT OF ACTUAL CASH EXPENDITURES BY DEPARTMENTS AND FUNDS DURING THE PERIODS INDICATED

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
TRANSFERS TO GENERAL FUND					
From Motor License Fund ...	$ 10,100,000.00	$ 8,016,211.00	$ 3,000,000.00	$ 21,650,000.00	$ 4,000,000.00
From Bureau of Employment Fund	.....	.....	609.35	.....	.....
From Flood Control Fund ...	.....	.....	.....	800,000.00	.....
TOTAL OPERATING SPECIAL FUND EXPENDITURES INCLUDING TRANSFERS	$ 65,354,152.58	$ 92,303,100.20	$ 100,447,824.86	$ 113,091,759.61	$ 76,146,911.45

COMMONWEALTH OF PENNSYLVANIA

CASH EXPENDITURES BY OBJECT DURING THE PERIODS INDICATED ALL OPERATING FUNDS

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
Salaries	$ 26,590,810.14	$ 28,909,227.16	$ 38,379,058.88	$ 44,576,388.69	$ 43,857,892.27
Wages	20,495,831.61	24,219,581.79	25,387,936.39	32,711,444.00	16,912,441.01
Fees	461,279.43	835,458.24	964,641.10	1,290,757.75	877,461.58
Printing, Binding and Stationery	858,368.16	1,166,756.33	1,398,328.61	1,554,474.99	1,093,166.52
Food and Forage	3,002,786.55	3,053,542.25	3,183,230.24	3,428,475.42	3,768,751.90
Materials and Supplies	7,903,641.31	13,688,586.99	16,105,739.65	16,984,457.17	11,430,431.58
Traveling Expenses	2,053,132.98	2,594,254.97	3,222,995.67	3,866,320.63	3,115,324.26
Motor Vehicle Supplies & Repairs..	1,193,933.78	1,450,330.38	1,566,648.00	1,612,537.88	1,353,257.12
Freight, Express and Cartage	60,037.70	84,503.99	134,603.81	244,232.16	192,872.34
Postage	691,887.15	865,732.43	1,117,613.88	1,387,058.40	965,042.88
Telephone and Telegraph	349,662.16	346,830.93	506,804.97	646,540.10	508,481.09
Newspaper Advertising and Notices	54,173.63	93,581.17	288,301.13	408,071.00	243,737.78
Light, Heat, Power, Water, Sewage and Fuel	1,495,065.57	1,640,091.52	1,734,392.17	1,897,950.36	1,970,929.25
Contracted Repairs	832,084.75	1,416,802.04	1,040,594.22	981,928.89	1,098,842.29
Rent of Real Estate	424,172.96	499,644.23	1,000,363.92	1,174,088.47	1,147,705.63
Rent of Equipment	2,664,763.92	4,318,570.41	5,051,997.06	7,122,501.07	2,976,971.15
Insurance, Surety and Fidelity Bonds	548,838.87	928,972.64	1,001,059.93	1,415,532.18	542,433.72
Other Maintenance Services and Expense	75,298.30	181,879.14	278,332.66	233,825.83	177,437.56
Motor Vehicles	274,066.23	300,907.64	674,197.67	309,585.74	448,221.37
Live Stock	10,076.63	19,426.73	29,390.74	32,578.97	19,691.69
Equipment and Machinery	650,257.76	2,398,390.23	2,066,856.91	1,453,530.08	1,277,971.06
Land	366,453.95	297,383.51	404,149.48	467,943.03	332,483.72
Contracted Building and Construction	8,542,026.76	21,660,474.88	31,765,184.76	20,179,789.42	16,572,964.42
Subsidies, Grants, Bounties and Indemnities	69,250,995.00	75,522,957.16	60,884,591.89	47,152,762.60	72,049,767.81
Subsidies (Public Assistance) ..	67,301,601.01	66,687,384.53	98,445,031.25	115,318,224.64	125,663,705.31
General State Authority Rentals	.....	.....	.....	132,459.71	2,476,942.78
Fixed Charges, Debt Interest and Sinking Fund	12,012,910.41	110,903,237.42	72,851,352.36	69,870,336.50	50,664,782.00
Refunds and Repayment of Receipts	191,556.40	113,316.09	1,028,403.09	284,864.27	537,775.34
Advance Requisitions	201,000.50	142,396.69	376,693.76	234,398.90	35,160.99
Stores	144,320.95	711,211.37	278,348.17	53,934.79	139,798.93
Refund to Federal Government	.....	500,000.00	1,000,000.00	500,000.00	1,550,000.00
Undistributed	54,550.92	242,917.99	383,331.11	300,569.84	980,451.72
TOTAL OPERATING FUND EXPENDITURES NOT ADJUSTED	$ 228,755,585.49	$ 365,794,350.85	$ 372,550,173.48	$ 377,827,563.48	$ 364,982,897.07

COMMONWEALTH OF PENNSYLVANIA

CASH EXPENDITURES BY OBJECT DURING THE PERIODS INDICATED
ALL OPERATING FUNDS

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
Adjustments for expenditures which normally would have been made within the fiscal year but which, because of need for cash to finance Public Assistance, were postponed. Deduct payments belonging in preceding fiscal years					
Fixed Charges, Debt Interest and Sinking Fund	.....	$ 2,150,096.25	$ 912,843.04	$ 2,150,096.25	$ 3,171,971.25
Subsidies, Grants, Bounties and Indemnities	$ 12,916,768.83	4,900,231.08	6,976,632.42	1,759,944.22	11,783,777.85
Total Deducted	$ 12,916,768.83	$ 7,050,327.33	$ 7,889,475.46	$ 3,910,040.47	$ 14,955,749.10
Adjustments—to add back expenditures belonging in fiscal year	7,050,327.33	7,889,475.46	3,910,040.47	14,955,749.10	.....
TOTAL GENERAL FUND EXPENDITURES LESS REFUNDS AND TRANSFERS —AS ADJUSTED	$ 222,889,148.99	$ 366,633,498.98	$ 368,570,738.49	$ 388,873,272.11	$ 350,027,147.97
Transfers to non-operating funds not included	13,703,000.00	10,500,000.00	500,000.00	.....	13,450,000.00

COMMONWEALTH OF PENNSYLVANIA

CASH EXPENDITURES BY OBJECT DURING THE PERIODS INDICATED
GENERAL FUND

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
Salaries	$ 20,059,791.06	$ 20,733,309.35	$ 29,923,059.42	$ 36,196,694.12	$ 36,205,061.73
Wages	1,897,890.06	2,158,081.18	2,083,357.18	2,598,794.69	1,873,563.65
Fees	345,487.32	407,211.17	661,788.14	720,677.03	533,126.48
Printing, Binding and Stationery	618,185.86	768,113.24	1,036,558.34	1,230,264.90	846,535.49
Food and Forage	2,875,310.46	2,920,971.95	3,071,692.17	3,332,196.73	3,635,392.47
Materials and Supplies	1,874,442.62	2,259,704.40	2,910,564.90	3,286,791.85	3,149,318.91
Traveling Expenses	1,089,708.64	1,296,340.20	2,040,191.94	2,692,595.31	2,237,390.01
Motor Vehicle Supplies and Repairs	258,388.59	290,622.58	413,579.54	566,536.27	534,979.36
Freight, Express and Cartage	21,809.36	29,840.10	79,591.84	187,096.33	152,121.69
Postage	260,122.24	389,131.87	625,732.59	920,291.22	502,075.75
Telephone and Telegraph	209,284.92	211,124.97	365,275.49	482,957.51	384,325.57
Newspaper Advertising and Notices	39,543.78	59,448.47	51,974.15	153,051.45	221,924.95
Light, Heat, Power, Water, Sewage and Fuel	1,261,893.90	1,438,625.23	1,558,198.53	1,713,486.52	1,739,438.85
Contracted Repairs	131,195.96	204,005.41	181,765.67	164,689.10	177,214.58
Rent of Real Estate	234,576.29	247,765.66	579,722.60	1,008,946.82	913,406.06
Rent of Equipment	251,777.07	263,992.69	306,515.16	1,157,791.30	345,798.80
Insurance, Surety and Fidelity Bonds	239,579.91	203,590.04	276,975.11	363,552.06	263,698.39
Other Maintenance Services and Expense	68,914.35	82,070.88	105,433.22	135,040.49	104,989.43
Motor Vehicles	152,116.99	102,056.00	433,119.60	117,436.62	218,216.08
Live Stock	10,001.63	19,426.73	27,465.72	32,578.97	19,574.69
Equipment and Machinery	403,240.46	771,242.58	1,157,089.57	995,678 70	911,733.75
Land	31,514.20	27,291.67	90,281.45	15,554.00	101,140.00

COMMONWEALTH OF PENNSYLVANIA

CASH EXPENDITURES BY OBJECT DURING THE PERIODS INDICATED

GENERAL FUND

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
Contracted Building and Construction	94,429.35	237,801.82	16,020.27	1,072,819.67	769,435.70
Subsidies, Grants, Bounties and Indemnities	68,002,781.93	73,822,808.44	59,374,321.57	45,171,965.16	65,575,818.50
Subsidies (Public Assistance)	66,976,835.82	66,835,060.78	98,445,031.25	115,318,224.64	125,663,705.31
General State Authority Rentals	.....	.....	.....	132,459.71	2,476,942.78
Fixed Charges, Debt Interest and Sinking Fund	5,601,672.62	104,543,089.41	66,607,009.57	66,745,842.40	41,698,795.30
Refunds and Repayment of Receipts	128,618.77	56,327.98	870,335.94	238,954.56	502,770.21
Advance Requisitions	163,542.54	174,323.69	338,627.76	78,331.11	*41,627.51
Stores	144,225.29	711,165.17	278,348.17	53,934.79	139,798.93
Undistributed	54,550.92	242,917.99	383,331.11	300,569.84	979,319.71
TOTAL OPERATING EXPENDITURES LESS REFUNDS AND TRANSFERS	$ 173,501,432.91	$ 281,507,461.65	$ 275,102,957.97	$ 287,185,803.87	$ 292,835,985.62
Adjustments for expenditures which normally would have been made within the fiscal year but which, because of need for cash to finance Public Assistance, were postponed—Deduct payments belonging in preceding fiscal years					
Fixed Charges, Debt Interest and Sinking Fund	.....	$ 2,150,096.25	$ 912,843.04	$ 2,150,096.25	$ 3,171,971.25
Subsidies, Grants, Bounties and Indemnities	$ 12,916,763.83	4,900,231.08	6,976,632.42	1,759,944.22	11,783,777.85
Total Deducted	$ 12,916,763.83	$ 7,050,327.33	$ 7,889,475.46	$ 3,910,040.47	$ 14,955,749.10
Adjustments—to add back expenditures belonging in fiscal year	7,050,327.33	7,889,475.46	3,910,040.47	14,955,749.10	.....
TOTAL GENERAL FUND EXPENDITURES LESS REFUNDS AND TRANSFERS—AS ADJUSTED	$ 167,634,996.41	$ 282,346,609.78	$ 271,123,522.98	$ 298,231,512.50	$ 277,880,236.52
TRANSFERS (not included above)					
To Non-operating funds	13,703,000.00	$ 10,500,000.00	$ 500,000.00	.....	$ 13,450,000.00
To Operating Funds	2,000,000.00	3,290,000.00	19,716,211.00	1,500,000.00	18,300,000.00

* Indicates deduction.

COMMONWEALTH OF PENNSYLVANIA

CASH EXPENDITURES BY OBJECT DURING THE PERIODS INDICATED

OPERATING SPECIAL FUNDS

CLASSIFICATION	June 1, 1935 to May 31, 1936	June 1, 1936 to May 31, 1937	June 1, 1937 to May 31, 1938	June 1, 1938 to May 31, 1939	June 1, 1939 to May 31, 1940
Salaries	$ 6,531,019.08	$ 8,175,917.81	$ 8,455,999.46	$ 8,379,694.57	$ 7,652,830.54
Wages	18,597,941.55	22,061,500.61	23,304,579.21	30,112,649.31	15,038,877.36
Fees	115,792.11	428,247.07	302,852.96	570,080.72	344,335.10
Printing, Binding and Stationery	240,182.30	398,643.09	361,770.27	324,210.09	246,631.03
Food and Forage	127,476.09	132,570.30	111,538.07	96,278.69	133,359.43
Materials and Supplies	6,029,198.69	11,428,882.59	13,195,174.75	13,697,665.32	8,281,112.67
Traveling Expenses	963,424.34	1,297,914.77	1,182,803.73	1,173,725.32	877,934.25
Motor Vehicle Supplies and Repairs	935,545.19	1,159,707.80	1,153,068.46	1,046,001.61	818,277.76
Freight, Express and Cartage	38,228.34	54,663.89	55,011.97	57,135.83	40,750.65
Postage	431,764.91	476,600.56	491,881.29	466,767.18	462,967.13
Telephone and Telegraph	140,377.24	135,705.96	141,529.48	163,582.59	124,155.52
Newspaper Advertising and Notices	14,629.85	34,132.70	236,326.98	255,019.55	21,812.83
Light, Heat, Power, Water Sewage and Fuel	233,171.67	201,466.29	176,193.64	184,463.84	231,490.40
Contracted Repairs	700,888.79	1,212,796.63	858,828.55	817,239.79	921,627.71
Rent of Real Estate	189,596.67	251,878.57	420,641.32	165,141.65	234,299.57
Rent of Equipment	2,412,986.85	4,054,577.72	4,745,481.90	5,964,709.77	2,631,172.35
Insurance, Surety and Fidelity Bonds	309,258.96	725,382.60	724,084.82	1,051,980.12	278,735.33
Other Maintenance Services and Expense	6,383.95	99,808.26	172,899.44	98,785.34	72,448.13
Motor Vehicles	121,949.24	198,851.64	241,078.07	192,149.12	230,005.29
Live Stock	75.00	.....	1,925.02	.....	117.00
Equipment and Machinery	247,017.30	1,627,147.65	909,767.34	457,851.38	366,237.31
Land	334,939.75	270,091.84	313,868.03	452,389.03	231,343.72
Contracted Building and Construction	8,447,597.41	21,422,673.06	30,939,164.49	19,106,969.75	15,803,528.72
Subsidies, Grants, Bounties and Indemnities	1,248,213.07	1,700,148.72	1,510,270.32	1,980,797.44	6,473,949.31
Subsidies (Public Assistance)	324,765.19	147,676.25*	.....	.....	.....
Fixed Charges, Debt Interest and Sinking Fund	6,411,237.79	6,360,148.01	6,244,342.79	3,124,494.10	8,965,986.70
Refunds and Repayment of Receipts	62,937.63	56,988.11	158,067.15	45,909.71	35,005.13
Advance Requisitions	37,457.96	31,927.00*	38,066.00	156,067.79	76,788.50
Stores	95.66	46.20	.....	.....	.....
Refund to Federal Government	.....	500,000.00	1,000,000.00	500,000.00	1,550,000.00
Undistributed	.....	.....	.....	.....	1,132.01
Transfers to Non-operating Funds	.....	.....	.....	.....	.....
TOTAL OPERATING EXPENDITURES LESS REFUNDS	$ 55,254,152.58	$ 84,286,889.20	$ 97,447,215.51	$ 90,641,759.61	$ 72,146,911.45
Transfers to General Fund	$ 10,100,000.00	8,016,211.00	3,000,609.35	22,450,000.00	4,000,000.00
	$ 65,354,152.58	$ 92,303,100.20	$ 100,447,824.86	$ 113,091,759.61	$ 76,146,911.45

* Indicates deduction.

COMMONWEALTH OF PENNSYLVANIA

RECAPITULATION OF ACTUAL EXPENDITURES APPLICABLE TO PERIODS INDICATED REGARDLESS OF DATE OF EXPENDITURES

GENERAL FUND

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
EXECUTIVE DEPARTMENT				
Governor's Office	$ 330,079.59	$ 300,688.39	$ 329,154.09	$ 152,926.60
Lieutenant Governor's Office	20,844.76	22,748.25	29,526.89	11,211.51
Department of the Auditor General	1,451,030.87	1,577,167.19	1,463,072.81	714,062.45
Treasury Department	5,057,455.96	†111,737,364.23	‡137,893,609.67	§39,254,955.01
Department of Agriculture	3,279,980.50	2,293,331.91	3,343,222.16	1,339,620.29
Department of Banking	187,357.27	118,044.57	161,308.17	47,109.07
Department of Commerce	.....	.....	.....	308,502.50
Department of Forests and Waters	2,634,572.95	2,195,662.51	4,222,791.35	1,166,422.33
Department of Health	3,681,267.90	5,535,615.33	6,136,748.86	2,785,174.53
Insurance Department	489,407.26	575,674.82	670,413.90	241,465.87
Department of Internal Affairs	539,626.51	514,401.84	628,106.34	257,011.93
Department of Justice	783,806.73	837,394.49	969,326.04	533,844.66
Department of Labor and Industry	2,006,407.53	2,132,205.92	5,118,521.04	2,001,427.63
Department of Military Affairs	3,154,234.95	3,121,533.65	2,972,763.77	1,429,239.23
Department of Mines	555,278.53	535,479.28	679,601.65	309,866.00
Department of Property and Supplies	6,230,831.22	6,115,876.82	5,255,793.79	3,914,987.72
Department of Public Instruction	92,018,664.75	93,254,097.02	99,201,455.44	49,522,964.11
Public Utility Commission	1,073,682.57	1,382,603.70	2,797,773.41	882,327.20
Department of Revenue	1,388,207.08	2,732,891.99	4,058,160.63	1,426,818.52
Department of State	1,419,821.71	1,387,632.51	256,525.18	916,912.55
Pennsylvania Motor Police	2,532,338.23	2,503,641.16	8,116,982.22	4,325,273.37
Department of Welfare	31,547,977.50	33,010,664.01	37,483,413.67	19,355,530.03
Administrative Miscellaneous and Commissions	2,229,662.60	467,046.01	2,092,335.71	593,282.04
Milk Control Commission	71,389.76	181,288.55	300,000.00	191,912.53
Department of Public Assistance *	65,256,941.87	163,975,365.71	240,162,630.27	138,845,354.67
Total Executive Department	$ 227,941,368.60	$ 436,508,419.86	$ 564,343,237.06	$ 270,528,202.35
LEGISLATIVE DEPARTMENT				
Senate	$ 548,083.63	$ 529,955.88	$ 498,060.25	$ 107,677.37
House of Representatives	1,150,406.40	1,228,071.74	1,228,614.46	197,169.19
Legislative Journal	4,500.00	4,200.00	8,092.00	3,193.00
Legislative Miscellaneous and Commissions	1,048.36	125,581.72	145,689.58	64,540.12
Legislative Reference Bureau	74,704.17	82,596.89	90,033.94	43,978.02
Total Legislative Department	$ 1,778,742.56	$ 1,970,406.23	$ 1,970,490.23	$ 416,557.70
JUDICIAL DEPARTMENT				
Supreme Court	$ 481,816.03	$ 480,648.00	$ 509,108.29	$ 262,043.68
Superior Court	361,885.78	364,005.02	360,945.52	188,591.02
Common Pleas Court	3,010,935.13	2,959,46 .33	3,133,025.72	1,552,489.04
Orphans' Court	561,489.10	561,704.90	617,500.80	308,999.28
Municipal Court of Philadelphia	215,848.56	221,000.00	194,269.44	108,401.90
County Court of Allegheny County	120,067.66	121,000.00	121,000.00	60,499.80
Juvenile Court of Allegheny County	14,166.67	20,000.00	20,000.00	9,999.96
State Reporter	23,996.84	23,991.88	27,951.63	14,045.21
Miscellaneous	151,743.05	155,695.48	133,709.37	59,889.82
Total Judicial Department	$ 4,941,998.82	$ 4,907,511.61	$ 5,117,510.77	$ 2,564,959.71
TEMPORARY LOAN TO STATE STORES FUND (TRANSFER)	.....	.....	.....	$ 5,000,000.00
REPAYMENT OF BORROWING FROM SPECIAL FUNDS (TRANSFER)	$ 16,443,000.00	$ 32,616,211.00	$ 26,750,000.00	.....
TOTAL EXPENDITURES	$ 251,105,109.98	$ 476,002,548.70	$ 598,181,238.06	$ 278,509,719.76
During—1933-1935	$ 206,998,247.93	$ 12,084.17	.....	.....
1935-1937	43,861,779.25	440,398,231.11	$ 80,000.00	.....
1937-1939	245,082.80	35,499,735.51	548,218,829.51	$ 4,913.66
1939-1940	.....	92,497.91	49,882,408.55	274,611,079.16
Unpaid at May 31, 1940	.....	.....	.....	3,893,726.94

* Expenditures from the State Emergency Relief Board and the Department of Welfare covering Public Assistance items prior to the inception of the Department of Public Assistance on July 1, 1937, are shown under this department for comparison.

† Includes $95,000,000 Sinking Fund for Series "AT" and "BT" Tax Anticipation Notes.

‡ Includes $120,000,000 Sinking Fund for Series "CT" and "DT" Tax Anticipation Notes.

§ Includes $30,000,000 Sinking Fund for Series "FT" Tax Anticipation Notes.

COMMONWEALTH OF PENNSYLVANIA

RECAPITULATION OF ACTUAL EXPENDITURES APPLICABLE TO PERIODS INDICATED REGARDLESS OF DATE OF EXPENDITURES

GENERAL FUND

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS				
State Appropriations—Regular Session	$ 192,763,798.30	$ 254,760,040.71	$ 335,831,086.76	$‡317,876,352.13
State Appropriations—Special Session 1933	*9,784,312.22	.....	.....	.....
State Appropriations—Special Session 1934	14,591,376.00	.....	.....	.....
State Appropriations—Special Session 1936	.....	50,006,635.00	.....	.....
State Appropriations—Special Session 1936—No. 2	.....	237,900.00	.....	.....
State Appropriations—Special Session 1938	.....	.....	29,131,684.74	.....
State Appropriations—Special Session 1940	.....	.....	.....	73,047,905.00
State Appropriations—Deficiency Acts of 1935 Session	5,955,121.60	.....	.....	.....
State Appropriations—Acts of 1935 Session (Additional)	9,700,000.00	.....	.....	.....
State Appropriations—Deficiency Acts of 1937 Session	.....	807,805.56	.....	.....
State Appropriations—Acts of 1937 Session (Additional)	.....	28,044,549.00	.....	.....
State Appropriations—Deficiency Acts of 1939 Session	.....	.....	49,314,976.79	.....
Allocations by the Governor	10,000.00	96,768,600.61	121,800,968.41	133,262,500.00
Loan to State Stores Fund (Transfer)	.....	.....	.....	5,000,000.00
Borrowings from Special Funds (Transfers)	16,443,000.00	33,116,211.00	26,750,000.00	.....
Balances Transferred from Prior Periods	58,729.68	53,456.84	280,918.88	709,079.37
Credits—1933-1935	5,524,606.30	.....	.....	.....
Credits—1935-1937	23,017.47	17,684,931.22	.....	.....
Credits—1937-1939	.....	40,497.37	47,233,506.87	.....
Credits—1939-1940	.....	.....	438,595.95	26,593,724.57
TOTAL AVAILABLE FUNDS	$ 254,853,961.57	$ 481,520,627.31	$ 610,781,738.40	$ 556,489,561.07
BALANCES—				
State Appropriations Lapsed	$ 3,542,529.82	$ 4,406,965.38	$ 7,655,635.57	$ 800.43
State Appropriations to Continue	152,864.93	†830,194.35	4,235,785.40	277,979,040.86
State Appropriations (Balances Transferred)	53,456.84	280,918.88	709,079.37	.....

* $1,548,000 of this amount supplements the original appropriations made by the 1933 General Assembly.
† As adjusted by 1940 Special Session.
‡ Includes balance of $500,000.00 due the State Insurance Fund from the $1,000,000.00 borrowed in September, 1936.

GENERAL FUND
GOVERNOR'S OFFICE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE GOVERNOR	$ 33,079.85	$ 36,000.00	$ 36,000.00	$ 18,000.00
SALARIES AND EXPENSES—				
Salaries	$ 259,324.13	$ 231,124.40	$ 216,496.87	$ 107,230.02
Wages	1,851.21	4,192.02	6,030.71	3,241.17
Fees	1,731.80	437.15	1,634.19	137.50
Materials, Supplies, and Printing	.....	.....	16,907.72	6,009.64
Transportation, Communication, and Information	27,182.30	19,434.06	28,025.63	8,693.49
Maintenance Services and Expense	53.27	2,927.62	13,232.90	6,408.53
Construction, Equipment and Land	.....	.....	4,434.72	975.74
Subsidies, Indemnities and Other Items	6,857.03	5,823.14	6,391.35	1,480.51
Total	$ *296,999.74	$ *263,938.39	$ 293,154.09	$ 134,176.60
PORTRAIT OF THE GOVERNOR	.....	$ 750.00	.....	$ 750.00
TOTAL EXPENDITURES	$ 330,079.59	$ 300,688.39	$ 329,154.09	$ 152,926.60
During—1933-1935	$ 326,218.73	.....	.....	.....
1935-1937	3,860.86	$ 299,705.88	.....	.....
1937-1939	.....	982.51	$ 324,895.61	.....
1939-1940	.....	.....	4,258.48	$ 151,869.00
Unpaid at May 31, 1940	.....	.....	.....	1,057.60
BIENNIAL APPROPRIATIONS—				
Salary of the Governor	$ 36,000.00	$ 36,000.00	$ 36,000.00	$ 36,000.00
Salaries and Expenses	320,000.00	300,000.00	325,500.00	298,000.00
Portrait of the Governor	.....	750.00	.....	750.00
TOTAL AVAILABLE FUNDS	$ 356,000.00	$ 336,750.00	$ 361,500.00	$ 334,750.00
BALANCES—				
To Continue	.....	.....	.....	$ 181,823.40
Lapsed	$ 25,920.41	$ 36,061.61	$ 32,345.91	.....

* During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
LIEUTENANT GOVERNOR'S OFFICE

EXPENDED FOR—				
SALARY OF THE LIEUTENANT GOVERNOR	$ 16,000.00	$ 16,000.00	$ 16,000.00	$ 8,000.00
INCIDENTAL EXPENSES	4,844.76	5,998.25	13,526.89	3,211.51
PORTRAIT OF THE LIEUTENANT GOVERNOR	.....	750.00	.....	.....
TOTAL EXPENDITURES	$ 20,844.76	$ 22,748.25	$ 29,526.89	$ #11,211.51
During—1933-1935	$ 20,588.64	.....	.....	.....
1935-1937	256.12	$ 22,748.25	.....	.....
1937-1939	.....	.....	28,813.60	.....
1939-1940	.....	.....	713.29	$ 11,211.51
BIENNIAL APPROPRIATIONS—				
Salary of the Lieutenant Governor	$ 16,000.00	$ 16,000.00	$ 16,000.00	$ 16,000.00
Incidental Expenses	5,000.00	6,000.00	10,000.00	10,000.00
Incidental Expenses—1938 Special Session	.....	.....	1,800.00	.....
Incidental Expenses—Deficiency	.....	.....	2,000.00	.....
Portrait of the Lieutenant Governor	.....	750.00	.....	750.00
TOTAL AVAILABLE FUNDS	$ 21,000.00	$ 22,750.00	$ 29,800.00	$ 26,750.00
BALANCES—				
To Continue	.....	.....	$ 272.85	$ 15,538.49
Lapsed	$ 155.24	$ 1.75	.26	.....

Cash Payments Only. No reports available showing total charges.

GENERAL FUND

DEPARTMENT OF THE AUDITOR GENERAL

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
ADMINISTRATION				
Salary of the Auditor General	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 12,000.00
Salaries and Expenses	1,402,708.37	1,456,061.69	1,436,577.31	701,213.45
Salaries and Expenses—Auditing Relief Boards	.....	95,000.00	.....	.....
Compensation of Fiscal Agent	1,000.00	1,000.00	1,000.00	500.00
Portrait of the Auditor General	750.00	.....	500.00	.....
Total Administration	$ 1,428,458.37	$ 1,576,061.69	$ 1,462,077.31	$ 713,713.45
COUNTY OFFICERS				
Fees to County Officers	$ 920.50	$ 1,105.50	$ 995.50	$ 349.00
MISCELLANEOUS				
Expenses—Issuing Bonds for Veterans' Compensation	21,652.00	.....	.....	.....
TOTAL EXPENDITURES	$ 1,451,030.87	$ 1,577,167.19	$ 1,463,072.81	$ †714,062.45
During—1933-1935	$ 1,440,252.76	.....	.....	.....
1935-1937	10,778.11	$ 1,543,255.39	.....	.....
1937-1939	.....	33,911.80	$ 1,395,640.94	.....
1939-1940	.....	.....	67,431.87	$ 714,062.45
BIENNIAL APPROPRIATIONS—				
Administration				
Salary of Auditor General	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	1,599,000.00	1,550,000.00	1,480,000.00	1,450,000.00
Salaries and Expenses—Auditing Relief Boards	.....	95,000.00	.....	.....
Compensation of Fiscal Agent	1,000.00	1,000.00	1,000.00	1,000.00
Portrait of Auditor General	750.00	.....	750.00	.....
Total Administration	$ 1,624,750.00	$ 1,670,000.00	$ 1,505,750.00	$ 1,475,000.00
County Officers				
Fees to County Officers	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00
Miscellaneous				
Expenses—Issuing Bonds for Acquisition of Toll Bridges (Special Session—1933)	25,000.00	.....	.....	.....
Expenses—Issuing Bonds for Veterans' Compensation (Special Session—1933)	25,000.00	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 1,678,750.00	$ 1,674,000.00	$ 1,509,750.00	$ 1,479,000.00
BALANCES—				
Lapsed	$ 227,719.13	$ 96,832.81	$ 250.00	.....
To Continue	.....	.....	46,427.19	$ 764,937.55

† Cash Payments Only. No reports available showing total charges.

GENERAL FUND
TREASURY DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
ADMINISTRATION				
Salary of State Treasurer	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 12,000.00
Salaries and Expenses	689,246.97	775,000.00	662,365.57	306,581.65
Salaries and Expenses as Custodian of Federal Moneys (Special Session—1933)	150,000.00	.....	.....	.....
Portrait of State Treasurer	750.00	.....	750.00	.....
Adjustment Account	.....	.....	.....	.....
Replacement Checks	.....	4,363.83	.....	.....
Total Administration	$ 863,996.97	$ 803,363.83	$ 687,115.57	$ 318,581.65
STATE EMPLOYES RETIREMENT BOARD *				
Salaries and Expenses	.....	.....	$ 71,866.87	.....
Annuity Reserve Account No. 2	.....	.....	397,900.00	.....
Contingent Reserve Account	.....	.....	198,950.00	.....
Motor Police Retirement System	.....	.....	50,000.00	.....
Total State Employes Retirement Board	.....	.....	$ 718,716.87	.....
BOARD OF FINANCE AND REVENUE				
Salaries and Expenses	$ 56,052.78	$ 64,841.17	$ 64,999.47	$ 38,019.09
Interest Obligations on Agricultural College Land Scrip and State College Experimental Farm Funds	12,600.00	12,600.00	12,600.00	12,500.00
Publishing Monthly Money Statements	45,615.35	49,443.03	43,114.23	7,235.49
Interest on General Expense Bond Issue	1,125,000.00			
Interest on General Expense Bond Issue—Deficiency	234,375.00	6,500,000.00	6,125,000.00	2,921,875.00
Sinking Fund Requirements on General Expense Bond Issue	2,500,000.00			
Expenses—Issuing General Expense Bonds	11,981.10	.....	.....	.....
Interest and Sinking Fund on Veterans' Compensation Bonds	.....	7,450,192.50	7,450,192.50	3,725,096.25
Loan and Transfer Agent	.....	22,500.00	22,500.00	12,250.00
Sinking Fund on Tax Anticipation Notes, Series AT, BT	.....	95,000,000.00	.....	.....
Interest on Tax Anticipation Notes, Series AT, BT	.....	1,644,113.93	.....	.....
Sinking Fund on Tax Anticipation Notes, Series CT, DT	.....	.....	120,000,000.00	.....
Interest on Tax Anticipation Notes, Series CT, DT	.....	.....	1,799,929.33	.....
Sinking Fund on Tax Anticipation Notes, Series FT	.....	.....	.....	30,000,000.00
Interest on Tax Anticipation Notes, Series ET, FT	.....	.....	.....	1,762,500.00
Expenses—Issuing Tax Notes	.....	16,530.41	21,696.02	18,315.61
Refunding Overpayments by Retired County Officers	493.45	906.75	582.37	.....
Refunding Stock Transfer Stamps	268.20	998.60	1,142.02	.....
Refunding Inheritance Taxes—Resident	147,135.07	115,505.40	99,983.58	85,816.25
Refunding Inheritance Taxes — Resident — Special	.....	.....	774,173.89	.....
Refunding Inheritance Taxes—Non-Resident	629.66	41.80	494.32	863.13
Refunding Fees of Examining Boards	1,279.00	1,580.50	1,497.00	1,090.50
Refunding Notary Public Fees	1,000.00	1,000.00	425.00	485.00
Refunding Moneys Subject to Escheat	18,500.00	24,870.17	24,998.26	54,070.49
Refunding Moneys Subject to Escheat—Deficiency	9,192.01	.....	.....	.....
Refunding Overpayments into State Treasury	504.13	2,500.00	2,477.47	1,250.48
Refunding Institutional Payments	16,614.78	18,060.86	17,950.45	12,087.91

* See Department of State other periods than 1937-1939.

GENERAL FUND

TREASURY DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Refunding Securities Fees	$ 40.00	$ 40.00	$ 180.00	$ 20.00
Refunding Documentary Tax Stamps	.....	.....	15,872.50	.....
Refunding Amusement Tax	.....	.....	360.58	23,869.93
Refunding Emergency Sales Tax	7,180.98	.....	.....	.....
Refunding Spiritous and Vinous Liquor Taxes	4,997.48	6,125.28	1,478.92	439.27
Refunding Circus License Fees	.....	2,150.00	.....	.....
Refunding Liquid Fuels Tax	.....	.....	3,064.07	494.86
Refunding Liquor Floor Tax	.....	.....	.....	217,721.49
Refunding Motor License Fines	.....	.....	.....	3,076.98
Refunding Steamship Licenses	.....	.....	.....	36,850.00
Payment of Claims	.....	.....	3,065.25	.....
Payment of Costs—Butler County Election Contest	.....	.....	.....	445.63
Total Board of Finance and Revenue	$ 4,193,458.99	$ 110,934,000.40	$ 136,487,777.23	$ 38,936,373.36
TOTAL EXPENDITURES	$ 5,057,455.96	$ 111,737,364.23	$ 137,893,609.67	$ †39,254,955.01
During—1933-1935	$ 4,707,905.42	.....	.....	.....
1935-1937	349,550.54	$ 110,728,196.57	.....	.....
1937-1939	.....	939,008.90	$ 134,664,714.56	.....
1939-1940	.....	70,158.76	3,228,895.11	$ 39,254,955.01

† Cash Payments Only. No reports available showing to tal charges.

GENERAL FUND

TREASURY DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
ADMINISTRATION				
Salary of State Treasurer	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	695,000.00	775,000.00	700,000.00	650,000.00
Salaries and Expenses as Custodian of Federal Moneys (Special Session—1933)	150,000.00	.....	.....	.....
Portrait of State Treasurer	750.00	.....	750.00	.....
Adjustment Account	.....	1,000.00	.....	.....
Replacement Checks	.....	5,000.00	.....	.....
Total Administration	$ 869,750.00	$ 805,000.00	$ 724,750.00	$ 674,000.00
STATE EMPLOYES RETIREMENT BOARD				
Salaries and Expenses	.....	.....	$ *72,000.00	.....
Annuity Reserve Account No. 2	.....	.....	*397,900.00	.....
Contingent Reserve Account	.....	.....	*198,950.00	.....
Motor Police Retirement System	.....	.....	*50,000.00	.....
Total State Employes Retirement Board	.....	.....	$ *718,850.00	.....

* Appropriated to Department of State in other periods.

GENERAL FUND

TREASURY DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
BOARD OF FINANCE AND REVENUE				
Salaries and Expenses	$ 65,000.00	$ 65,000.00	$ 65,000.00	$ 80,000.00
Interest on Agricultural College Land Scrip and State College Experimental Farm Funds	12,600.00	12,600.00	12,600.00	17,500.00
Publishing Monthly Money Statements	60,000.00	60,000.00	60,000.00	20,000.00
Interest on General Expense Bond Issue	1,125,000.00			
Interest on General Expense Bond Issue—Deficiency	234,375.00	6,500,000.00	6,125,000.00	5,750,000.00
Sinking Fund Requirements on General Expense Bond Issue	2,500,000.00			
Expenses—Issuing General Expense Bonds	25,000.00	.....	.....	.....
Interest and Sinking Fund on Veterans' Compensation Bonds	.....	7,450,192.50	7,450,192.50	5,950,192.50
Loan and Transfer Agent	.....	22,500.00	22,500.00	22,500.00
Sinking Fund on Tax Anticipation Notes, Series AT, BT	.....	95,000,000.00	.....	.....
Interest on Tax Anticipation Notes, Series AT, BT	.....	1,768,600.61	.....	.....
Sinking Fund on Tax Anticipation Notes, Series, CT, DT	.....	.....	120,000,000.00	.....
Interest on Tax Anticipation Notes, Series CT, DT	.....	.....	1,800,000.00	.....
Sinking Fund on Tax Anticipation Notes, Series ET, FT	.....	.....	.....	130,000,000.00
Interest on Tax Anticipation Notes, Series ET, FT	.....	.....	.....	3,262,500.00
Expenses—Issuing Tax Notes	.....	40,000.00	45,000.00	30,000.00
Refunding Spiritous and Vinous Liquor Taxes	10,000.00	10,000.00	5,000.00	10,000.00
Refunding of Overpayment by Retired County Officers	500.00	1,500.00	1,000.00	1,000.00
Refunding Stock Transfer Stamps	2,000.00	1,000.00	2,500.00	2,500.00
Refunding Inheritance Tax—Resident	300,000.00	400,000.00	100,000.00	300,000.00
Refunding Inheritance Tax—Non-Resident	1,000.00	1,000.00	500.00	1,000.00
Refunding Fees of Examining Boards	2,000.00	2,000.00	1,500.00	2,500.00
Refunding Notary Public Fees	1,000.00	1,000.00	1,000.00	1,000.00
Refunding Inheritance Taxes — Resident — Special	.....	.....	774,173.89	.....
Refunding Moneys Subject to Escheat	18,500.00	25,000.00	25,000.00	145,000.00
Refunding Moneys Subject to Escheat—Deficiency	10,000.00	.....	.....	.....
Refunding Cigarette Tax and Permits	.....	.....	1,000.00	1,000.00
Refunding Overpayments into State Treasury	2,500.00	2,500.00	2,500.00	5,000.00
Refunding Institutional Payments	35,000.00	20,000.00	20,000.00	20,000.00
Refunding Securities Fees	2,000.00	500.00	500.00	500.00
Refunding Documentary Tax Stamps	.....	.....	20,000.00	5,000.00
Refunding Amusement Tax	.....	.....	1,000.00	50,000.00
Refunding Emergency Sales Tax	25,000.00	.....	.....	.....
Refunding Circus License Fees	.....	2,150.00	.....	.....
Refunding Liquid Fuels Tax	.....	.....	26,000.00	10,000.00
Refunding Public Assistance Moneys	.....	.....	.....	2,000.00
Refunding Liquor Floor Tax	.....	.....	.....	325,000.00
Refunding Motor License Fines	.....	.....	.....	7,000.00
Refunding Steamship Licenses	.....	.....	.....	36,850.00
Payment of Claims	.....	.....	3,065.25	.....
Payment of Costs—Butler County Election Contest	.....	.....	.....	445.63
Total Board of Finance and Revenue	$ 4,431,475.00	$ 111,385,543.11	$ 136,565,031.64	$ 146,058,488.13
TOTAL AVAILABLE FUNDS	$ 5,301,225.00	$ 112,190,543.11	$ 138,008,631.64	$ 146,732,488.13
BALANCES—				
Lapsed	$ 90,904.11	$ 167,048.11	$ 72,825.99	.....
To Continue	152,864.93	286,130.77	42,195.98	$ 107,477,533.12

GENERAL FUND
DEPARTMENT OF AGRICULTURE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	$ 20,000.00	$ 20,000.00	$ 19,986.56	$ 10,000.00
SALARIES AND EXPENSES—				
Salaries	$ 1,193,468.35	$ 1,080,667.51	$ 1,185,724.33	$ 486,972.37
Wages	203,214.28	228,917.51	164,369.05	52,849.17
Fees	78,673.82	88,306.32	83,581.70	30,467.71
Materials, Supplies, and Printing	29,079.86	31,064.68	102,480.68	31,045.55
Transportation, Communication, and Information	245,720.99	228,120.29	235,804.00	88,572.71
Maintenance Services and Expense	2,283.00	2,883.32	60,800.56	22,193.96
Construction, Equipment and Land	1,433.00	.....	15,229.01	1,721.95
Subsidies, Indemnities, and Other Items	59,354.01	59,547.77	44,996.59	19,879.09
Refunds and Repayments of Receipts	3.75	.....	.....	.....
Advance Requisitions	.....	.....	.....	3,908.38
Total	$ †1,813,231.06	$ †1,719,507.40	$ 1,892,985.92	$ 737,610.89
TOTAL EXPENDITURES	$ †1,833,231.06	$ †1,739,507.40	$ 1,912,972.48	$ 747,610.89
During—1933-1935	$ 1,799,093.35	.....	.....	.....
1935-1937	34,137.71	$ 1,700,376.22	.....	.....
1937-1939	.....	39,131.18	$ 1,880,418.22	.....
1939-1940	.....	.....	32,554.26	$ 726,903.11
Unpaid at May 31, 1940	.....	.....	.....	20,707.78
BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	1,900,000.00	1,750,000.00	2,012,500.00	1,605,500.00
TOTAL AVAILABLE FUNDS	$ 1,920,000.00	$ 1,770,000.00	$ 2,032,500.00	$ 1,625,500.00
BALANCES—				
Lapsed	$ 86,768.94	$ 30,492.60	$ 13.44	.....
To Continue	.....	.....	119,514.08	$ 877,889.11
EXPENDED FOR—				
STATE FARM PRODUCTS SHOW COMMISSION*				
Salaries	$ 6,560.00	$ 4,838.66	$ 11,937.56	$ 416.66
Wages	.....	432.90	4,659.38	.....
Transportation, Communication and Information	.....	378.00	1,604.30	.....
Maintenance Services and Expense	.....	.....	132.06	.....
Subsidies, Indemnities and Other Items	43,399.00	44,039.50	56,641.00	24 583.00
TOTAL EXPENDITURES	$ 49,959.00	$ 49,689.06	$ 74,974.30	$ 24,999.66
During—1933-1935	$ 49,773.52	.....	.....	.....
1935-1937	185.48	$ 49,446.56	.....	.....
1937-1939	.....	242.50	$ 74,983.25	.....
1939-1940	.....	.....	‡8.95	$ 24,999.66
BIENNIAL APPROPRIATIONS—				
State Farm Products Show Commission	$ 50,000.00	$ 50,000.00	$ 75,000.00	$ 50,000.00
BALANCES—				
Lapsed	$ 41.00	$ 310.94	$ 25.70	.....
To Continue	.....	.....	.....	$ 25,000.34

* See also State Farm Show Fund.
† During this period additional expenditures were made from Property and Supplies Appropriations.
‡ Indicates deduction.

GENERAL FUND

DEPARTMENT OF AGRICULTURE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
ENCOURAGING AGRICULTURAL EXHIBITS—				
Subsidies, Indemnities and Other Items	$ 85,000.00	$ 75,305.56	$ 117,736.28	$ 49,997.73
EGG LAYING CONTEST—				
Salaries	$ 9,589.57	$ 7,333.85	$ 8,735.04	$ 3,002.90
Wages	1,485.97	4,041.35	1,949.75	2,477.20
Materials, Supplies and Printing	4,782.75	5,825.98	7,564.06	3,184.46
Transportation, Communication and Information	501.27	428.04	791.40	315.38
Maintenance Services and Expense	2,373.23	2,526.52	1,795.11	1,046.46
Construction, Equipment and Land	96.05	837.14	164.64	.....
Total	$ 18,828.84	$ 20,992.88	$ 21,000.00	$ 10,026.40
ANIMAL INDEMNITIES—				
Salaries	.....	.....	$ 22,798.68	$ 14,639.84
Wages	.....	.....	5,744.40	36,550.51
Fees	.....	.....	3,849.29	507.50
Materials, Supplies and Printing	.....	.....	1,106.80	.....
Transportation, Communication and Information	.....	.....	2,223.64	1,070.80
Maintenance Services, and Expense	.....	.....	354.41	162.71
Construction, Equipment and Land	.....	.....	1,693.92	200.00
Subsidies, Indemnities and Other Items	$ 1,292,961.60	$ 398,710.03	$ 1,139,314.93	$ 447,825.43
Total	$ 1,292,961.60	$ 398,710.03	$ 1,177,086.07	$ 500,956.79
PLANT INDEMNITIES—				
Subsidies, Indemnities and Other Items	.....	.....	$ 416.52	.....
CONDUCTING TOBACCO EXPERIMENTS—				
Salaries	.....	$ 2,691.84	$ 3,370.64	.....
Wages	.....	1,889.59	2,034.78	.....
Materials, Supplies and Printing	.....	1,411.73	669.41	.....
Transportation, Communication and Information	.....	1,541.71	1,532.58	.....
Maintenance Services and Expenses	.....	63.72	347.50	.....
Construction, Equipment and Land	.....	1,528.39	.....	.....
Total	.....	$ 9,126.98	$ 7,954.91	.....
TOTAL EXPENDITURES	$ 1,396,790.44	$ 504,135.45	$ 1,324,193.78	$ 560,980.92
During—1933-1935	$ 1,283,618.10	.....	.....	.....
1935-1937	113,172.34	$ 473,498.48	.....	.....
1937-1939	.....	30,636.97	$ 1,281,643.76	.....
1939-1940	.....	.....	42,550.02	$ 538,511.05
Unpaid at May 31, 1940	.....	.....	.....	22,469.87
BIENNIAL APPROPRIATIONS—				
Encouraging Agricultural Exhibits	$ 85,000.00	$ 75,000.00	$ 125,000.00	$ 100,000.00
Encouraging Agricultural Exhibits—Deficiency	.....	305.56	.....	.....
Egg Laying Contest	24,000.00	21,000.00	21,000.00	21,000.00
Animal Indemnities	1,500,000.00	600,000.00	1,200,000.00	1,400,000.00
Plant Indemnities	.....	.....	500.00	.....
Conducting Tobacco Experiments	.....	10,000.00	10,000.00	5,000.00
TOTAL AVAILABLE FUNDS	$ 1,609,000.00	$ 706,305.56	$ 1,356,500.00	$ 1,526,000.00
BALANCES—				
Lapsed	$ 212,209.56	$ 202,170.11	$ 9,392.29	.....
To Continue	.....	.....	22,913.93	$ 965,019.08

GENERAL FUND

DEPARTMENT OF AGRICULTURE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SOIL CONSERVATION BOARD				
Salaries			$ 3,578.87	
Fees			387.15	
Materials, Supplies and Printing			80.87	$ 3.40
Transportation, Communication and Information			2,208.28	152.05
Maintenance Services and Expenses			380.53	
Equipment			31.77	
Total			$ 6,667.47	$ 155.45
ADVANCING POTATO INTERESTS				
Salaries			$ 11,778.78	$ 1,224.42
Wages			498.12	2,168.00
Materials, Supplies and Printing			597.38	10.00
Transportation, Communication and Information			3,931.64	1,367.31
Maintenance Services and Expenses			453.13	37.30
Equipment			388.47	
Total			$ 17,647.52	$ 4,807.03
POULTRY CONGRESS EXHIBIT				
Salaries			$ 1,375.18	$ 375.64
Wages			100.00	48.00
Materials, Supplies and Printing			234.31	97.16
Transportation, Communication and Information			242.06	422.67
Maintenance Services and Expenses			4,643.68	122.87
Equipment			171.38	
Total			$ 6,766.61	$ 1,066.34
TOTAL EXPENDITURES			$ 31,081.60	$ 6,028.82
During—1937-1939			$ 27,776.32	
1939-1940			3,305.28	$ 6,011.77
Unpaid at May 31, 1940				17.05
BIENNIAL APPROPRIATIONS—				
Soil Conservation Board			$ 10,000.00	$ 1,000.00
Advancing Potato Interests			25,000.00	10,000.00
Poultry Congress Exhibit			10,000.00	1,500.00
TOTAL AVAILABLE FUNDS			$ 45,000.00	$ 12,500.00
BALANCES—				
Lapsed			$ 10,585.87	
To Continue			3,332.53	$ 6,471.18

GENERAL FUND
DEPARTMENT OF BANKING

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
EXAMINATION OF BUILDING AND LOAN ASSOCIATIONS—				
Salaries	$ 51,377.06			
Fees	344.97			
Materials, Supplies and Printing	1,765.94			
Transportation, Communication and Information	6,744.18			
Maintenance Services and Expenses	10,758.80			
Construction, Equipment, and Land	751.05			
			Supported by Banking Department Fund	
Total	$ *71,742.00			
PENNSYLVANIA SECURITIES COMMISSION—				
Salaries	$ 110,037.78	$ 113,020.41	$ 119,231.73	$ 38,900.48
Wages	25.83	815.20	1,143.59	998.90
Fees	403.90	99.40	1,008.58	229.45
Materials, Supplies and Printing			3,729.95	2,220.42
Transportation, Communication and Information	5,147.76	4,109.56	9,201.45	2,961.74
Maintenance, Services and Expenses			466.69	143.68
Equipment			1,540.31	267.63
Total	$ *115,615.27	$ *118,044.57	$ 136,322.30	$ 45,722.30
REVOLVING FUND—LIQUIDATION OF BUILDING AND LOAN ASSOCIATIONS			$ 24,985.87	$ 1,386.77
TOTAL EXPENDITURES	$ 187,357.27	$ 118,044.57	$ 161,308.17	$ 47,109.07
During—1933-1935	$ 186,740.44			
1935-1937	616.83	$ 117,818.21		
1937-1939		226.36	$ 154,106.60	
1939-1940			7,201.57	$ 46,404.92
Unpaid at May 31, 1940				704.15
BIENNIAL APPROPRIATIONS—				
Examination of Building and Loan Associations	$ 80,000.00			
Pennsylvania Securities Commission	120,000.00	$ 108,000.00	$ 145,300.00	$ 115,000.00
Pennsylvania Securities Commission—Deficiency		12,500.00		
Liquidation of Building and Loan Associations			25,000.00	10,000.00
TOTAL AVAILABLE FUNDS	$ 200,000.00	$ 120,500.00	$ 170,300.00	$ 125,000.00
BALANCES—				
Lapsed	$ 12,642.73	$ 2,455.43	$ 8,991.83	
To Continue				$ 77,890.93

* During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF COMMERCE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY				$ 10,000.00
SALARIES AND EXPENSES—				
Salaries				$ 31,720 68
Wages				7,330.87
Materials, Supplies and Printing				12,121.86
Transportation, Communication and Information				189,963.56
Maintenance Services and Expense				1,142.63
Construction, Equipment and Land				2,425.60
Total				$ 244,705.20
TOTAL EXPENDITURES				$ 254,705.20
During—1939-1940				$ 237,252.70
Unpaid May 31, 1940				17,452.50
BIENNIAL APPROPRIATIONS—				
Salary of Secretary				$ 10,000.00
Salaries and Expenses				230,000.00
TOTAL AVAILABLE FUNDS				$ 240,000.00
BALANCES—				
Lapsed				
To Continue				$ 14,705.20*
EXPENDED FOR—				
STATE PLANNING BOARD				
Salaries				$ 40,230.52
Wages				5,401.19
Materials, Supplies and Printing				2,285.57
Transportation, Communication and Information				3,127.12
Maintenance Services and Expense				2,643.64
Construction, Equipment and Land				109.26
TOTAL EXPENDITURES			#	$ 53,797.30
During—1939-1940				$ 53,320.96
Unpaid May 31, 1940				476.34
BIENNIAL APPROPRIATIONS—				
State Planning Board			#	$ 108,000.00
TOTAL AVAILABLE FUNDS				$ 108,000.00
BALANCES—				
To Continue				$ 54,202.70

* An appropriation of $400,000 is available in the Motor License Fund for transfer to the credit of this appropriation. This apparent over-draft results merely from the fact that up to May 31, 1940 no transfers had been made from the Motor License Fund, since the General Fund Appropriation of $230,000 was sufficient to care for all cash payments to that date.

See Administrative Miscellaneous and Commissions this period.

GENERAL FUND
DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY	$ 20,000.00	$ 19,963.39	$ 20,000.00	$ 9,999.84
SALARIES AND EXPENSES—				
Salaries	$ 722,336.97	$ 805,046.45	$ 803,853.15	$ 383,513.70
Wages	296,419.93	247,601.69	193,554.32	74,662.27
Fees	1,698.20	4,678.28	3,039.60	528.05
Materials, Supplies and Printing	92,818.18	39,133.90	48,491.15	15,225.62
Transportation, Communication and Information	138,224.56	126,721.51	123,176.55	40,101.72
Maintenance Services and Expense	18,066.34	8,955.58	69,334.71	19,377.17
Construction, Equipment, and Land	9,998.04	806.36	26,747.34	4,347.13
Subsidies, Indemnities and Other Items	6,293.58	1,056.22	93.30	.....
Total	$ ‡1,286,755.80	$ ‡1,233,999.99	$ 1,268,290.12	$ 537,755.66
ANNUAL FIXED CHARGES—FEDERAL AND STATE FOREST LANDS				
Subsidies, Indemnities and Other Items	$ 204,296.12	$ 204,428.45	$ 207,854.65	$ 104,367.60
ANNUAL FIXED CHARGES—FLOOD LANDS				
Subsidies, Indemnities and Other Items	$ 12,663.85	$ 11,562.81	$ 10,611.32	$ 385.20
TOTAL EXPENDITURES	$ 1,523,715.77	$ 1,469,954.64	$ 1,506,756.09	$ 652,508.30
During 1933-1935	$ 1,444,943.96	.....	.....	.....
1935-1937	78,771.81	$ 1,429,149.04	.....	.....
1937-1939	.....	40,805.60	$ 1,460,180.32	.....
1939-1940	.....	.....	46,575.77	$ 636,552.10
Unpaid at May 31, 1940	.....	.....	.....	15,956.20
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	1,218,000.00	1,234,000.00	1,335,000.00	1,050,000.00
Annual Fixed Charges—Federal and State Forest Lands	207,000.00	218,500.00	218,500.00	209,500.00
Annual Fixed Charges—Flood Lands	17,500.00	14,000.00	14,000.00	14,000.00
Credits—1933-1935*	119,352.96	.....	.....	.....
Credits—1935-1937*	§11,807.30	.....	.....	.....
Transferred from Prior Biennium*	35,914.05	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 1,605,959.71	$ 1,486,500.00	$ 1,587,500.00	$ 1,293,500.00
BALANCES—				
Lapsed	$ 82,243.94	$ 16,545.36	$ 80,743.91	.....
To Continue	.....	.....	.....	$ 640,991.70

* Receipts from Federal Government for forest protection and nursery purposes.
‡ During this period additional expenditures were made from Property and Supplies Appropriations.
§ Indicates deduction. Transferred to "Receipts Available for Special Purposes."

GENERAL FUND
DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WATER AND POWER RESOURCES BOARD				
SALARIES AND EXPENSES				
Salaries	$ 125,213.20			
Wages	2,296.95			
Fees	2.50			
Materials, Supplies and Printing	2,218.20			
Transportation, Communication and Information	15,836.56			
Maintenance Services and Expense	60.62			
Construction, Equipment and Land	.60			
		Included with General Departmental Salary and Expense Appropriation these periods		
Total	$ 145,628.63	.....	.....	.....
DARBY CREEK FLOOD PREVENTION	$ 39,947.41	.....	.....	.....
SURVEY TO DETERMINE RENTALS FOR ENCROACHMENTS				
Wages	.....	.....	$ 23,595.67	.....
Materials, Supplies and Printing	.....	.....	723.78	.....
Transportation, Communication and Information	.....	.....	6,924.95	.....
Maintenance Services and Expense	.....	.....	862.40	.....
Equipment	.....	.....	228.08	.....
Total	.....	.....	$ 32,334.88	.....
DYKE ALONG DELAWARE—PIKE COUNTY	.....	$ 1,000.00	.....	.....
DYKE ALONG DELAWARE—MATAMORAS	.....	$ 20,917.31	.....	.....
DYKE ALONG DELAWARE—MILFORD	.....	$ 9,979.87	$ 1,099.75	.....
DYKE ALONG DELAWARE—BUCKS COUNTY	.....	$ 110,000.00	.....	.....
PAYMENT INTO FLOOD CONTROL FUND	.....	$ 150,000.00	$ 2,000,000.00	.....
TOTAL EXPENDITURES	$ 185,576.04	$ 291,097.18	$ 2,033,434.63	.....
During—1933-1935	$ 183,654.95	.....	.....	.....
1935-1937	1,921.09	$ 175,269.58	.....	.....
1937-1939	.....	115,365.32	$ 2,033,434.63	.....
1939-1940	.....	62.28	.....	.....
BIENNIAL APPROPRIATIONS—				
Salaries and General Expenses	$ 147,000.00	A	A	A
Darby Creek Flood Prevention	40,000.00	.....	.....	.....
Survey to Determine Rentals for Encroachments	.....	.....	$ 50,000.00	.....
Dyke along Delaware—Pike County (1936 Special Session)	.....	$ 1,000.00	.....	.....
Dyke along Delaware — Matamoras (1936 Special Session)	.....	21,000.00	.....	.....
Dyke along Delaware—Milford	.....	10,000.00	1,200.00	.....
Dyke along Delaware—Bucks County	.....	110,000.00	.....	.....
Flood Control Survey	.....	50,000.00	.....	.....
Flood Control Fund	.....	150,000.00	†4,900,000.00	.....
TOTAL AVAILABLE FUNDS	$ 187,000.00	$ 342,000.00	$ †4,901,200.00	.....
BALANCES—				
Lapsed	$ 1,423.96	$ 50,102.82	$ 17,765.37	.....
To Continue	.....	.....	*2,900,000.00	.....

*Estimated to Lapse.
A—See Departmental Salary and Expense Appropriation this period.
† Of this amount $2,900,000 will probably lapse.

GENERAL FUND
DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
CONTROL OF FOREST FIRES				
Wages	$ 196,096.67	$ 118,542.48	$ 161,533.99	$ 120,374.50
Transportation, Communication and Information	36,078.81	21,415.02	32,007.16	17,088.35
Maintenance Services and Expense	.....	378.51	5,330.54	4,968.19
TOTAL EXPENDITURES	$ 232,175.48	$ 140,336.01	$ 198,871.69	$ 142,431.04
During—1933-1935	$ 178,840.36	.....	.....	.....
1935-1937	53,335.12	$ 113,978.11	.....	.....
1937-1939	.....	26,357.90	$ 137,898.91	.....
1939-1940	.....	.....	60,972.78	$ 123,236.58
Unpaid May 31, 1940	.....	.....	.....	19,194.46
BIENNIAL APPROPRIATIONS—				
Control of Forest Fires	$ 200,000.00	$ 200,000.00	$ 150,000.00	$ 150,000.00
Control of Forest Fires—Deficiency	60,000.00	.....	60,000.00	.....
TOTAL AVAILABLE FUNDS	$ 260,000.00	$ 200,000.00	$ 210,000.00	$ 150,000.00
BALANCES—				
Lapsed	$ 27,824.52	$ 59,663.99	.....	.....
To Continue	.....	.....	$ 11,128.31	$ 7,568.96

EXPENDED FOR—				
PYMATUNING PROJECT				
Salaries	$ 29,572.21			
Wages	43,376.27			
Fees	1,488.13			
Materials, Supplies and Printing	5,589.38	No Appropriations these periods		
Transportation, Communication and Information	8,707.96			
Maintenance Services and Expense	6,054.61			
Construction, Equipment and Land	355,117.00			
TOTAL EXPENDITURES	$ 449,905.56	.....	.....	.....
During—1933-1935	$ 445,805.95	.....	.....	.....
1935-1937	4,099.61	.....	.....	.....
BIENNIAL APPROPRIATIONS—				
Construction	$ 450,000.00	.....	.....	.....
BALANCES—				
Lapsed	$ 94.44	.....	.....	.....

GENERAL FUND

DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WASHINGTON CROSSING PARK COMMISSION				
Salaries	$ 6,290.00	$ 5,224.84	$ 6,071.69	$ 3,145.00
Wages	29,891.07	17,544.88	17,862.58	6,978.85
Fees	157.16	.....	2.70	2.50
Materials, Supplies and Printing	1,105.45	2,450.76	1,839.71	491.83
Transportation, Communication and Information	1,563.08	1,630.96	1,581.93	580.43
Maintenance Services and Expense	2,233.07	1,977.85	3,065.14	1,129.59
Construction, Equipment and Land	.....	1,126.00	435.00	404.40
TOTAL EXPENDITURES	$ 41,239.83	$ 29,955.29	$ 30,858.75	$ 12,732.60
During—1933-1935	$ 40,700.75	.....	.....	.....
1935-1937	539.08	$ 29,016.12	.....	.....
1937-1939	.....	939.17	$ 29,485.22	.....
1939-1940	.....	.....	1,373.53	$ 12,272.16
Unpaid May 31, 1940	.....	.....	.....	460.44
BIENNIAL APPROPRIATIONS—				
Washington Crossing Park Commission	$ 41,250.00	$ 30,000.00	$ 31,000.00	$ 27,900.00
BALANCES—				
Lapsed	$ 10.17	$ 44.71	$ 141.25	.....
To continue	.....	.....	.....	$ 15,167.40
EXPENDED FOR—				
VALLEY FORGE PARK COMMISSION				
Salaries	$ 19,805.00	$ 13,601.66	$ 14,474.15	$ 7,145.50
Wages	40,071.49	28,457.55	40,248.48	19,860.35
Fees	15.75	8.30	5.50	.....
Materials, Supplies and Printing	4,415.24	2,345.76	5,107.26	1,443.58
Transportation, Communication and Information	2,901.04	2,483.00	4,065.08	2,019.65
Maintenance Services and Expense	3,823.82	2,588.76	5,514.29	1,922.04
Construction, Equipment and Land	217.33	513.39	2,330.15	1,247.38
Total	$ 71,249.67	$ 49,998.42	$ 71,744.91	$ 33,638.50
VALLEY FORGE PARK COMMISSION—LAND				
Construction, Equipment and Land	.....	.....	$ 49,998.70	$ 87,500.00
TOTAL EXPENDITURES	$ 71,249.67	$ 49,998.42	$ 121,743.61	$ 121,138.50
During—1933-1935	$ 69,467.81	.....	.....	.....
1935-1937	1,781.86	$ 48,640.62	.....	.....
1937-1939	.....	1,357.80	$ 117,256.93	.....
1939-1940	.....	.....	4,486.68	$ 119,973.69
Unpaid May 31, 1940	.....	.....	.....	1,164.81
BIENNIAL APPROPRIATIONS—				
Valley Forge Park Commission	$ 71,250.00	$ 50,000.00	$ 71,750.00	$ 71,750.00
Valley Forge Park Commission—Land	.....	.....	50,000.00	87,500.00
TOTAL AVAILABLE FUNDS	$ 71,250.00	$ 50,000.00	$ 121,750.00	$ 159,250.00
BALANCES—				
Lapsed	$ .33	$ 1.58	$ 6.39	.....
To continue	.....	.....	.....	$ 38,111.50

GENERAL FUND

DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
FORT WASHINGTON PARK—MAINTENANCE				
Wages	$ 1,998.16	$ 1,998.00	$ 1,998.00	$ 1,000.89
CONRAD WEISER MEMORIAL PARK—MAINTENANCE	.....	1,427.13	.....	.....
DRAKE WELL MEMORIAL PARK—MAINTENANCE	.....	3,936.76	.....	.....
MONUMENT TO JOHN MORTON—REAPPROPRIATION	.....	7,499.58	.....	.....
TOTAL EXPENDITURES	$ 1,998.16	$ 14,861.47	$ 1,998.00	$ 1,000.89
During—1933-1935	$ 1,914.91	.....	.....	.....
1935-1937	83.25	$ 6,739.23	.....	.....
1937-1939	.....	8,122.24	$ 1,914.75	.....
1939-1940	.....	.....	83.25	$ 917.64
Unpaid May 31, 1940	.....	.....	.....	83.25
BIENNIAL APPROPRIATIONS—				
Fort Washington Park—Maintenance	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 1,800.00
Bushey Run Battlefield Commission—Land	.....	.....	10,000.00	.....
Conrad Weiser Memorial Park—Maintenance	.....	2,000.00	.....	.....
Drake Well Memorial Park—Maintenance	.....	4,000.00	.....	.....
Monument to John Morton—Reappropriation	.....	7,500.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 2,000.00	$ 15,500.00	$ 12,000.00	$ 1,800.00
BALANCES—				
Lapsed	$ 1.84	$ 638.53	$ 10,002.00	.....
To Continue	.....	.....	.....	$ 799.11
EXPENDED FOR—				
MAINTENANCE AND IMPROVEMENT OF STATE PARKS AND ACQUISITION OF LAND				
Salaries	.....	.....	$ 3,919.92	$ 1,959.96
Wages	$ 29,860.32	$ 8,572.98	30,634.13	14,091.55
Fees	21.25	63.40	10.00	16.00
Materials, Supplies and Printing	5,881.69	137.69	18,636.47	4,102.27
Transportation, Communication and Information	949.49	247.51	8,164.76	3,745.36
Maintenance Services and Expense	91.00	5.91	5,872.11	1,920.75
Construction, Equipment and Land	728.40	.....	2,301.56	317.35
TOTAL EXPENDITURES	$ 37,532.15	$ 9,027.49	$ 69,538.95	$ 26,153.24
During—1933-1935	$ 36,647.91	.....	.....	.....
1935-1937	884.24	$ 8,964.09	.....	.....
1937-1939	.....	63.40	$ 63,786.55	.....
1939-1940	.....	.....	5,752.40	$ 24,632.93
Unpaid at May 31, 1940	.....	.....	.....	1,520.31
BIENNIAL APPROPRIATIONS—				
Maintenance and Improvement of State Parks and Acquisition of Land	$ 40,000.00	$ 30,000.00	$ 75,000.00	$ 60,000.00
BALANCES—				
Lapsed	$ 2,467.85	$ 20,972.51	.....	.....
To Continue	.....	.....	$ 5,461.05	$ 33,846.76

GENERAL FUND

DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PENNSYLVANIA STATE PARK AND HARBOR COMMISSION—ADMINISTRATION				
Salaries	$ 17,699.00	$ 15,565.00	$ 11,477.14	$ 3,705.00
Wages	36,217.60	35,719.05	49,632.95	23,845.56
Fees	42.00	.....	32.50	55.00
Materials, Supplies and Printing	4,659.66	8,384.42	4,146.25	1,537.37
Transportation, Communication and Information	4,198.37	5,334.95	2,587.15	1,680.95
Maintenance Services and Expense	10,222.20	1,301.25	4,235.14	1,149.01
Construction, Equipment and Land	1,960.41	29,519.54	1,088.48	255.00
Total	$ 74,999.24	$ 95,824.21	$ 73,199.61	$ 32,227.89
PENNSYLVANIA STATE PARK AND HARBOR COMMISSION — DREDGING CANAL BASINS				
Wages	.....	.....	$ 687.64	.....
Transportation, Communication and Information	.....	.....	66.24	.....
Maintenance Services and Expenses	.....	.....	406.77	.....
Contracted Construction	.....	.....	46,003.96	.....
Reserve	.....	.....	.....	.....
Total	.....	.....	$ 47,164.61	.....
REPAIRS TO JETTIES AT PRESQUE ISLE	.....	.....	.....	$ 4,575.64
CONSTRUCTION OF BULKHEAD AT PRESQUE ISLE	.....	.....	.....	$ 33,077.81
EROSION STUDY AT PRESQUE ISLE	.....	.....	.....	$ 2,500.00
TOTAL EXPENDITURES	$ 74,999.24	$ 95,824.21	$ 120,364.22	$ 72,381.24
During—1933-1935	$ 68,196.83	.....	.....	.....
1935-1937	6,802.41	$ 63,762.37	.....	.....
1937-1939	.....	32,061.84	$ 118,918.41	.....
1939-1940	.....	.....	1,445.81	$ 71,091.55
Unpaid at May 31, 1940	.....	.....	.....	1,289.69
BIENNIAL APPROPRIATIONS—				
Pennsylvania State Park and Harbor Commission	$ 75,000.00	$ 70,000.00	$ 73,200.00	$ 65,880.00
Pennsylvania State Park and Harbor Commission—Deficiency	.....	27,000.00	.....	.....
Pennsylvania State Park and Harbor Commission—Dredging Canal Basins	.....	.....	52,000.00	.....
Repairs to Jetties at Presque Isle	.....	.....	.....	8,000.00
Construction of Bulkhead at Presque Isle	.....	.....	.....	66,000.00
Backfilling at Presque Isle	.....	.....	.....	1,500.00
Erosion Study at Presque Isle	.....	.....	.....	2,500.00
TOTAL AVAILABLE FUNDS	$ 75,000.00	$ 97,000.00	$ 125,200.00	$ 143,880.00
BALANCES—				
Lapsed	$ .76	$ 54.17	$ 4,835.78	.....
To Continue	.....	1,121.62	.....	$ 71,498.76

GENERAL FUND

DEPARTMENT OF FORESTS AND WATERS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
NAVIGATION COMMISSION FOR THE DELAWARE RIVER				
Salaries	Included under Administrative Miscellaneous these periods		$ 26,864.47	$ 13,772.50
Wages			1,779.92	3,210.69
Fees			1,089.65	45.50
Materials, Supplies and Printing			5,003.21	2,791.04
Transportation, Communication and Information			1,311.52	736.96
Maintenance Services and Expense			9,887.84	1,145.39
Equipment			7,250.40	2,449.86
TOTAL EXPENDITURES			$ 53,187.01	$ 24,151.94
During—1937-1939			$ 46,215.53	
1939-1940			6,971.48	$ 20,224.21
Unpaid May 31, 1940				3,927.73
BIENNIAL APPROPRIATIONS				
Navigation Commission for the Delaware River			$ 60,000.00	$ 50,000.00
BALANCES—				
Lapsed			$ 6,812.99	
To Continue				$ 25,848.06
EXPENDED FOR—				
PENNSYLVANIA NAUTICAL SCHOOL				
Salaries	Included under Department of Public Instruction these periods			$ 35,264.17
Wages				131.22
Fees				65.50
Materials, Supplies and Printing				11,630.49
Transportation, Communication and Information				369.53
Maintenance Services and Expense				1,186.51
Construction, Equipment and Land				15,995.15
Advance Requisitions				514.14
TOTAL EXPENDITURES				$ 65,156.71
During—1939-1940				$ 59,462.09
Unpaid May 31, 1940				5,694.62
CREDITS AND BIENNIAL APPROPRIATIONS—				
Pennsylvania Nautical School				$ 90,000.00
Credits—1939-1940				25,000.00
TOTAL AVAILABLE FUNDS				$ 115,000.00
BALANCES—				
To Continue				$ 49,843.29

GENERAL FUND

DEPARTMENT OF FORESTS AND WATERS

RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
GENERAL FOREST AND FLOOD PURPOSES PAID FROM CONTRIBUTIONS, FEDERAL AID				
Federal Aid—Protection	.....	$ 76,190.63	$ 80,306.42	$ 47,049.43
Federal Aid—Nurseries	.....	4,302.83	4,612.91	1,613.95
Miss Keen—Purchase of Land	$ 104.42	70.61	.....	.....
Voluntary Contributions—Protection	135.80	.....	.....	.....
Delaware County for Dyke	15,914.58	13,243.73	222.66	10.00
Delaware County for Darby Creek	26.25	.....	.....	.....
John Morton's Birthplace	.....	.....	896.41	94.49
TOTAL EXPENDITURES	$ 16,181.05	$ 93,807.80	$ 86,038.40	$ 48,767.87
BALANCES FROM PRIOR PERIODS—				
Federal Aid—Protection	.....	.....	$ 22,332.14	$ 36,162.06
Voluntary Contributions—Protection	$ 135.80	.....	.....	.....
Voluntary Contributions—General	1.00	.....	.....	.....
Federal Aid—Nurseries	.....	.....	1,525.07	1,506.16
Miss Keen—Purchase of Land	175.03	$ 70.61	.....	.....
Delaware County for Dyke	.....	16,615.42	3,371.69	3,149.03
Delaware County for Darby Creek	.....	73.75	73.75	73.75
Contributions—John Morton's Birthplace	.....	.....	.....	103.59
Total Balances from Prior Periods	$ 311.83	$ 16,759.78	$ 27,302.65	$ 40,994.59
RECEIPTS—				
Delaware County for Dyke	$ 32,530.00	.....	.....	.....
Delaware County for Darby Creek	100.00	.....	.....	.....
Federal Aid—Protection	.....	$ 98,522.77	$ 54,136.34	$ 40,881.15
Federal Aid—Nurseries	.....	5,827.90	4,594.00	2,753.00
Contributions—John Morton's Birthplace	.....	.....	1,000.00	.....
Total Receipts	$ 32,630.00	$ 104,350.67	$ 99,730.34	$ 43,634.15
TOTAL AVAILABLE FUNDS	$ 32,941.83	$ 121,110.45	$ 127,032.99	$ 84,628.74
LESS EXPENDITURES (AS DETAILED ABOVE)	$ 16,181.05	$ 93,807.80	$ 86,038.40	$ 48,767.87
BALANCES TRANSFERRED TO NEXT PERIOD—				
Federal Aid Protection	.....	$ 22,332.14	$ 36,162.06	$ 29,993.78
Federal Aid—Nurseries	.....	1,525.07	1,506.16	2,645.21
Miss Keen—Purchase of Land	$ 70.61	.....	.....	.....
Delaware County for Dyke	16,615.42	3,371.69	3,149.03	3,139.03
Delaware County for Darby Creek	73.75	73.75	73.75	73.75
Contributions—John Morton's Birthplace	.....	.....	103.59	9.10
BALANCES—LAPSED				
Voluntary Contributions—General	$ 1.00	.....	.....	.....

GENERAL FUND
DEPARTMENT OF HEALTH

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 9,999.84
SALARIES AND EXPENSES—				
Salaries	$ 1,944,452.28	$ 1,801,005.40	$ 1,887,993.55	$ 843,893.18
Wages	30,019.77	57,933.67	52,300.77	36,624.60
Fees	180,222.62	98,889.61	244,260.97	12,711.16
Materials, Supplies, and Printing	.....	.....	228,591.12	101,174.35
Transportation, Communication and Information	288,454.74	297,748.05	302,987.68	126,170.61
Maintenance Services, and Expense	118.49	38.60	82,065.21	42,273.19
Equipment	.....	.....	22,185.25	11,094.74
Advance Requisitions	.....	.....	.....	5,000.00
Total	$ †2,443,267.90	$ †2,255,615.33	$ 2,820,384.55	$ 1,178,941.83
TOTAL EXPENDITURES	$ †2,463,267.90	$ †2,275,615.33	$ 2,840,384.55	$ 1,188,941.67
During—1933-1935	$ 2,439,504.80	.....	.....	.....
1935-1937	23,763.10	$ 2,239,238.98	.....	.....
1937-1939	.....	36,376.35	$ 2,798,599.50	.....
1939-1940	.....	.....	41,785.05	$ 1,164,764.53
Unpaid at May 31, 1940	.....	.....	.....	24,177.14
BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	2,487,000.00	2,320,000.00	2,893,500.00	2,540,000.00
TOTAL AVAILABLE FUNDS	$ 2,507,000.00	$ 2,340,000.00	$ 2,913,500.00	$ 2,560,000.00
BALANCES—				
Lapsed	$ 43,732.10	$ 64,384.67	$ 73,115.45	.....
To Continue	.....	.....	.....	$ 1,371,058.33
EXPENDED FOR—				
SURVEY—WATERS OF THE DELAWARE RIVER—				
Salaries	$ 17,503.89			
Wages	5,846.60			
Fees	330.00			
Materials, Supplies, and Printing	333.52			
Transportation, Communication and Information	796.89			
Maintenance Services, and Expense	75.10			
Construction, Equipment and Land	114.00			
TOTAL EXPENDITURES	$ 25,000.00	.....	.....	.....
During—1933-1935	$ 24,981.44	.....	.....	.....
1935-1937	18.56	.....	.....	.....
BIENNIAL APPROPRIATIONS—				
Survey—Waters of the Delaware River	$ 25,000.00	.....	.....	.....
BALANCES—				
Lapsed	.....	.....	.....	.....

No appropriations these periods

†During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF HEALTH

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
DISTRIBUTION OF VITAMIN PRODUCTS TO PUPILS				
Wages	.....	$ 3,815.62	$ 219.26	.....
Materials, Supplies and Printing	.....	19,526.33	24,705.64	.....
Transportation, Communication and Information	.....	1,658.05	75.10	.....
Total	.....	$ 25,000.00	$ 25,000.00	.....
DEWATERING MINES				
Salaries	.....	$ 925.49	.....	.....
Wages	.....	11,082.20	$ 2,316.95	.....
Materials, Supplies and Printing	.....	72,362.21	884.76	.....
Transportation, Communication and Information	.....	16.83	53.05	.....
Maintenance Services and Expense	.....	385,752.49	138,371.61	.....
Construction, Equipment and Land	.....	229,860.78	508.00	.....
Total	.....	$ 700,000.00	$ 142,134.37	.....
TOTAL EXPENDITURES	.....	$ 725,000.00	$ 167,134.37	.....
During—1935-1937	.....	$ 414,312.68	.....	.....
1937-1939	.....	310,687.32	$ 118,059.27	.....
1939-1940	.....	.....	49,075.10	.....
BIENNIAL APPROPRIATIONS—				
Distributing Vitamin Products	.....	$ 25,000.00	$ 25,000.00	.....
Dewatering Mines and Quarries	.....	700,000.00	5,000.00	.....
Dewatering Mines and Quarries—1938 Special Session	.....	.....	250,000.00	.....
TOTAL AVAILABLE FUNDS	.....	$ 725,000.00	$ 280,000.00	.....
BALANCES—				
To continue	.....	.....	$ 111,863.85	.....
Lapsed	.....	.....	1,001.78	.....
EXPENDED FOR—				
SANATORIA, HOSPITAL FOR CRIPPLED CHILDREN AND ORTHOPAEDIC UNIT				
Salaries	$ 893,632.10	$ 809,603.59	$ 902,563.77	$ 502,632.15
Wages	226,081.64	310,779.99	454,477.13	251,176.61
Fees	25,022.65	12,988.21	11,051.10	35,342.66
Materials, Supplies and Printing	25,797.52	1,119,066.35	1,311,295.57	588,419.64
Transportation, Communication and Information	18,155.14	26,449.50	28,045.75	14,221.30
Maintenance Services and Expense	4,181.02	205,618.92	257,174.21	152,590.79
Construction, Equipment and Land	129.93	50,383.40	51,901.35	24,228.14
Advance Requisitions	.....	110.04	.....	.....
Reserve	.....	.....	.....	.....
TOTAL EXPENDITURES	$ #1,193,000.00	$ 2,535,000.00	$ 3,016,508.88	$ 1,568,611.29
During—1933-1935	$ #1,168,931.31	.....	.....	.....
1935-1937	24,068.69	$ 2,491,227.69	.....	.....
1937-1939	.....	43,772.31	$ 2,883,296.04	.....
1939-1940	.....	.....	133,212.84	$ 1,505,502.55
Unpaid at May 31, 1940	.....	.....	.....	63,108.74
BIENNIAL APPROPRIATIONS—				
Sanatoria, Hospital for Crippled Children, and Orthopaedic Unit	$ 1,193,000.00	$ 2,535,000.00	$ 3,285,000.00	$ 3,504,000.00
BALANCES—				
Lapsed	.....	.....	$ 268,491.12	.....
To continue	.....	.....	.....	$ 1,935,388.71

During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF HEALTH

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
RESEARCH INTO CHILDREN'S NUTRITION—				
Salaries	.....	.....	$ 8,655.00	.....
Wages	.....	.....	10,748.07	.....
Fees	.....	.....	560.00	.....
Materials, Supplies and Printing	.....	.....	4,084.27	.....
Transportation, Communication and Information	.....	.....	1,344.16	.....
Maintenance Services and Expenses	.....	.....	117.93	.....
Equipment	.....	.....	3,585.75	.....
Advance Requisitions	.....	.....	.....	20,000.00
Total	.....	.....	$ 29,095.18	$ 20,000.00
PREVENTION OF BLINDNESS IN INFANTS	.....	.....	$ 2,158.00	.....
SEALING ABANDONED COAL MINES—				
Materials, Supplies and Printing	.....	.....	$ 16,966.72	.....
Transportation, Communication and Information	.....	.....	1,604.89	.....
Maintenance Services and Expenses	.....	.....	27,287.80	.....
Construction, Equipment and Land	.....	.....	360.44	.....
Total	.....	.....	$ 46,219.85	.....
STATE BOARD OF HOUSING—				
Salaries	.....	.....	$ 23,301.81	$ 7,380.00
Wages	.....	.....	1,696.38	.....
Fees	.....	.....	910.94	.....
Materials, Supplies and Printing	.....	.....	77.77	.....
Transportation, Communication and Information	.....	.....	5,316.80	219.54
Maintenance Services and Expenses	.....	.....	376.35	22.03
Equipment	.....	.....	1,669.83	.....
Total	.....	.....	$ 33,349.88	$ 7,621.57
CONSTRUCTION OF GREEN HOUSE—MT. ALTO	.....	.....	$ 1,898.15	.....
TOTAL EXPENDITURES	.....	.....	$ 112,721.06	$ 27,621.57
During—1937-1939	.....	.....	$ 112,961.92	.....
1939-1940	.....	.....	*240.86	$ 27,617.89
Unpaid May 31, 1940	.....	.....	.....	3.68
CREDITS AND BIENNIAL APPROPRIATIONS—				
Correcting Defective Hearing in Children	.....	.....	$ 25,000.00	.....
Research into Childrens' Nutrition	.....	.....	40,000.00	$ 20,000.00
Prevention of Blindness in Infants	.....	.....	10,000.00	.....
Birth Certificates World War Veterans	.....	.....	5,000.00	.....
Sealing Abandoned Coal Mines	.....	.....	55,000.00	.....
State Board of Housing	.....	.....	50,000.00	15,400.00
Credits 1935-1937 — Construction of Green House	.....	$ 2,000.00	.....	.....
Balance Transferred—Construction of Green House	.....	.....	2,000.00	101.85
TOTAL AVAILABLE FUNDS	.....	$ 2,000.00	$ 187,000.00	$ 35,501.85
BALANCES—				
Transferred to Next Biennium	.....	$ 2,000.00	$ 101.85	.....
Lapsed	.....	.....	74,177.09	.....
To Continue	.....	.....	.....	$ 7,880.28

* Indicates deduction.

GENERAL FUND

INSURANCE DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE COMMISSIONER	$ 10,562.54	$ 20,000.00	$ 20,000.00	$ 9,999.84
SALARIES AND EXPENSES—				
Salaries	$ 398,049.08	$ 416,262.78	$ 427,611.00	$ 168,450.78
Wages	6,622.85	32,837.85	43,698.46	.....
Fees	403.29	14,105.43	3,546.17	1,233.14
Materials, Supplies and Printing	.....	.....	21,932.05	6,837.80
Transportation, Communication and Information	70,771.90	90,447.76	105,837.09	34,478.07
Maintenance Services and Expense	*9.90	521.00	24,441.73	11,188.43
Equipment	7.50	.....	9,362.85	8,343.95
Subsidies, Indemnities and Other Items	3,000.00	1,500.00	.....	.....
Total	$ †478,834.72	$ †555,674.82	$ 636,479.35	$ 230,532.17
INSURANCE COMPANY LIQUIDATION	.....	.....	$ 13,934.55	$ 933.86
TOTAL EXPENDITURES	$ †489,407.26	$ †575,674.82	$ 670,413.90	$ 241,465.87
During—1933-1935	$ 487,213.53	.....	.....	.....
1935-1937	2,193.73	$ 564,164.85	.....	.....
1937-1939	.....	11,509.97	$ 667,081.45	.....
1939-1940	.....	.....	3,332.45	$ 240,940.52
Unpaid May 31, 1940	.....	.....	.....	525.35
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of the Commissioner	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	498,000.00	525,000.00	645,000.00	525,000.00
Insurance Company Liquidation	.....	.....	25,000.00	15,000.00
Credits 1935-1937	.....	31,920.32	.....	.....
Credits 1937-1939	.....	.....	45,450.29	.....
Credits 1939-1940	.....	.....	.....	5,720.83
TOTAL AVAILABLE FUNDS	$ 518,000.00	$ 576,920.32	$ 735,450.29	$ 565,720.83
BALANCES—				
Lapsed	$ 28,592.74	$ 1,245.50	$ 65,036.39	.....
To Continue	.....	.....	.....	$ 324,254.96

† During this period additional expenditures were made from Property and Supplies appropriations.
* Indicates deduction.

GENERAL FUND
DEPARTMENT OF INTERNAL AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 10,000.00
SALARIES AND EXPENSES—				
Salaries	$ 366,893.76	$ 323,983.33	$ 354,163.25	$ 157,896.25
Wages	173.00	13,648.29	21,841.61	3,633.75
Fees	10,964.89	10,544.00	6,967.50	608.00
Materials, Supplies and Printing	.....	.....	29,391.89	11,309.49
Transportation, Communication and Information	18,940.62	29,817.08	30,388.13	11,139.23
Maintenance Services and Expenses	.....	.....	11,074.42	3,970.93
Equipment	.....	.....	1,535.46	1,874.70
Total	$ †396,972.27	$ †377,992.70	$ 455,362.26	$ 190,432.35
PORTRAIT OF THE SECRETARY	.....	$ 750.00	.....	.....
REFUNDS DUE IN ABANDONED PROCEEDINGS	.....	$ 675.49	.....	.....
TOTAL EXPENDITURES	$ †416,972.27	$ †399,418.19	$ 475,362.26	$ 200,432.35
During—1933-1935	$ 415,500.57	.....	.....	.....
1935-1937	1,471.70	$ 397,393.03	.....	.....
1937-1939	.....	2,025.16	$ 466,922.83	.....
1939-1940	.....	.....	8,439.43	$ 197,932.22
Unpaid May 31, 1940	.....	.....	.....	2,500.13
BIENNIAL APPROPRIATIONS—				
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	125,000.00			
Bureau of Statistics	138,000.00			
Bureau of Municipal Affairs	70,000.00			
Bureau of Standard Weights and Measures	50,000.00	378,000.00	455,750.00	415,000.00
Bureau of Standard Weights and Measures—Deficiency	5,500.00			
Fees to County Commissioners	12,000.00	.....	.....	.....
Portrait of the Secretary	.....	750.00	.....	750.00
Refunds Due in Abandoned Proceedings	.....	685.49	.....	.....
TOTAL AVAILABLE FUNDS	$ 420,500.00	$ 399,435.49	$ 475,750.00	$ 435,750.00
BALANCES—				
Lapsed	3,527.73	$ 17.30	$ 387.74	.....
To Continue	.....	.....	.....	$ 235,317.65

† During this period additional expenditures were made from Property and Supplies Appropriations.

GENERAL FUND

DEPARTMENT OF INTERNAL AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
TOPOGRAPHIC AND GEOLOGIC SURVEY—				
Salaries	$ 71,655.71	$ 65,499.35	$ 62,118.40	$ 26,858.31
Wages	8,659.27	13,082.74	24,631.06	9,216.65
Fees	33,045.15	28,257.35	19,377.45	15,018.65
Materials, Supplies and Printing	.....	.....	2,108.54	1,084.55
Transportation, Communication and Information	9,294.11	8,144.21	9,552.64	3,455.32
Maintenance Services and Expense	.....	.....	1,276.83	251.27
Equipment	.....	.....	1,182.75	609.22
TOTAL	$ †122,654.24	$ †114,983.65	$ 120,247.67	$ 56,493.97
TOPOGRAPHIC AND GEOLOGIC SURVEY—SPECIAL PRINTING				
Materials, Supplies and Printing	.....	.....	$ 22,496.41	$ 85.61
TOTAL EXPENDITURES	$ †122,654.24	$ †114,983.65	$ 142,744.08	$ 56,579.58
During—1933-1935	$ 113,601.07	.....	.....	.....
1935-1937	9,053.17	$ 109,292.68	.....	.....
1937-1939	.....	5,690.97	$ 135,243.39	.....
1939-1940	.....	.....	7,500.69	$ 54,537.03
Unpaid May 31, 1940	.....	.....	.....	2,042.55
BIENNIAL APPROPRIATIONS—				
Topographic and Geologic Survey	$ 125,000.00	$ 115,000.00	$ 120,250.00	$ 120,000.00
Special Printing	.....	.....	40,000.00	20,000.00
BALANCES—				
Lapsed	$ 2,345.76	$ 16.35	$ 2.33	.....
To Continue	.....	.....	17,503.59	$ 83,420.42

EXPENDED FOR—				
CONDUCTING LOCAL GOVERNMENT CONFERENCES—				
Salaries	.....	.....	$ 4,469.68	.....
Transportation, Communication and Information	.....	.....	5,530.32	.....
TOTAL EXPENDITURES	.....	.....	$ 10,000.00	.....
During—1937-1939	.....	.....	$ 9,979.12	.....
1939-1940	.....	.....	20.88	.....
BIENNIAL APPROPRIATIONS—				
Conducting Local Government Conferences	.....	.....	$ 10,000.00	.....

† During this period additional expenditures were made from Property and Supplies Appropriations.

GENERAL FUND

DEPARTMENT OF JUSTICE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE ATTORNEY GENERAL	$ 24,000.00	$ 24,000.00	$ 23,950.51	$ 12,000.00
SALARIES AND EXPENSES—				
Salaries	$ 242,067.82	$ 256,664.25	$ 231,645.32	$ 120,576.66
Wages	5,406.16	6,558.92	9,838.00	.....
Fees	38,289.95	31,186.23	41,934.22	1,556.56
Materials, Supplies and Printing	.....	.....	25,847.45	14,944.55
Transportation, Communication and Information	9,994.16	21,279.79	23,189.23	6,382.79
Maintenance Services and Expenses	.....	.....	3,062.00	879.34
Equipment	2,241.91	2,308.97	4,978.81	4,737.91
Total	$ †298,000.00	$ †317,998.16	$ 340,495.03	$ 149,077.81
SALARIES AND EXPENSES OF SPECIAL DEPUTIES AND LOCAL COUNSEL—				
Salaries	$ 172,662.01	$ 196,629.43	$ 192,903.07	$ 66,346.17
Wages	.....	.....	1,050.00	2,285.00
Fees	64,180.18	41,461.86	112,374.99	55,394.65
Materials, Supplies and Printing	.....	.....	.....	171.83
Transportation, Communication and Information	5,157.81	3,908.00	4,193.94	5,973.88
Maintenance Services and Expenses	.....	.....	.....	2,035.00
Construction, Equipment, and Land	.....	.....	.....	25.00
Total	$ 242,000.00	$ 241,999.29	$ 310,522.00	$ 132,231.53
TOTAL EXPENDITURES	$ 564,000.00	$ 583,997.45	$ 674,967.54	$ 293,309.34
During—1933-1935	$ 496,206.56	.....	.....	.....
1935-1937	56,676.04	$ 576,119.39	.....	.....
1937-1939	11,117.40	7,878.06	$ 671,225.29	.....
1939-1940	.....	.....	3,742.25	$ 287,571.36
Unpaid May 31, 1940	.....	.....	.....	5,737.98
BIENNIAL APPROPRIATIONS—				
Salary of the Attorney General	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	298,000.00	298,000.00	302,500.00	302,500.00
Salaries and Expenses—Deficiency	.....	.....	38,000.00	.....
Salaries and Expenses of Special Deputies and Local Counsel	242,000.00	242,000.00	225,000.00	275,000.00
Salaries and Expenses of Special Deputies—Deficiency	.....	20,000.00	85,522.00	.....
TOTAL AVAILABLE FUNDS	$ 564,000.00	$ 584,000.00	$ 675,022.00	$ 601,500.00
BALANCES—				
Lapsed	.....	$ 2.55	$ 54.46	.....
To Continue	.....	.....	.....	$ 308,190.66

† During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF JUSTICE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
BOARD OF PARDONS—SALARIES AND EXPENSES				
Salaries	$ 10,211.00	$ 10,350.64	$ 10,440.00	$ 4,806.69
Fees	.....	.....	347.40	747.42
Materials, Supplies and Printing	.....	.....	3,935.04	2,030.29
Transportation, Communication and Information	1,994.21	3,598.22	4,194.47	2,633.66
Maintenance Services and Expenses	.....	.....	3.06	16.13
Equipment	.....	.....	307.96	.....
Total	$ †12,205.21	$ †13,948.86	$ 19,227.93	$ 10,234.19
BOARD OF PARDONS—PAROLE EXPENSES				
Salaries	$ 155,015.25	$ 177,227.99	$ 186,930.09	$ 90,456.67
Wages	2,206.45	2,335.21	1,699.06	387.48
Fees	.....	.....	120.64	.....
Materials, Supplies and Printing	.....	63.75	2,885.50	1,652.53
Transportation, Communication and Information	48,677.36	50,358.49	62,048.76	28,537.90
Maintenance Services and Expenses	45.00	.....	16,963.56	9,815.03
Equipment	.....	.....	2,205.05	293.78
Advance Requisitions	.....	.....	.....	2,000.00
Total	$ †205,941.06	$ †229,985.44	272,852.66	123,143.39
TOTAL EXPENDITURES	$ †218,146.27	$ †243,934.30	$ 292,080.59	$ 143,377.58
During—1933-1935	$ 214,855.10	.....	.....	.....
1935-1937	3,291.17	$ 242,088.78	.....	.....
1937-1939	.....	1,845.52	$ 287,208.02	.....
1939-1940	.....	.....	4,872.57	$ 139,625.44
Unpaid May 31, 1940	.....	.....	.....	3,752.14
CREDITS AND BIENNIAL APPROPRIATIONS—				
Board of Pardons—Salaries and Expenses	$ 14,000.00	$ 14,000.00	$ 21,000.00	$ 21,000.00
Board of Pardons—Parole Expenses	240,000.00	230,000.00	261,000.00	261,000.00
Board of Pardons—Parole Expenses	.....	.....	15,000.00	.....
Credits—Parole Expenses—1939-1940	.....	.....	.....	1,585.31
TOTAL AVAILABLE FUNDS	$ 254,000.00	$ 244,000.00	$ 297,000.00	$ 283,585.31
BALANCES—				
Lapsed	$ 35,853.73	$ 65.70	$ 4,919.41	.....
To Continue	.....	.....	.....	$ 140,207.73
EXPENDED FOR—				
BOARD OF COMMISSIONERS ON UNIFORM STATE LAWS—				
Transportation, Communication and Information	$ 960.46	$ 1,762.74	$ 1,227.91	$ 831.27
Subsidies, Indemnities and Other Items	700.00	700.00	1,050.00	350.00
TOTAL EXPENDITURES	$ 1,660.46	$ 2,462.74	$ 2,277.91	$ 1,181.27
During—1933-1935	$ 1,660.46	.....	.....	.....
1935-1937	.....	$ 2,425.89	.....	.....
1937-1939	.....	36.85	2,250.56	.....
1939-1940	.....	.....	27.35	$ 803.62
Unpaid May 31, 1940	.....	.....	.....	377.65
BIENNIAL APPROPRIATIONS—				
Board of Commissioners on Uniform State Laws	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00
BALANCES—				
Lapsed	$ 839.54	$ 37.26	$ 222.09	.....
To Continue	.....	.....	.....	$ 1,318.73

† During these periods additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF JUSTICE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
CONFERENCE ON CRIME ABATEMENT		$ 2,000.00		
REVISION OF CRIMINAL, INSURANCE, AND PUBLIC SERVICE COMPANY LAWS		$ 5,000.00		
GRAND JURY INVESTIGATION				$ 95,976.47
TOTAL EXPENDITURES				$ 95,976.47
During—1935-1937		$ 7,000.00		
1939-1940				$ 95,976.47
BIENNIAL APPROPRIATIONS—				
Revision of Criminal Insurance and Public Service Company Laws		$ 5,000.00	$ 10,000.00	
Conference on Crime Abatement		2,000.00		
Anthracite Freight Rate Study				$ 50,000.00
Bituminous Freight Rate Study				50,000.00
Grand Jury Investigation				100,000.00
TOTAL AVAILABLE FUNDS		$ 7,000.00	$ 10,000.00	$ 200,000.00
BALANCES—				
Lapsed			$ 10,000.00	
To Continue				$ 104,023.53

GENERAL FUND
DEPARTMENT OF LABOR AND INDUSTRY

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	$ 19,986.42	$ 19,972.80	$ 20,000.00	$ 10,000.00
SALARIES AND EXPENSES—				
Salaries	$ 1,531,210.54	$ 1,479,728.49	$ 2,338,204.10	$ 918,061.63
Wages	26,747.88	71,886.95	101,206.19	17,760.35
Fees	5,655.09	5,855.58	29,309.83	2,729.23
Materials, Supplies and Printing	.....	19.40	113,376.72	20,474.41
Transportation, Communication and Information	267,622.21	261,978.37	455,626.33	110,205.61
Maintenance Services and Expenses	.....	.....	212,914.17	100,710.08
Equipment	.....	.....	98,394.64	10,474.26
Subsidies, Indemnities and Other Items	134,771.66	282,407.21	44.15	.....
Total	$ †1,966,007.38	$ †2,101,876.00	$ 3,349,076.13	$ 1,180,415.57
TOTAL EXPENDITURES	$ †1,985,993.80	$ †2,121,848.80	$ 3,369,076.13	$ 1,190,415.57
During—1933-1935	$ 1,961,355.49	.....	.....	.....
1935-1937	24,638.31	$ 2,078,010.59	.....	.....
1937-1939	.....	43,838.21	$ 3,320,689.26	.....
1939-1940	.....	.....	48,386.87	$ 1,176,241.17
Unpaid May 31, 1940	.....	.....	.....	14,174.40
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	1,912,000.00	1,742,000.00	3,363,300.00	2,425,000.00
Salaries and Expenses—1936 Special Session	.....	134,666.26	.....	.....
Credits—1933-1935	138,513.39	.....	.....	.....
Credits—1935-1937	.....	218,942.77	.....	.....
Credits—1937-1939	.....	7,029.04	.....	.....
TOTAL AVAILABLE FUNDS	$ 2,070,513.39	$ 2,122,638.07	$ 3,383,300.00	$ 2,445,000.00
BALANCES—				
Lapsed	$ 84,519.59	$ 789.27	$ 14,223.87	.....
To Continue	.....	.....	.....	$ 1,254,584.43
BIENNIAL APPROPRIATIONS—				
PAYMENT TO UNEMPLOYMENT ADMINISTRATION FUND	.....	$ 50,000.00	.....	.....
TOTAL AVAILABLE FUNDS—	.....	$ 50,000.00	.....	.....
BALANCES—				
Lapsed	.....	$ 50,000.00	.....	.....
EXPENDED FOR—				
JUNIOR EMPLOYMENT SERVICE EXPENSES	.....	.....	$ 12,368.88	$ 38,501.14
CREDITS AND BIENNIAL APPROPRIATIONS—				
Credits 1937-1939	.....	.....	$ 23,008.24	.....
Credits 1939-1940	.....	.....	.....	$ 38,667.05
Balance from Prior Period	.....	.....	.....	10,639.36
TOTAL AVAILABLE FUNDS	.....	.....	$ 23,008.24	$ 49,306.41
BALANCES—				
Transferred to Next Period	.....	.....	10,639.36	.....
To Continue	.....	.....	.....	$ 10,805.27

† During these periods additional expenditures were made from Property and Supplies Appropriations.
During these periods also, this appropriation covered maintenance of their Employment Offices and Rehabilitation.

GENERAL FUND

DEPARTMENT OF LABOR AND INDUSTRY

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WORKMEN'S COMPENSATION TO INJURED STATE EMPLOYES				
Department of the Auditor General	$ 977.14	.....	.....	.....
Department of Forests and Waters	847.81	$ 3,685.52	$ 476.83	$ 174.72
Department of Highways	14,583.96	3,226.49	2,142.29	799.29
Department of Military Affairs	2,071.97	2,179.11	1,079.85	73.93
Pennsylvania State Police	1,668.58	1,266.00	672.57	.....
State Workmen's Insurance Fund	264.27	.....	.....	.....
TOTAL EXPENDITURES	$ 20,413.73	$ 10,357.12	$ 4,371.54	$ 1,047.94
During—1933-1935	$ 20,421.45	.....	.....	.....
1935-1937	*7.72	$ 10,357.12	.....	.....
1937-1939	.....	.....	$ 4,244.27	.....
1939-1940	.....	.....	127.27	$ 967.39
Unpaid May 31, 1940	.....	.....	.....	80.55
BIENNIAL APPROPRIATIONS—				
Workmen's Compensation to Injured State Employes	$ 25,000.00	$ 8,500.00	$ 5,000.00	$ 1,500.00
Workmen's Compensation to Injured State Employes—Deficiency	.....	2,000.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 25,000.00	$ 10,500.00	$ 5,000.00	$ 1,500.00
BALANCES—				
Lapsed	$ 4,586.27	$ 142.88	$ 628.46	.....
To Continue	.....	.....	.....	$ 452.06
EXPENDED FOR—				
OCCUPATIONAL DISEASE COMPENSATION ACT				
Transferred to Workmen's Insurance Fund in 1937-1939	.....	.....	$ 100,000.00	.....
BIENNIAL APPROPRIATION—				
Occupational Disease Compensation Act	.....	.....	$ 100,000.00	.....
EXPENDED FOR—				
REHABILITATION OF DEAF—				
Salaries	.....	.....	$ 9,948.12	$ 5,580.00
Fees	.....	.....	5.00	.....
Transportation, Communication and Information	.....	.....	4,041.52	2,738.90
Maintenance, Services and Expenses	.....	.....	38.09	11.03
Subsidies, Indemnities, and Other Items	.....	.....	24,359.56	14,749.60
TOTAL EXPENDITURES	.....	.....	$ 38,392.29	$ 23,079.53
During—1937-1939	.....	.....	$ 37,312.46	.....
1939-1940	.....	.....	1,079.83	$ 22,780.86
Unpaid May 31, 1940	.....	.....	.....	298.67
CREDITS AND BIENNIAL APPROPRIATIONS—				
Rehabilitation of Deaf	.....	.....	$ 30,000.00	$ 30,000.00
Credits 1937-1939 (Federal)	.....	.....	8,500.00	.....
Credits 1939-1940 (Federal)	.....	.....	.....	7,700.00
TOTAL AVAILABLE FUNDS	.....	.....	$ 38,500.00	$ 37,700.00
BALANCES—				
Lapsed	.....	.....	$ 107.71	.....
To Continue	.....	.....	.....	$ 14,620.47

GENERAL FUND

DEPARTMENT OF LABOR AND INDUSTRY

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
STATE EMPLOYMENT SERVICE—				
Salaries			$ 122,110.41	$ 196,667.85
Wages			7,918.18	8,817.05
Materials, Supplies and Printing	Included with Salary		125,682.59	1,875.79
Transportation, Communication and Information	and Expense Appropriations these periods.		130,786.85	28,061.58
Maintenance Services and Expenses			398,839.48	224,080.26
Equipment			126,213.99	6,674.62
Subsidies, Indemnities, and Other Items			54,299.37	.....
TOTAL EXPENDITURES	.....	.....	$ 965,850.87	$ 466,177.15
During—1937-1939	.....	.....	$ 952,764.02	.....
1939-1940	.....	.....	13,086.85	$ 455,326.27
Unpaid May 31, 1940	.....	.....	.....	10,850.88
CREDITS AND BIENNIAL APPROPRIATIONS—				
State Employment Service	.....	.....	$ 481,400.00	$ 466,600.00
Credits 1937-1939 (Federal)	.....	.....	*494,022.23	.....
Credits 1939-1940 (Federal)	.....	.....	‡2,067.10	255,297.10
TOTAL AVAILABLE FUNDS	.....	.....	$ *973,355.13	$ 721,897.10
BALANCES				
Lapsed	.....	.....	$ 7,504.26	.....
To Continue	.....	.....	.....	$ 255,719.95
EXPENDED FOR—				
BUREAU OF REHABILITATION—				
Salaries			$ 155,368.18	$ 67,700.24
Wages			209.94	.....
Fees	Included with Salaries		339.02	.....
Materials, Supplies and Printing	and Expenses Appropriations these periods.		1,918.79	1,050.53
Transportation, Communication and Information			55,660.42	21,999.01
Maintenance Services and Expenses			15,666.11	7,867.10
Equipment			3,525.93	388.41
Subsidies, Indemnities, and Other Items			395,772.94	183,181.01
TOTAL EXPENDITURES	.....	.....	$ 628,461.33	$ 282,206.30
During—1937-1939	.....	.....	$ 623,718.78	.....
1939-1940	.....	.....	4,742.55	$ 278,696.70
Unpaid May 31, 1940	.....	.....	.....	3,509.60
CREDITS AND BIENNIAL APPROPRIATIONS—				
Bureau of Rehabilitation	.....	.....	$ 303,800.00	$ 312,750.00
Credits 1937-1939 (Federal)	.....	.....	324,692.52	.....
Credits 1939-1940 (Federal)	.....	.....	.....	127,687.41
TOTAL AVAILABLE FUNDS	.....	.....	$ 628,492.52	$ 440,437.41
BALANCES—				
Lapsed	.....	.....	$ 31.19	.....
To Continue	.....	.....	.....	$ 158,231.11

* The salaries of employes are in addition to these and are met by a grant from the Federal Social Security funds in addition to the grant here shown.

‡ Indicates deduction.

DEPARTMENT OF MILITARY AFFAIRS

GENERAL FUND

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE ADJUTANT GENERAL	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 9,999.84
SALARIES AND EXPENSES				
Salaries	$ 278,340.66	$ 273,434.07	$ 261,845.75	$ 138,314.91
Wages	2,569.50	80,061.36	81,158.35	326,947.12
Fees	375.25	87.75	331.18	10,143.06
Materials, Supplies and Printing	.....	1,502.14	25,552.04	131,793.47
Transportation, Communication and Information	18,404.82	14,084.60	22,549.29	56,934.92
Maintenance Services and Expense	23.13	600.17	34,826.01	195,557.10
Construction Equipment and Land	.....	227.38	4,869.02	33,860.59
Subsidies, Indemnities, and Other Items	.....	.....	.....	945.30
Total	$ *299,713.36	$ *369,997.47	$ 431,131.64	$ 894,496.47
LAND PURCHASE AND IMPROVEMENTS TO MILITARY RESERVATION—				
Salaries	$ 20,210.00	.....	.....	.....
Wages	62,721.94	$ 52,844.97	$ 47,482.91	229.00
Fees	.....	7,132.59	3,377.39	210.25
Materials, Supplies and Printing	24.18	1,225.97	22,072.12	.....
Transportation, Communication and Information	.....	173.15	3,895.19	79.60
Maintenance Services and Expense	42,043.44	247.32	311.71	.....
Construction, Equipment and Land	.....	38,376.00	10,491.55	12,705.00
Subsidies, Indemnities and Other Items	.....	.....	704.62	.....
Total	$ 124,999.56	$ 100,000.00	$ 88,335.49	$ 13,223.85
SUPPLIES AND EQUIPMENT FOR WORK AT INDIANTOWN GAP (SPECIAL SESSION 1933)				
Materials, Supplies and Printing	$ 156,954.18	.....	.....	.....
Transportation, Communication and Information	33,743.86	.....	.....	.....
Maintenance Services and Expenses	16,931.97	.....	.....	.....
Construction, Equipment and Land	42,099.30	.....	.....	.....
Subsidies, Indemnities and Other Items	270.00	.....	.....	.....
Total	$ 249,999.31	.....	.....	.....
TOTAL EXPENDITURES	$ 694,712.23	$ 489,997.47	$ 539,467.13	$ 917,720.16
During—1933-1935	$ 524,317.66	.....	.....	.....
1935-1937	100,312.28	$ 483,839.32	.....	.....
1937-1939	70,082.29	6,158.15	$ 515,187.50	.....
1939-1940	.....	.....	24,279.63	$ 878,293.69
Unpaid May 31, 1940	.....	.....	.....	39,426.47
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of the Adjutant General	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	300,000.00	370,000.00	437,200.00	†1,928,000.00
Credits 1939-1940	.....	.....	.....	$ 31,117.62
Land Purchase and Improvements to Military Reservation	125,000.00	100,000.00	50,000.00	28,000.00
Credits 1937-1939	.....	.....	47,584.50	.....
Credits 1939-1940	.....	.....	.....	645.50
Supplies and Equipment for Work at Indiantown Gap (1933 Special Session)	250,000.00	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 695,000.00	$ 490,000.00	$ 554,784.50	$ 2,007,763.12
BALANCES—				
Lapsed	$ 287.77	$ 2.53	$ 6,068.36	.....
To Continue	.....	.....	9,249.01	$ 1,090,042.96

* During these periods additional expenditures were made from Property and Supplies appropriations.
† Includes appropriations formerly made for salary of the Division Commander and for support of the National Guard.

GENERAL FUND

DEPARTMENT OF MILITARY AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE DIVISION COMMANDER	$ 3,021.51	$ 15,677.42	$ 16,000.00	.....
SUPPORT OF THE NATIONAL GUARD, ARMORY MAINTENANCE, AND EMERGENCY				
Salaries	$ 25,553.15	$ 25,156.93	$ 34,192.58	.....
Wages	473,747.88	706,050.05	572,251.92	.....
Fees	4,913.65	17,386.84	20,511.69	.....
Materials, Supplies and Printing	63,114.43	170,718.60	196,636.68	.....
Transportation, Communication and Information	17,010.64	112,479.15	102,839.40	.....
Maintenance Services and Expense	204,699.31	231,999.79	296,825.77	.....
Construction, Equipment and Land	66,251.99	100,053.69	30,316.43	.....
Subsidies, Indemnities and Other Items	415,852.16	93,502.57	2,363.17	.....
Total	$ 1,271,143.21	$ 1,457,347.62	$ 1,255,937.64	.....
TOTAL EXPENDITURES	$ 1,274,164.72	$ 1,473,025.04	$ 1,271,937.64	.....
During—1933-1935	$ 1,223,246.22	.....	.....	.....
1935-1937	50,798.50	$ 1,348,485.75	.....	.....
1937-1939	120.00	124,539.29	$ 1,242,541.21	.....
1939-1940	.....	.....	29,396.43	.....
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of the Division Commander	$ 16,000.00	$ 16,000.00	$ 16,000.00	.....
Support of the National Guard, Armory Maintenance and Emergency	.....	1,062,000.00	1,220,000.00	.....
Support of National Guard	700,000.00	.....	.....	.....
Riot, Insurrection, and Other Emergencies	150,000.00	.....	.....	.....
State Armory Board—Salaries of Members	12,000.00	.....	.....	.....
State Armory Board—Maintenance of Armories	480,000.00	.....	.....	.....
Support of National Guard—1936 Special Session	.....	275,000.00	.....	.....
Support of National Guard—Deficiency	.....	90,000.00	.....	.....
Credits—1933-1935	29,856.36	.....	.....	.....
Credits—1935-1937	.....	29,204.00	.....	.....
Credits—1937-1939	.....	1,143.62	35,937.64	.....
TOTAL AVAILABLE FUNDS	$ 1,387,856.36	$ 1,473,347.62	$ 1,271,937.64	.....
BALANCES—				
Lapsed	$ 113,691.64	$ 322.58	.....	.....

All appropriations for the purpose shown on this page were included in the appropriation for Salaries and Expenses in 1939-1941. (See preceding page).

GENERAL FUND
DEPARTMENT OF MILITARY AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
STATE ATHLETIC COMMISSION—SALARIES OF COMMISSIONERS	$ 28,776.70	†	†	†
STATE ATHLETIC COMMISSION—SALARIES AND EXPENSES—				
Salaries	$ 25,584.50	$ 54,882.09		
Wages	24,715.00	13,732.31		
Fees		11,584.40		
Transportation, Communication and Information	7,560.81	6,091.72	Transferred to Department of Revenue	
Maintenance Services and Expense	8.25			
Construction, Equipment and Land		75.75		
Total	$ 57,868.56	$ 86,366.27		
TOTAL EXPENDITURES	$ 86,645.26	$ 86,366.27		
During—1933-1935	$ 85,351.48			
1935-1937	1,293.78	$ 84,883.10		
1937-1939		1,483.17		
BIENNIAL APPROPRIATIONS—				
Salaries of Commissioners	$ 30,000.00			
Salaries and Expenses	70,000.00	$ 90,000.00		
TOTAL AVAILABLE FUNDS	$ 100,000.00	$ 90,000.00		
BALANCES—				
Lapsed	$ 13,354.74	$ 3,633.73		
EXPENDED FOR—				
SOLDIERS' AND SAILORS' HOME AT ERIE				
Salaries	$ 75,180.94	$ 71,671.95	$ 75,388.74	$ 32,534.32
Wages	25,793.69	17,678.37	22,454.97	10,412.13
Fees	3,198.00	1,364.21	874.30	219.00
Materials, Supplies and Printing	93,547.97	107,317.05	104,251.02	36,194.70
Transportation, Communication and Information	3,590.19	2,651.60	2,766.57	1,261.10
Maintenance Services and Expense	36,787.71	25,380.17	27,363.37	12,551.65
Construction, Equipment and Land	588.80	4,556.19	675.06	210.60
Advance Requisitions				200.00
Stores	*3,260.10	3,405.87	*5,969.79	*2,287.72
TOTAL EXPENDITURES	$ 235,427.20	$ 234,025.41	$ 227,804.24	$ 91,295.78
During—1933-1935	$ 232,963.68			
1935-1937	2,463.52	$ 218,909.23		
1937-1939		15,116.18	$ 224,611.37	
1939-1940			3,192.87	$ 86,091.52
Unpaid May 31, 1940				5,204.26
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 250,000.00	$ 235,000.00	$ 240,000.00	$ 202,000.00
BALANCES—				
Lapsed	$ 14,572.80	$ 974.59	$ 12,195.76	
To Continue				$ 110,704.22

* Indicates Deduction.
† Included in General Salary and Expense appropriation for this Commission since 1933-1935.

GENERAL FUND

DEPARTMENT OF MILITARY AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
DELEGATES TO DEDICATION IN EUROPE	.....	.....	$ 1,500.00	.....
ARBITRATION AWARD—WILKES-BARRE ARMORY	$ 1,912.01	.....	.....	.....
COMPILATION OF WORLD WAR STATISTICS AND ASSISTANCE TO VETERANS	$ 24,936.61	.....	.....	.....
PARTICIPATION IN G. A. R. CELEBRATION	.....	.....	.....	$ 2,699.55
TOTAL EXPENDITURES	$ 26,848.62	.....	$ 1,500.00	$ 2,699.55
During—1933-1935	$ 26,848.62	.....	.....	.....
1937-1939	.....	.....	$ 1,500.00	.....
1939-1940	.....	.....	.....	$ 2,699.55
BIENNIAL APPROPRIATIONS—				
Delegates to Dedication in Europe	.....	.....	$ 1,500.00	.....
Arbitration Award—Wilkes-Barre Armory	$ 1,912.01	.....	.....	.....
Compilation of World War Statistics and Assistance to Veterans	25,000.00	.....	.....	.....
Participation in G. A. R. Celebration	.....	.....	.....	$ 3,500.00
TOTAL AVAILABLE FUNDS	$ 26,912.01	.....	$ 1,500.00	$ 3,500.00
BALANCES—				
Lapsed	$ 63.39	.....	.....	$ 800.45
EXPENDED FOR—				
STATE VETERANS' COMMISSION—ADMINISTRATION AND ASSISTANCE				
Salaries	$ 33,988.16	$ 13,163.86	$ 38,075.45	$ 15,522.71
Wages	147.96	.....	235.20	.....
Fees	35.00	.....	.....	.....
Materials, Supplies and Printing	3,166.76	669.02	2,060.85	556.26
Transportation, Communication and Information	6,732.16	5,111.94	7,050.31	2,532.07
Maintenance Services and Expenses	1,901.52	730.52	2,236.33	962.65
Construction, Equipment and Land	658.81	.....	213.97	.....
Subsidies, Indemnities and Other Items	742,282.38	774,886.14	835,840.77	383,972.16
Total	$ 788,912.75	$ 794,561.48	$ 885,712.88	$ 403,545.85
EDUCATION OF SOLDIERS' ORPHANS—				
Fees	.....	$ 2,871.00	.....	.....
Subsidies, Indemnities and Other Items	$ 22,524.17	28,235.60	$ 36,235.10	$ 11,918.53
TOTAL EXPENDITURES	$ 811,436.92	$ 825,668.08	$ 921,947.98	$ 415,464.38
During—1933-1935	$ 787,200.00	.....	.....	.....
1935-1937	20,349.38	$ 773,540.08	.....	.....
1937-1939	3,887.54	52,128.00	$ 878,823.16	.....
1939-1940	.....	.....	43,124.82	$ 373,761.62
Unpaid May 31, 1940	.....	.....	.....	41,702.76
BIENNIAL APPROPRIATIONS—				
State Veterans' Commission	$ 190,000.00	$ 40,000.00	$ 890,000.00	$ 890,000.00
State Veterans' Commission—Appropriations to State Emergency Relief Board	600,000.00	755,000.00	.....	.....
Education of Soldiers' Orphans	20,000.00	40,000.00	40,000.00	40,000.00
Education of Soldiers' Orphans—Deficiency	5,000.00	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 815,000.00	$ 835,000.00	$ 930,000.00	$ 930,000.00
BALANCES—				
Lapsed	3,563.08	$ 9,331.92	$ 5,645.08	.....
To Continue	.....	.....	2,406.04	$ 514,535.62

GENERAL FUND
DEPARTMENT OF MILITARY AFFAIRS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PRELIMINARY EXPENSES FOR PAYMENT OF VETERANS' COMPENSATION				
Salaries	$ 2,552.50			
Wages	15,701.28			
Materials, Supplies and Printing	324.80			
Transportation, Communication and Information	5,798.91			
Maintenance Services and Expenses	390.31			
Construction, Equipment and Land	232.20			
Total	$ 25,000.00			
TOTAL EXPENDITURES	$ 25,000.00			
During— 933-1935	$ 25,000.00			
BIENNIAL APPROPRIATIONS—				
Preliminary Expenses for Payment of Veterans' Compensation (Special Session—1933)	$ 25,000.00			
Organization of Colored Battalion		$ 100,000.00		
TOTAL AVAILABLE FUNDS	$ 25,000.00	$ 100,000.00		
BALANCES—				
Lapsed		$ 100,000.00		

GENERAL FUND
DEPARTMENT OF MILITARY AFFAIRS
RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PURCHASE AND ERECTION OF ARMORIES				
Construction, Equipment and Land		$ 12,391.38	$ 10,106.78	$ 2,059.36
STATE VETERANS' COMMISSION—ASSIGNMENTS		60.00		
TOTAL EXPENDITURES		$ 12,451.38	$ 10,106.78	$ 2,059.36
During—1935-1937		$ 12,451.38		
1937-1939			$ 10,106.78	
1939-1940				$ 2,059.36
CREDITS AND BIENNIAL APPROPRIATIONS—				
Balance Transferred from Prior Bienniums	$ 22,500.00	$ 22,560.00	$ 10,108.62	$ 4,201.84
Credits 1933-1935	60.00			
Credits 1937-1939			4,200.00	
Credits 1939-1940				1,000.00
TOTAL AVAILABLE FUNDS	$ 22,560.00	$ 22,560.00	$ 14,308.62	$ 5,201.84
BALANCES—				
Transferred to Next Period	$ 22,560.00	$ 10,108.62	$ 4,201.84	
To Continue				$ 3,142.48

GENERAL FUND
DEPARTMENT OF MINES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	$ 19,999.84	$ 19,999.68	$ 15,698.67	$ 9,999.84
SALARIES AND EXPENSES				
Salaries	$ 49,345.39	$ 51,960.45	$ 59,549.96	$ 27,364.32
Wages	529.44	115.45	2,519.57	.....
Fees	.....	82.00	.....	.....
Materials, Supplies and Printing	.....	378.69	2,078.64	1,317.56
Transportation, Communication and Information	5,156.30	8,474.13	7,928.08	2,656.09
Maintenance Services and Expense	7.20	.....	553.18	351.87
Equipment	.....	65.00	478.33	448.44
Total	$ *55,038.33	$ *61,075.72	$ 73,107.76	32,138.28
TOTAL EXPENDITURES	$ 75,038.17	$ 81,075.40	$ 88,806.43	42,138.12
During—1933-1935	$ 75,000.35	.....	.....	.....
1935-1937	37.82	80,337.93	.....	.....
1937-1939	.....	737.47	$ 88,440.12	.....
1939-1940	.....	.....	366.31	$ 41,839.39
Unpaid May 31, 1940	.....	.....	.....	298.73
BIENNIAL APPROPRIATIONS—				
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	75,000.00	75,000.00	83,650.00	72,000.00
TOTAL AVAILABLE FUNDS—	$ 95,000.00	$ 95,000.00	$ 103,650.00	$ 92,000.00
BALANCES—				
Lapsed	$ 19,961.83	$ 13,924.60	$ 14,843.57	.....
To Continue	.....	.....	.....	$ 49,861.88

EXPENDED FOR—				
LICENSING BITUMINOUS MINERS				
Salaries	.....	.....	$ 11,377.20	$ 1,240.00
Wages	.....	.....	28,601.76	3.50
Materials, Supplies and Printing	.....	.....	1,033.45	72.91
Transportation, Communication and Information	.....	.....	12,383.28	1,073.76
Maintenance Services and Expenses	.....	.....	1,738.06	86.92
Equipment	.....	.....	1,394.20	.....
TOTAL EXPENDITURES	.....	.....	$ 56,527.95	2,477.09
During—1937-1939	.....	.....	$ 56,274.27	.....
1939-1940	.....	.....	253.68	$ 2,465.09
Unpaid May 31, 1940	.....	.....	.....	12.00
BIENNIAL APPROPRIATIONS—				
Licensing Bituminous Miners	.....	.....	$ 70,000.00	$ 5,000.00
BALANCES—				
Lapsed	.....	.....	$ 13,472.05	.....
To Continue	.....	.....	.....	$ 2,522.91

* During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND

DEPARTMENT OF MINES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARIES AND EXPENSES OF INSPECTORS—				
Salaries	$ 438,468.39	$ 410,939.86	$ 450,035.41	$ 231,641.80
Wages	5.07	33.45	2,749.80	.....
Fees	3.50	151.00	64.00	.....
Materials, Supplies and Printing	.....	.....	4,332.71	376.54
Transportation, Communication and Information	35,611.19	36,811.29	51,066.81	22,138.96
Maintenance Services and Expense	116.00	130.00	14,766.06	6,716.05
Equipment	.....	.....	1,283.92	65.00
TOTAL EXPENDITURES	$ ‡474,204.15	$ ‡448,065.60	$ 524,298.71	$ 260,938.35
During—1933-1935	$ 472,901.58	.....	.....	.....
1935-1937	1,302.57	$ 444,663.15	.....	.....
1937-1939	.....	3,402.45	$ 520,376.55	.....
1939-1940	.....	.....	3,922.16	$ 258,787.10
Unpaid May 31, 1940	.....	.....	.....	2,151.25
BIENNIAL APPROPRIATIONS—				
Salaries and Expenses of Inspectors	$ 550,000.00	$ 525,000.00	$ 538,900.00	$ 520,000.00
BALANCES—				
Lapsed	$ 75,795.85	$ 76,934.40	$ 14,601.29	.....
To Continue	.....	.....	.....	$ 259,061.65

EXPENDED FOR—				
EXPENSES OF EXAMINING BOARDS—				
Wages	$ 4,205.55	$ 3,792.00	$ 5,580.00	$ 2,785.50
Fees	.....	3.00	12.50	.....
Materials, Supplies and Printing	.....	398.25	568.69	89.81
Transportation, Communication and Information	1,830.66	2,145.03	2,995.21	1,430.61
Maintenance Services and Expense	.....	.....	812.16	6.52
TOTAL EXPENDITURES	$ 6,036.21	$ 6,338.28	$ 9,968.56	$ 4,312.44
During—1933-1935	$ 2,663.76	.....	.....	.....
1935-1937	3,372.45	$ 3,894.09	.....	.....
1937-1939	.....	2,444.19	$ 6,232.35	.....
1939-1940	.....	.....	3,736.21	$ 1,500.68
Unpaid May 31, 1940	.....	.....	.....	2,811.76
BIENNIAL APPROPRIATIONS—				
Expenses of Examining Boards	$ 8,000.00	$ 8,000.00	$ 10,000.00	$ 8,000.00
BALANCES—				
Lapsed	$ 1,963.79	$ 1,661.72	$ 31.44	.....
To Continue	.....	.....	.....	$ 3,687.56

‡ During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	$ 15,860.18	$ 20,000.00	$ 15,361.01	$ 9,999.84
SALARIES AND EXPENSES				
Salaries	$ 1,388,713.56	$ 1,327,361.11	$ 1,441,656.11	$ 684,139.27
Wages	64,771.95	56,183.95	27,805.94	19,055.74
Fees	1,745.77	2,269.18	2,863.46	244.96
Materials, Supplies and Printing	.....	.....	45,625.78	20,887.67
Transportation, Communication and Information	91,093.41	65,310.68	163,351.17	78,478.50
Maintenance Services and Expense	.....	.....	56,577.46	27,476.30
Equipment	.....	.....	14,712.97	4,156.30
Stores	.....	.....	*1.83	66.72
Advance Requisitions	.....	.....	.....	1,000.00
Total	$ †1,546,324.69	$ †1,451,124.92	$ 1,752,591.06	$ 835,505.46
TOTAL EXPENDITURES	$ 1,562,184.87	$ 1,471,124.92	$ 1,767,952.07	$ 845,505.30
During—1933-1935	$ 1,559,239.91	.....	.....	.....
1935-1937	2,944.96	$ 1,467,033.76	.....	.....
1937-1939	.....	4,091.16	$ 1,748,221.36	.....
1939-1940	.....	.....	19,730.71	$ 835,673.66
Unpaid May 31, 1940	.....	.....	.....	9,831.64
BIENNIAL APPROPRIATIONS—				
Salary of the Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and General Expenses	1,625,000.00	1,500,000.00	1,815,000.00	1,765,000.00
TOTAL AVAILABLE FUNDS	$ 1,645,000.00	$ 1,520,000.00	$ 1,835,000.00	$ 1,785,000.00
BALANCES—				
Lapsed	$ 82,815.13	$ 48,875.08	$ 67,047.93	.....
To Continue	.....	.....	.....	$ 939,494.70
EXPENDED FOR—				
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH, AND LEASED OFFICE DEVICES EXCEPT DEPARTMENTS INDEPENDENT OF THE GOVERNOR AND HEALTH INSTITUTIONS				
Fees	$ 2,388.60	.....		
Materials, Supplies and Printing	906,646.46	$ 861,575.79		
Transportation, Communication and Information	138,599.59	153,861.66		
Maintenance Services and Expense	110,733.37	112,096.06	This appropriation discontinued	
Construction, Equipment and Land	192,594.30	237,841.47	and divided among depart-	
Stores	343.81	85,137.75	mental appropriations for salaries and	
TOTAL EXPENDITURES	$ 1,351,306.13	$ 1,450,512.73	expenses	
During—1933-1935	$ 1,164,525.97	.....		
1935-1937	183,533.91	$ 1,296,642.36		
1937-1939	3,246.25	153,870.37		
BIENNIAL APPROPRIATIONS—				
Supplies, Equipment, Printing, Telephone, etc.	$ 1,575,000.00	$ 1,200,000.00		
Supplies, Equipment, Printing, Telephone, etc.—Deficiency	.....	175,000.00		
Supplies, Equipment, Printing, Telephone, etc.—1936 Special Session	.....	100,000.00		
TOTAL AVAILABLE FUNDS	$ 1,575,000.00	$ 1,475,000.00		
BALANCES—				
Lapsed	$ 223,693.87	$ 24,487.27		

† During this period additional expenditures were made from allocation from lump sum appropriations to this Department.
* Indicates Deduction.

GENERAL FUND

DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH, AND LEASED OFFICE DEVICES EXCEPT DEPARTMENTS INDEPENDENT OF THE GOVERNOR AND HEALTH INSTITUTIONS				
ALLOCATIONS TO AGENCIES—				
Governor's Office	$ 26,059.80	$ 21,408.37		
Lieutenant Governor's Office	61.50	78.25		
Department of Agriculture	66,452.17	71,861.03		
Department of Banking	5,748.21	4,521.57		
Securities Commission	5,748.21	.....		
Department of Forests and Waters	80,346.23	62,211.35		
Administration	73,136.89	.....		
Water and Power Resources Board	7,209.34	.....		
Department of Health	261,229.90	265,879.07		
Administration	261,229.90	.....		
Insurance Department	24,385.13	28,028.06		
Department of Internal Affairs	40,451.23	41,161.48		
Administration	34,495.55	.....		
Topographic and Geologic Survey	5,955.68	.....		
Department of Justice	25,497.64	25,847.21		
Administration	16,728.14	.....		
Board of Pardons	2,028.66	.....		
Parole Supervision	6,740.84	.....		
Department of Labor and Industry	121,512.19	124,171.47		
Department of Military Affairs	29,343.80	20,485.42		
Administration	12,432.36	.....		
Military Reservation	13,884.90	.....		
Athletic Commission	3,026.54	.....		
Department of Mines	9,929.07	14,585.35		
Administration	5,072.97	.....		
Mine Inspectors	4,856.10	.....		
Department of Property and Supplies	188,737.49	187,419.49		
Department of Public Instruction	143,013.36	130,351.10		
Administration	73,658.93	.....		
Examining Boards	18,447.74	.....		
Board of Censors	13,964.72	.....		
Historical Commission	3,924.66	.....		
Library and Museum	33,017.31	.....		
Public Utility Commission	51,190.05	51,810.69		
Department of Revenue	102,631.93	246,793.35		
Department of State	17,879.43	17,304.68		
Administration	13,633.75	.....		
State Employes Retirement Board	4,245.68	.....		
Pennsylvania Motor Police	119,079.29	106,596.28		
Department of Welfare	35,357.61	29,998.51		
Administration	33,954.94	.....		
Alcohol Permit Board	302.70	.....		
Orthopaedic Unit	.....	.....		
Council for the Blind	1,099.97	.....		
TOTAL EXPENDITURES FROM ALLOCATIONS	$ 1,348,906.03	$ 1,450,512.73		
ALLOCATIONS TO PROPERTY AND SUPPLIES FOR—				
Miscellaneous Charges—Unclassified	2,400.10	.....		
TOTAL	2,400.10	.....		
GRAND TOTAL EXPENDITURES	$ 1,351,306.13	$ 1,450,512.73		

During this period this appropriation was discontinued and divided among the departmental appropriations for salaries and expenses.

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
MISCELLANEOUS				
Harrisburg Fire Companies	$ 5,000.00	$ 5,000.00	$ 5,000.00	.....
Cresson Volunteer Fire Company	900.00	1,000.00	1,000.00	.....
Architect's Claim—Farm Show Building	4,893.54	.....	.....	.....
Cresson Coal Measures	23,384.75	.....	.....	.....
Purchasing Fund	10,000.00	.....	15,000.00	.....
Acquisition—Ephrata Cloisters	.....	.....	200.00	.....
Acquisition—Daniel Boone Homestead	.....	.....	6,030.00	.....
Architectural Services—Western State Penitentiary	.....	3,741.57	.....	.....
Steam Line at Cresson Sanatorium	.....	1,221.80	.....	.....
Capitol Alterations—Legislative Rooms	.....	.....	.....	$ 18,622.39
Air Conditioning—(Special Session-1933)	39,896.39	.....	.....	.....
Cleaning and Repointing Capitol Stone Work	.....	96,265.50	.....	.....
Survey—Capitol Park Extension	.....	.....	2,569.76	.....
TOTAL EXPENDITURES	$ 84,074.68	$ 107,228.87	$ 29,799.76	$ 18,622.39
During—1933-1935	$ 84,074.68	.....	.....	.....
1935-1937	.....	$ 107,228.87	.....	.....
1937-1939	.....	.....	$ 28,556.69	.....
1939-1940	.....	.....	1,243.07	$ 18,622.39
BIENNIAL APPROPRIATIONS—				
Harrisburg Fire Companies	$ 5,000.00	$ 5,000.00	$ 5,000.00	*
Cresson Volunteer Fire Company	900.00	1,000.00	1,000.00	*
Repairs to Ephrata Cloisters	.....	10,000.00	.....	.....
Architect's Claim—Farm Show Building	4,893.54	.....	.....	.....
Cresson Coal Measures	25,000.00	.....	.....	.....
Purchasing Fund	10,000.00	.....	15,000.00	.....
Acquisition—Ephrata Cloisters	.....	.....	15,000.00	$ 15,000.00
Acquisition—Daniel Boone Homestead	.....	.....	7,000.00	.....
Architectural Services—Western State Penitentiary	.....	3,741.57	.....	.....
Steam Line at Cresson Sanatorium	.....	1,221.80	.....	.....
Memorial to General Pulaski	.....	10,000.00	.....	.....
Air Conditioning (Special Session—1933)	40,000.00	.....	.....	.....
Cleaning and Repointing Capitol Stone Work	.....	$ 98,000.00	.....	.....
Survey—Capitol Park Extension—1938 Spec. Session	.....	.....	$ 50,000.00	.....
Land Acquisition and Repairs—Pennsbury Memorial	.....	.....	.....	30,000.00
Capitol Alterations—Legislative Rooms	.....	.....	.....	124,500.00
TOTAL AVAILABLE FUNDS	$ 85,793.54	$ 128,963.37	$ 93,000.00	$ 169,500.00
BALANCES—				
Lapsed	$ 1,718.86	$ 21,734.50	$ 15,770.00	.....
To Continue	.....	.....	47,430.24	$ 150,877.61

* Carried under Administrative Miscellaneous and Commissions this period.

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH, AND LEASED OFFICE DEVICES—HEALTH INSTITUTIONS				
Materials, Supplies and Printing	$ 1,077,901.05			
Transportation, Communication and Information	7,191.78			
Maintenance Services and Expense	11,605.77			
Construction, Equipment and Land	90,076.99			
TOTAL EXPENDITURES	$ 1,186,775.59	†	†	†
During—1933-1935	$ 1,083,107.56			
1935-1937	103,668.03			
BIENNIAL APPROPRIATIONS—				
Supplies, Equipment, Printing, Etc.—Health Institutions	$ 1,230,000.00	†	†	†
BALANCES—				
Lapsed	$ 43,224.41			
EXPENDED FOR—				
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH, AND LEASED OFFICE DEVICES—DEPARTMENTS INDEPENDENT OF THE GOVERNOR				
Materials, Supplies and Printing	$ 378,039.07	$ 359,160.37	$ 528,317.11	$ 26,608.62
Transportation, Communication and Information	8,006.74	11,179.97	7,778.23	6,588.43
Maintenance Services and Expense	467.57	345.15	450.11	918.25
Construction, Equipment and Land	13,464.22	15,158.62	8,927.02	9,300.13
Stores	.....	14,155.10	.....	.....
Total	$ 399,977.60	$ 399,999.21	$ 545,472.47	$ 43,415.43
LEGISLATIVE PRINTING				
Special Session—1933	$ 34,907.47	.....	.....	.....
Special Session—1936 No. 1	.....	$ 100,000.00	.....	.....
Special Session—1936 No. 2	.....	8,374.35	.....	.....
Special Session—1938	.....	.....	$ 250,000.00	.....
TOTAL EXPENDITURES	$ 34,885.07	$ 508,373.56	$ 795,472.47	$ 43,415.43
During—1933-1935	$ 284,766.04	.....	.....	.....
1935-1937	150,119.03	$ 466,431.31	.....	.....
1937-1939	.....	41,942.25	$ 648,561.75	.....
1939-1940	.....	.....	146,910.72	$ 33,594.27
Unpaid May 31, 1940	.....	.....	.....	9,821.16
BIENNIAL APPROPRIATIONS—				
Supplies, Equipment, Printing, Etc.—Departments Independent of the Governor	$ 200,000.00	$ 150,000.00	$ 250,000.00	$ 250,000.00
Supplies, Telephone, Telegraph, Printing, Etc.—Departments Independent of the Governor—Deficiency	200,000.00	250,000.00	380,000.00	.....
Legislative Printing (Special Session—1933)	35,000.00	.....	.....	.....
Legislative Printing (Special Session—1936 No. 1)	.....	100,000.00	.....	.....
Legislative Printing (Special Session—1936 No. 2)	.....	10,000.00	.....	.....
Legislative Printing (Special Session—1938)	.....	.....	250,000.00	.....
TOTAL AVAILABLE FUNDS	$ 435,000.00	$ 510,000.00	$ 880,000.00	$ 250,000.00
BALANCES—				
Lapsed	$ 114.93	$ 1,626.44	.....	.....
To Continue	.....	.....	$ 84,527.53	$ 206,584.57

† Paid from Salaries and Expense Appropriation from Department of Health these periods.

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
UTILITY SERVICE, PROPERTY RENTALS, AND MAINTENANCE OF STATE OWNED PROPERTY (EXCEPT HEALTH INSTITUTIONS)				
Wages	.....	.....	$ 15,033.97	.....
Materials, Supplies and Printing	$ 136,352.11	$ 62,477.90	74,521.42	41,925.48
Maintenance Service and Expense	709,204.23	762,172.51	278,122.92	142,333.93
Construction, Equipment and Land	39,884.86	36,936.05	147,660.55	13,099.98
Stores	2,117.90	22,526.34	11,205.53	* 4,722.45
TOTAL EXPENDITURES	$ 887,559.10	$ 884,112.80	$ 526,544.39	$ 192,636.94
During—1933-1935	$ 845,603.18	.....	.....	.....
1935-1937	41,955.92	$ 829,979.11	.....	.....
1937-1939	.....	54,133.69	$ 489,257.81	.....
1939-1940	.....	.....	37,286.58	$ 175,116.66
Unpaid May 31, 1940	.....	.....	.....	17,520.28
BIENNIAL APPROPRIATIONS—				
Utility Service, Rentals, and General Maintenance	$ 900,000.00	$ 885,000.00	$ †550,000.00	$ †550,000.00
BALANCES—				
Lapsed	$ 12,440.90	$ 887.20	$ 23,455.61	.....
To Continue	.....	.....	.....	$ 357,363.06
EXPENDED FOR—				
UTILITY SERVICE, PROPERTY RENTALS, AND MAINTENANCE OF STATE OWNED PROPERTY (EXCEPT HEALTH INSTITUTIONS)				
ALLOCATIONS TO AGENCIES FOR UTILITY SERVICE AND PROPERTY RENTALS—				
Lieutenant Governor's Office	$ 60.00	$ 360.00	.....	.....
Department of the Auditor General	7,931.88	6,741.54	.....	.....
Department of Agriculture	33,624.87	32,119.67	.....	.....
Department of Banking	838.68	.....	.....	.....
Department of Forests and Waters	24,992.26	25,830.32	.....	.....
Department of Health	35,165.13	38,919.65	.....	.....
Insurance Department	17,995.28	13,142.22	.....	.....
Department of Internal Affairs	400.00	.....	.....	.....
Department of Justice	14,382.96	13,118.20	.....	.....
Department of Labor and Industry	110,643.04	122,037.21	.....	.....
Department of Military Affairs	98,025.89	104,746.89	.....	.....
Department of Mines	14,241.50	12,058.00	.....	.....
Department of Property and Supplies	226,759.36	229,731.71	$ 255,671.35	$ 126,458.07
Department of Public Instruction	14,568.94	15,643.60	.....	.....
Public Utility Commission	4,710.24	7,441.00	.....	.....
Department of Revenue	10,118.04	48,253.22	.....	.....
Department of State	394.68	.....	.....	.....
Pennsylvania Motor Police	55,452.02	58,267.64	.....	.....
Department of Welfare	13,287.76	9,731.61	.....	.....
Total Expenditures from Allocations	$ 683,592.53	$ 738,142.54	$ 255,671.35	$ 126,458.07
ALLOCATIONS TO PROPERTY AND SUPPLIES FOR MAINTENANCE OF STATE OWNED PROPERTY	$ 203,966.57	$ 145,970.26	$ 270,873.04	$ 66,178.87
GRAND TOTAL EXPENDITURES	$ 887,559.10	$ 884,112.80	$ 526,544.39	$ 192,636.94

† In this biennium the appropriations to the various departments include amounts for rents formerly paid from this appropriation.

* * Indicates deduction.

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
HEAT, LIGHT, POWER, WATER, AND RENTS—HEALTH INSTITUTIONS				
Maintenance Services and Expense	$ 174,974.56	.....	.....	.....
TOTAL EXPENDITURES	$ 174,974.56	†	†	†
During—1933-1935	$ 174,945.46	.....	.....	.....
1935-1937	29.10	.....	.....	.....
BIENNIAL APPROPRIATIONS—				
Heat, Light, Power, Water and Rents—Health Institutions	$ 175,000.00	†	†	†
BALANCES—				
Lapsed	$ 25.44	.....	.....	.....
EXPENDED FOR—				
INSURANCE, SURETY AND FIDELITY BONDS				
Maintenance Services and Expense	$ 306,115.26	$ 249,832.81	$ 59,663.71	
TOTAL EXPENDITURES	$ 306,115.26	$ 249,832.81	$ 59,663.71	*
During—1933-1935	$ 199,683.01	.....	.....	
1935-1937	106,432.25	$ 226,766.07	.....	
1937-1939	.....	23,066.74	$ 51,557.02	
1939-1940	.....	.....	8,106.69	
BIENNIAL APPROPRIATIONS—				
Insurance Surety and Fidelity Bonds	$ 200,000.00	$ 250,000.00	$ 65,000.00	
Insurance, Surety and Fidelity Bonds—Deficiency	139,000.00	.....	.....	
TOTAL AVAILABLE FUNDS	$ 339,000.00	$ 250,000.00	$ §65,000.00	*
BALANCES—				
Lapsed	$ 32,884.74	$ 167.19	$ 5,336.29	
EXPENDED FOR—				
INSURANCE, SURETY AND FIDELITY BONDS				
Governor's Office	$ 525.85	$ 484.62	$ 100.30	
State Emergency Relief Board	86,943.85	.....	10.15	
Lieutenant Governor's Office	48.22	55.68	2.56	
Department of the Auditor General	4,179.92	3,977.96	537.15	
Treasury Department	11,247.45	10,676.43	15,748.73	
Department of Agriculture	13,874.15	13,062.25	1,910.73	
Department of Banking	288.43	308.09	139.49	
Department of Forests and Waters	33,917.48	43,426.07	6,101.81	
Department of Health	20,712.23	22,128.95	2,595.55	
Department of Highways	‡2.01	.....	.....	
Insurance Department	1,110.66	1,453.91	662.02	
Department of Internal Affairs	2,088.70	3,406.24	733.06	
Department of Justice	2,143.94	2,078.94	308.37	
Department of Labor and Industry	9,848.51	9,032.42	1,504.79	
Department of Military Affairs	58,608.84	75,262.11	5,317.11	
Department of Mines	3,479.13	1,197.99	316.09	
Department of Property and Supplies	13,251.61	13,187.06	1,728.88	
Department of Public Instruction	5,713.79	6,885.91	4,055.95	
Public Utility Commission	2,575.66	3,762.62	1,058.50	
Department of Revenue	10,367.73	14,795.51	9,662.70	
Department of State	714.68	807.25	497.54	
Pennsylvania Motor Police	17,457.05	16,647.46	2,638.88	
Department of Welfare	5,500.15	5,043.60	2,978.17	
Miscellaneous Administrative	.....	.....	61.00	
Legislative	1,131.22	1,303.64	812.56	
Legislative Reference Bureau	144.95	213.30	65.91	
Judicial Department	243.07	634.80	115.71	
TOTAL EXPENDITURES	$ 306,115.26	$ 249,832.81	$ 59,663.71	*

* Included in appropriations to the various departments this period.
† Paid from appropriations to Department of Health this period.
‡ Indicates deduction.
§ This appropriation covers surety bond premiums only. Workmen's Compensation Premiums were included in departmental appropriations this period.

GENERAL FUND

DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
AUTOMOTIVE SUPPLIES AND EQUIPMENT				
Materials, Supplies and Printing	$ 1,211.34	$ 1,293.29	$ 850.97	$ 297.75
Transportation, Communication and Information	80,651.94	76,140.99	83,491.46	25,287.16
Construction, Equipment and Land	159,364.92	282,375.50	243,799.39	57,199.11
Stores	1,727.76	8,443.10	*2,974.86	741.17
TOTAL EXPENDITURES	$ 242,955.96	$ 368,252.88	$ 325,166.96	$ 83,525.19
During—1933-1935	$ 192,512.05	.....	.....	.....
1935-1937	50,443.91	$ 283,628.57	.....	.....
1937-1939	.....	84,624.31	$ 241,050.50	.....
1939-1940	.....	.....	84,116.46	$ 77,536.94
Unpaid at May 31, 1940	.....	.....	.....	5,988.25
BIENNIAL APPROPRIATIONS—				
Automotive Supplies and Equipment	$ 250,000.00	$ 400,000.00	$ 400,000.00	$ 392,000.00
BALANCES—				
Lapsed	$ 7,044.04	$ 31,747.12	$ 74,833.04	.....
To Continue	.....	.....	.....	$ 308,474.81
EXPENDED FOR—				
AUTOMOTIVE SUPPLIES AND EQUIPMENT				
EQUIPMENT ASSIGNED PERMANENTLY				
Governor's Office	$ 1,836.00	.....	$ 1,487.08	$ 2,395.00
Lieutenant Governor's Office	.....	.....	1,875.00	1,634.00
Department of Agriculture	21,600.17	$ 29,218.77	19,914.13	1,446.00
Department of Forests and Waters	28,834.96	21,937.69	13,875.79	3,824.97
Department of Health	11,174.72	38,523.42	27,385.62	11,332.76
Insurance Department	.....	1,746.00	969.00	588.25
Department of Internal Affairs	2,026.20	.....	1,543.00	1,974.00
Department of Justice	3,100.72	6,661.45	9,383.50	4,900.15
Department of Labor and Industry	7,867.56	16,875.42	7,607.80	3,873.50
Department of Military Affairs	4,201.96	6,123.10	24,221.80	.....
Department of Mines	1,662.00	.....	1,197.00	.....
Department of Public Instruction	.....	8,534.19	5,491.68	2,652.65
Public Utility Commission	.....	1,636.07	11,524.32	1,099.00
Department of Revenue	1,097.00	1,704.40	1,043.00	.....
Department of State	.....	.....	1,819.90	.....
Pennsylvania Motor Police	33,387.41	63,923.32	2,809.08	.....
Department of Welfare	9,759.33	43,953.66	69,309.20	11,280.95
Department of Commerce	.....	.....	.....	1,893.79
Total	$ 126,548.03	$ 240,837.49	$ 201,456.90	$ 48,895.02
PURCHASE AND OPERATION OF CARS FOR TEMPORARY FLEET				
Allocation to Department of Property and Supplies for Operating Automotive Equipment Temporarily Assigned	$ 83,591.04	$ 82,724.05	$ 82,057.00	$ 26,480.58
Allocation to Department of Property and Supplies for Purchase of Cars for Temporary Fleet	32,816.89	44,691.34	41,653.06	8,149.59
TOTAL EXPENDITURES	$ 242,955.96	$ 368,252.88	$ 325,166.96	$ 83,525.19

* Indicates Deduction

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PRINTING AND DISTRIBUTING CONVENTION REPORTS				
Printing	.....	.....	$ 7,819.63	$ 24.75
Postage	.....	.....	317.50	12.09
Total	.....	.....	$ 8,137.13	$ 36.84
PRINTING AND DISTRIBUTING CAPITOL NEWS AND STATE MANUAL				
Printing	.....	.....	$ 33,937.62	$ 7,763.72
Transportation	.....	.....	3,414.43	1,027.00
Total	.....	.....	$ 37,352.05	$ 8,790.72
TOTAL EXPENDITURES	.....	.....	$ 45,489.18	$ 8,827.56
During—1937-1939	.....	.....	$ 43,514.61	.....
1939-1940	.....	.....	1,974.57	$ 8,827.56
BIENNIAL APPROPRIATIONS—				
Printing and Distributing Convention Reports	†	†	$ 10,000.00	$ 1,000.00
Printing and Distributing Capitol News and State Manual	†	†	40,000.00	35,000.00
TOTAL AVAILABLE FUNDS	†	†	$ 50,000.00	$ 36,000.00
BALANCES—				
To Continue	.....	.....	$ 4,510.82	$ 27,172.44
EXPENDED FOR—				
GENERAL STATE AUTHORITY ‡				
Leases	.....	.....	$ 370,467.51	$ 2,299,321.09
TOTAL EXPENDITURES	.....	.....	$ 370,467.51	$ 2,299,321.09
During—1937-1939	.....	.....	$ 132,459.71	.....
1939-1940	.....	.....	238,007.80	$ 2,238,934.98
Unpaid May 31, 1940	.....	.....	.....	60,386.11
BIENNIAL APPROPRIATIONS—				
General State Authority—Leases—General	.....	.....	$ 2,750,000.00	$ 5,717,700.00
General State Authority Leases—1938 Special Session—General	.....	.....	2,000,000.00	.....
General State Authority—Leases—State College	.....	.....	.....	398,000.00
Total Available Funds	.....	.....	$ 4,750,000.00	$ 6,115,700.00
BALANCES—				
Lapsed	.....	.....	$ 4,379,532.49	.....
To Continue	.....	.....	.....	$ 3,816,378.91

† Included in lump sum Appropriations Allocated to department during these periods.
‡ For operating cost of the General State Authority, see Administrative Miscellaneous and Commissions.

GENERAL FUND

DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PUBLIC BUILDINGS AND LAND OUTSIDE OF CAPITOL GROUP				
FOR DEPARTMENT OF HEALTH				
Sanatoria and Hospital for Crippled Children—Construction				
Salaries		$ 1,807.79		
Wages		650.72		
Fees		7,838.90		
Materials, Supplies and Printing		1.38		
Transportation, Communication and Information		143.18		
Construction, Equipment and Land		130,654.12		
TOTAL DEPARTMENT OF HEALTH		$ 141,096.09		
FOR DEPARTMENT OF MILITARY AFFAIRS				
Construction of Armories				
Salaries		$ 11,252.17		
Wages		68,691.18		
Fees		19,614.66		
Materials, Supplies and Printing		212,059.46		
Transportation, Communication and Information		4,483.88		
Maintenance Services and Expense		30,400.88		
Construction, Equipment and Land		110,555.81		
TOTAL DEPARTMENT OF MILITARY AFFAIRS		$ 457,058.04		
FOR DEPARTMENT OF PUBLIC INSTRUCTION				
East Stroudsurg State Teachers' College—Sewer Construction				
Wages			$ 969.16	
Fees			900.00	
Newspaper Advertising and Notices			152.84	
Construction, Equipment and Land			22,775.38	
Total			$ 24,797.38	
California State Teachers' College—Land				
Fees			$ 3.15	
Construction, Equipment and Land			13,000.00	
Total			$ 13,003.15	
Edinboro State Teachers' College—Land				
Construction, Equipment and Land			$ 8,000.00	
Kutztown State Teachers' College—Land				
Fees			$ 96.00	
Construction, Equipment and Land			7,404.00	
Total			$ 7,500.00	
TOTAL DEPARTMENT OF PUBLIC INSTRUCTION			$ 53,300.53	
FOR DEPARTMENT OF WELFARE				
Pennsylvania Industrial School—Construction				
Wages		$ 3,207.00		
TOTAL DEPARTMENT OF WELFARE		$ 3,207.00		

GENERAL FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
ELIMINATING INSTITUTIONAL FIRE HAZARDS	.....	$ 475,077.12	$ 1,281,937.21	.....
TOTAL EXPENDITURES	.....	$ 1,076,438.25	$ 1,335,237.74	.....
During—1935-1937	.....	$ 121,512.41	.....	.....
1937-1939	.....	933,548.97	$ 1,093,355.42	.....
1939-1940	.....	21,376.87	241,882.32	.....
BIENNIAL APPROPRIATIONS—				
Sanatoria—Construction Hospital for Crippled Children—Construction	.....	$ 150,000.00	.....	.....
Total Department of Health	.....	$ 150,000.00	.....	.....
Construction of Armories	.....	$ 500,000.00	.....	.....
Total Department of Military Affairs	.....	$ 500,000.00	.....	.....
East Stroudsburg State Teachers' College	.....	.....	$ 25,000.00	.....
California State Teachers' College	.....	.....	15,000.00	.....
Edinboro State Teachers' College	.....	.....	8,000.00	.....
Kutztown State Teachers' College	.....	.....	7,500.00	.....
Total Department of Public Instruction	.....	.....	$ 55,500.00	.....
Pennsylvania Industrial School—Construction	.....	$ 75,000.00	.....	.....
Total Department of Welfare	.....	$ 75,000.00	.....	.....
Eliminating Institutional Fire Hazards	.....	$ 500,000.00	$ 1,500,000.00	.....
TOTAL AVAILABLE FUNDS	.....	$ 1,225,000.00	$ 1,555,500.00	.....
BALANCES—				
To Continue	.....	$ 42,941.96	$ 218,062.79	.....
Lapsed	.....	105,619.79	2,199.47	.....
EXPENDED FOR—				
CONSTRUCTION OF LIQUOR BOARD BUILDING	.....	.....	.....	$ 423,133.82
CREDITS AND BIENNIAL APPROPRIATIONS—				
Credits—1937-1939	.....	.....	$ 302,500.00	.....
Credits—1939-1940	.....	.....	.....	$ 121,000.00
Balance from Prior Period	.....	.....	.....	302,500.00
TOTAL AVAILABLE FUNDS	.....	.....	$ 302,500.00	$ 423,500.00
BALANCES—				
Transferred to Next Period	.....	.....	$ 302,500.00	.....
To Continue	.....	.....	.....	$ 366.18

GENERAL FUND
DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SUPERINTENDENT	$ 24,000.00	$ 24,000.00	$ 23,903.23	$ 9,096.77
SALARIES AND EXPENSES				
Salaries	$ 502,635.04	$ 470,699.47	$ 465,690.82	$ 212,280.40
Wages	17,772.18	18,344.57	16,087.43	14,113.78
Fees	120.00	400.00	1,413.00	331.00
Materials, Supplies and Printing	65.68	176.20	79,242.78	18,876.89
Transportation, Communication and Information	66,260.87	54,631.33	55,047.67	20,884.54
Maintenance Services and Expense	.....	.....	8,785.91	3,566.43
Construction, Equipment and Land	.....	.....	7,265.72	1,633.42
Subsidies	.....	*24.96	.....	.....
Total	$ †586,853.77	$ †544,226.61	$ 633,533.33	$ 271,686.46
TOTAL EXPENDITURES	$ 610,853.77	$ 568,226.61	$ 657,436.56	$ 280,783.23
During—1933-1935	$ 607,162.07	.....	.....	.....
1935-1937	3,691.70	$ 564,089.45	.....	.....
1937-1939	.....	4,137.16	$ 637,118.38	.....
1939-1940	.....	.....	20,318.18	$ 277,106.50
Unpaid May 31, 1940	.....	.....	.....	3,676.73
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of the Superintendent	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 21,100.00
Salaries and Expenses	600,000.00	550,000.00	632,500.00	597,500.00
Credits—1933-1935	19,272.93	.....	.....	.....
Credits—1935-1937	1,997.90	2,841.41	.....	.....
Credits—1937-1939	.....	2,299.37	3,033.33	.....
TOTAL AVAILABLE FUNDS	$ 645,270.83	$ 579,140.78	$ 659,533.33	$ 618,600.00
BALANCES—				
Lapsed	$ 34,417.06	$ 10,914.17	$ 2,096.77	.....
To Continue	.....	.....	.....	$ 337,816.77
EXPENDED FOR—				
LIBRARY AND MUSEUM				
Salaries	$ 168,819.89	$ 151,798.15	$ 148,105.96	$ 67,068.64
Wages	2,677.50	1,700.82	2,175.99	1,009.12
Materials, Supplies and Printing	.....	.....	22,574.52	6,500.98
Transportation, Communication and Information	7,874.20	6,051.68	10,246.40	2,919.95
Maintenance Services and Expense	11.00	.....	1,274.80	504.56
Construction, Equipment and Land	30,617.41	25,449.35	35,916.33	16,546.63
Total	$ †210,000.00	$ †185,000.00	$ 220,294.00	$ 94,549.88
REHABILITATING LIBRARIES DAMAGED BY FLOOD	.....	$ 100,000.00	.....	.....
COLLECTING AND DISTRIBUTING PRESS INFORMATION	.....	$ 10,310.72	$ 14,922.49	$ 4,533.48
TOTAL EXPENDITURES	$ 210,000.00	$ 295,310.72	$ 235,216.49	$ 99,083.36
During—1933-1935	$ 207,737.13	.....	.....	.....
1935-1937	2,262.87	$ 291,498.13	.....	.....
1937-1939	.....	3,812.59	$ 226,612.83	.....
1939-1940	.....	.....	8,603.66	$ 94,414.47
Unpaid May 31, 1940	.....	.....	.....	4,668.89

† During these periods additional expenditures were made from Property and Supplies Appropriations.
* Indicates Deduction.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
State Library and Museum	$ 210,000.00	$ 185,000.00	$ 223,000.00	$ 215,000.00
Rehabilitating Libraries Damaged by Flood	.....	100,000.00	.....	.....
Collecting and Distributing Press Information	.....	15,000.00	15,000.00	10,000.00
TOTAL AVAILABLE FUNDS	$ 210,000.00	$ 300,000.00	$ 238,000.00	$ 225,000.00
BALANCES—				
Lapsed	.....	$ 4,639.23	$ 2,783.51	.....
To Continue	.....	.....	.....	$ 125,916.64
EXPENDED FOR—				
PUBLIC SCHOOL SUBSIDIES				
Salaries	$ 1,211,474.45	$ 1,117,827.39	$ 1,310,814.08	$ 729,140.83
Wages	.....	77,781.70	93,031.22	68,386.70
Fees	.....	250.00	103.50	.....
Materials, Supplies and Printing	.....	.....	5,940.46	900.39
Transportation, Communication and Information	140,534.53	159,192.33	185,968.65	104,761.00
Maintenance Services and Expense	.....	.....	1,242.02	318.24
Construction, Equipment and Land	.....	.....	108.46	.....
Subsidies, Indemnities and Other Items	4,799,743.78	5,125,091.37	6,531,424.06	3,310,496.22
TOTAL	$ 6,151,752.76	$ 6,480,142.79	$ 8,128,632.45	$ 4,214,003.38
CORNPLANTER INDIAN RESERVATION—ROADS				
Subsidies, Indemnities and Other Items	600.00	†	†	†
TOTAL EXPENDITURES	$ 6,152,352.76	$ 6,480,142.79	$ 8,128,632.45	$ 4,214,003.38
During—1933-1935	$ 5,466,287.64	.....	.....	.....
1935-1937	685,685.80	$ 5,697,472.34	.....	.....
1937-1939	379.32	782,670.45	$ 7,399,668.92	.....
1939-1940	.....	.....	728,963.53	$ 4,185,581.81
Unpaid May 31, 1940	.....	.....	.....	28,421.57
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salaries of County Superintendents	$ 441,000.00	$ 458,100.00	$ 482,027.00	$ 509,000.00
Salaries of County Superintendents—Deficiency	44,150.00	.....	.....	.....
Expenses of County Superintendents	50,000.00	50,000.00	50,000.00	48,500.00
Salaries of Assistant County Superintendents	485,000.00	442,800.00	459,500.00	486,000.00
Salaries of Assistant County Superintendents—Deficiency	46,850.00	.....	.....	.....
Expenses of Assistant County Superintendents	70,000.00	70,000.00	70,000.00	67,000.00
Salaries of County Boards	.....	.....	39,600.00	39,600.00
Transportation	2,500,000.00	2,500,000.00	3,500,000.00	3,500,000.00
Transportation—Deficiency	380,000.00	.....	140,000.00	.....
Transportation—Additional	.....	525,000.00	.....	.....
Special Vocational Classes	90,000.00	50,000.00	50,000.00	75,000.00
Vocational Education	700,000.00	800,000.00	800,000.00	1,100,000.00
Vocational Education—Deficiency	205,000.00	.....	.....	.....
Miscellaneous Subsidies	217,000.00	200,000.00	283,000.00	326,000.00
Miscellaneous Subsidies—Deficiency	.....	70,000.00	.....	.....
Cornplanter Indian Reservation—Roads	600.00	†	†	†
Credits 1933-1935	982,862.57	.....	.....	.....
Credits 1935-1937	18,796.56	1,327,974.42	.....	.....
Credits 1937-1939	.....	23,199.72	1,886,341.16	.....
Credits 1939-1940	.....	.....	430,675.86	867,376.73
TOTAL AVAILABLE FUNDS	$ 6,231,259.13	$ 6,517,074.14	$ 8,191,144.02	$ 7,018,476.73
BALANCES—				
Lapsed	$ 78,906.37	$ 36,931.35	$ 47,010.17	.....
To Continue	.....	.....	15,501.40	$ 2,804,473.35

† See Administrative Miscellaneous and Commissions these periods.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SUPPORT OF PUBLIC SCHOOLS				
Subsidies, Indemnities and Other Items	$ 57,305,825.61	$ 58,457,860.23	$ 61,509,967.93	$ 31,844,854.07
AID TO FINANCIALLY HANDICAPPED SCHOOL DISTRICTS				
Subsidies, Indemnities and Other Items	$ 4,974,767.57	$ 3,943,168.80	$ 2,995,002.51	$ 1,578,000.43
TOTAL EXPENDITURES	$ 62,280,593.18	$ 62,401,029.03	$ 64,504,970.44	$ 33,422,854.50
During—1933-1935	$ 57,274,382.35	.....	.....	.....
1935-1937	5,005,210.83	$ 59,653,937.03	.....	.....
1937-1939	.....	2,747,092.00	$ 56,701,449.60	.....
1939-1940	.....	.....	7,803,520.84	$ 33,389,926.58
Unpaid May 31, 1940	.....	.....	.....	32,927.92
BIENNIAL APPROPRIATIONS—				
Support of Public Schools	$ 53,000,000.00	$ 53,000,000.00	$ 60,000,000.00	$ 61,000,000.00
Support of Public Schools—Deficiency	4,306,000.00	.....	1,510,000.00	.....
Support of Public Schools—Additional	.....	5,457,969.00	.....	.....
Aid to Financially Handicapped School Districts	5,000,000.00	3,000,000.00	2,000,000.00	3,000,000.00
Aid to Financially Handicapped School Districts—Additional	.....	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL AVAILABLE FUNDS	$ 62,306,000.00	$ 62,457,969.00	$ 64,510,000.00	$ 65,000,000.00
BALANCES—				
Lapsed	$ 25,406.82	$ 56,939.97	$ 32.07	.....
To Continue	.....	.....	4,997.49	$ 31,577,145.50

EXPENDED FOR—				
EXPENSES—CONDUCTING LIQUOR BOARD EXAMINATIONS (SPECIAL SESSION—1933)				
Salaries	$ 2,192.38			
Wages	69,098.29	State	State	State
Materials, Supplies and Printing	13,482.10			
Transportation, Communication and Information	10,519.43	Stores	Stores	Stores
Maintenance Services and Expenses	2,893.93			
Construction, Equipment and Land	2,455.12	Fund	Fund	Fund
TOTAL EXPENDITURES	$ 100,641.25	this	this	this
During—1933-1935	$ 100,195.47	period	period	period
1935-1937	445.78			
BIENNIAL APPROPRIATIONS—				
Expenses Conducting Liquor Board Examinations	$ 150,000.00	.....	.....	.....
BALANCES—				
Lapsed	$ 49,358.75	.....	.....	.....

EXPENDED FOR—				
TUBERCULAR REHABILITATION	.....	.....	.....	$ 1,293.38
CREDITS AND BIENNIAL APPROPRIATIONS—				
Credits—1939-1940	.....	.....	.....	$ 1,314.75
BALANCES—				
To Continue	.....	.....	.....	$ 21.37

GENERAL FUND
DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
STATE TEACHERS COLLEGES—MAINTENANCE				
Salaries	$ 4,900,670.67	$ 4,680,596.14	$ 5,323,476.58	$ 2,753,881.95
Wages	321,920.60	348,609.59	387,941.05	205,455.21
Fees	10,106.24	27,889.74	14,724.62	7,010.79
Materials, Supplies and Printing	980,264.07	1,147,003.34	1,220,252.52	603,164.12
Transportation, Communication and Information	81,605.34	89,913.49	98,676.05	46,497.04
Maintenance Services and Expense	505,007.45	554,273.74	600,069.38	293,545.30
Construction, Equipment and Land	125,898.61	374,411.41	287,211.57	59,649.40
Subsidies, Indemnities and Other Items	128,286.56	123,484.20	132,319.58	74,309.27
Stores	*31,991.19	37,582.61	7,582.02	17,670.32
Advance Requisitions	.....	.....	*1,693.22	20,500.00
Total	$ 7,021,768.35	$ 7,383,764.26	$ 8,070,560.15	$ 4,081,683.40
CALIFORNIA—PAYMENT OF CLAIMS	.....	$ 91.18	.....	.....
TOTAL EXPENDITURES	$ 7,021,768.35	$ 7,383,855.44	$ 8,070,560.15	$ 4,081,683.40
During—1933-1935	$ 6,884,985.61	.....	.....	.....
1935-1937	136,782.74	$ 7,070,838.29	.....	.....
1937-1939	.....	313,017.15	$ 7,780,457.31	.....
1939-1940	.....	.....	290,102.84	$ 3,959,167.54
Unpaid May 31, 1940	.....	.....	.....	122,515.86
CREDITS AND BIENNIAL APPROPRIATIONS—				
Maintenance	$ 3,000,000.00	$ 3,200,000.00	$ 3,720,000.00	$ 3,720,000.00
California—Payment of Claims	.....	91.18	.....	.....
Credits—1933-1935	4,017,921.03	.....	.....	.....
Credits—1935-1937	14,030.31	4,182,837.26	.....	.....
Credits—1937-1939	.....	6,825.62	4,389,199.17	.....
Credits—1939-1940	.....	.....	9,987.19	2,362,870.33
TOTAL AVAILABLE FUNDS	$ 7,031,951.34	$ 7,389,754.06	$ 8,119,186.36	$ 6,082,870.33
BALANCES				
Lapsed	$ 10,182.99	$ 5,898.62	.....	.....
To Continue	.....	.....	$ 48,626.21	$ 2,001,186.93
EXPENDED FOR—				
STATE TEACHERS COLLEGES				
MAINTENANCE				
Bloomsburg	$ 494,082.90	$ 545,411.28	$ 581,124.11	$ 276,003.13
California	439,774.36	529,906.73	570,444.71	292,400.91
Cheyney	203,942.48	226,885.87	248,103.69	127,072.71
Clarion	251,402.33	247,788.79	282,534.96	144,030.24
East Stroudsburg	545,342.71	529,918.93	561,694.56	265,979.93
Edinboro	340,567.91	324,607.63	383,332.00	198,142.37
Indiana	1,027,135.59	1,090,142.36	1,181,209.15	607,409.50
Kutztown	445,601.27	561,125.61	521,552.00	253,804.69
Lock Haven	345,245.88	354,089.92	377,721.59	194,244.29
Mansfield	541,502.77	557,592.08	615,997.69	317,248.41
Millersville	431,227.14	487,932.31	507,679.15	256,258.17
Shippensburg	461,674.97	404,701.70	488,265.07	256,162.35
Slippery Rock	579,333.71	564,034.85	614,738.46	309,017.80
West Chester	914,934.33	959,625.95	1,136,163.01	583,908.90
Total Maintenance	$ 7,021,768.35	$ 7,383,764.26	$ 8,070,560.15	$ 4,081,683.40

* Indicates Deduction.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
EXAMINING BOARDS				
Salaries	$ 225,181.21	$ 252,863.75	$ 288,389.12	$ 117,040.12
Wages	114,277.82	123,819.34	122,995.36	41,761.15
Fees	879.26	960.31	1,136.38	280.28
Materials, Supplies and Printing	.....	1.50	19,424.09	7,571.03
Transportation, Communication and Information	87,685.64	99,354.62	106,137.71	39,523.90
Maintenance, Services and Expense	1,887.23	676.02	11,799.18	6,186.76
Construction, Equipment and Land	.....	.....	2,382.96	600.81
Advance Requisitions	.....	.....	.....	300.00
Total	$ †429,911.16	$ †477,675.54	$ 552,264.80	$ 213,264.05
STATE BOARD OF PHARMACY—LABORATORY				
Salaries			$ 9,772.56	$ 5,325.00
Materials, Supplies and Printing	(Not in existence during these periods)		1,543.40	279.99
Transportation, Communication and Information			1,604.36	60.48
Maintenance Services and Expense			1,556.59	764.35
Construction, Equipment and Land			4,980.73	896.92
Total	.....	.....	$ 19,457.64	$ 7,326.74
TOTAL EXPENDITURES	$ 429,911.16	$ 477,675.54	$ 571,722.44	$ 220,590.79
During—1933-1935	$ 420,247.96	.....	.....	.....
1935-1937	9,663.20	$ 464,431.57	.....	.....
1937-1939	.....	13,243.97	$ 547,657.72	.....
1939-1940	.....	.....	24,064.72	$ 216,397.63
Unpaid May 31, 1940	.....	.....	.....	4,193.16
BIENNIAL APPROPRIATIONS—				
Examining Boards	$ 506,000.00	$ 480,000.00	$ 552,300.00	$ 500,000.00
State Board of Pharmacy—Laboratory	.....	.....	20,000.00	18,000.00
BALANCES—				
Lapsed	$ 76,088.84	$ 2,324.46	$ 577.56	.....
To Continue	.....	.....	.....	$ 297,409.21
EXAMINING BOARDS (BY BOARDS)				
State Board of Anthracite Examiners	.....	$ 4,865.69	$ 5,125.60	$ 3.40
State Board of Examiners of Architects	$ 8,643.14	8,293.29	8,729.68	3,864.82
State Dental Council and Examining Board	21,692.48	19,304.93	20,610.19	9,264.54
State Registration Board of Professional Engineers	10,495.19	13,038.20	13,715.21	6,709.29
State Board of Medical Education and Licensure	44,902.36	37,743.06	41,022.63	15,393.09
State Board of Examination for Registration of Nurses	50,039.49	49,934.82	58,712.32	23,559.38
State Board of Optometrical Examiners	12,049.67	10,467.76	11,331.54	4,550.77
State Board of Osteopathic Examiners	5,147.92	5,269.93	5,487.33	2,557.83
Osteopathic Surgeons Examining Board	174.41	333.81	207.84	115.59
State Board of Pharmacy	30,315.78	27,211.81	27,869.00	10,168.80
State Board of Examiners of Public Accountants	5,595.63	6,854.46	6,588.41	2,800.38
State Board of Undertakers	17,840.00	‡1,200.00	.....	.....
State Board of Veterinary Medical Examiners	2,454.13	2,760.37	2,752.29	939.39
Real Estate Licensing Section	9,694.56	10,119.67	10,854.27	4,922.99
State Administrative Board	138,388.91	203,643.81	243,542.27	86,147.39
Barber's Licensing Section	12,354.25	11,813.45	14,272.33	6,000.77
Bituminous Mine Inspectors Examining Board	.....	.....	3,347.66	.....
Beauty Culture Licensing	17,409.86	24,671.30	36,549.21	18,545.17
Pre-Professional Credentials and Examinations	42,713.38	40,149.18	41,547.02	17,720.45
TOTAL EXPENDITURES	$ 429,911.16	$ 477,675.54	$ 552,264.80	$ 213,264.05

‡ Board of Undertakers transferred to Department of Health in July, 1935.
† During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
EDUCATION OF THE BLIND AND DEAF				
Western Pennsylvania School for Deaf—Edgewood	$ 270,220.00			
Pennsylvania Institution for the Deaf—Mt. Airy	460,778.73			
Western Pennsylvania School for the Blind—Pittsburgh	138,355.00	$ 1,053,239.85	$ 1,131,360.23	$ 378,555.84
Pennsylvania Institution for the Blind—Overbrook	186,142.60			
Royer-Greaves School for Blind	3,605.00			
Total	$ 1,059,101.33	$ 1,053,239.85	$ 1,131,360.23	$ 378,555.84
AID TO FREE PUBLIC LIBRARIES	$ 16,928.90	$ 16,886.65	$ 28,000.00	$ 14,438.06
TOTAL EXPENDITURES	$ 1,076,030.23	$ 1,070,126.50	$ 1,159,360.23	$ 392,993.90
During—1933-1935	$ 598,555.80	.....	.....	.....
1935-1937	477,474.43	$ 817,071.18	.....	.....
1937-1939	.....	253,055.32	$ 786,952.31	.....
1939-1940	.....	.....	372,407.92	$ 392,359.66
Unpaid May 31, 1940	.....	.....	.....	634.24
BIENNIAL APPROPRIATIONS—				
Education of Blind and Deaf	$ 1,060,000.00	$ 1,060,000.00	$ 1,150,000.00	$ 1,140,000.00
Aid to Free Public Libraries	17,000.00	17,000.00	28,000.00	40,000.00
TOTAL AVAILABLE FUNDS	$ 1,077,000.00	$ 1,077,000.00	$ 1,178,000.00	$ 1,180,000.00
BALANCES—				
Lapsed	$ 969.77	$ 6,873.50	$ 18,639.77	.....
To Continue	.....	.....	.....	$ 787,006.10
EXPENDED FOR—				
BOARD OF CENSORS				
Salaries	$ 118,674.70	$ 101,305.79	$ 93,081.89	$ 31,633.05
Wages	749.50	548.64	620.98	259.35
Materials, Supplies and Printing	.....	.....	7,197.58	4,347.57
Transportation, Communication and Information	9,623.07	7,395.43	9,610.59	3,644.31
Maintenance Services and Expense	.....	.....	13,391.80	6,335.53
Construction, Equipment and Land	.....	.....	7,817.97	524.51
TOTAL EXPENDITURES	$ 129,047.27	$ 109,249.86	$ 131,720.81	$ 46,744.32
During—1933-1935	$ 128,610.79	.....	.....	.....
1935-1937	436.48	$ 108,860.00	.....	.....
1937-1939	.....	389.86	$ 129,980.94	.....
1939-1940	.....	.....	1,739.87	$ 45,587.35
Unpaid May 31, 1940	.....	.....	.....	1,156.97
BIENNIAL APPROPRIATIONS—				
Board of Censors	$ 130,000.00	$ 110,000.00	$ 131,750.00	$ 118,000.00
BALANCES—				
Lapsed	$ 952.73	$ 750.14	$ 29.19	.....
To Continue	.....	.....	.....	$ 71,255.68

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PENNSYLVANIA HISTORICAL COMMISSION—SALARIES AND EXPENSES				
Salaries	$ 9,990.00	$ 10,859.16	$ 31,548.44	$ 19,426.27
Wages	2,865.60	3,091.56	1,351.90	9,305.00
Fees	256.00	1.50	2.00	.....
Materials, Supplies and Printing	.....	3.60	7,191.97	3,166.98
Transportation, Communication and Information	3,298.10	4,611.39	9,391.09	5,032.70
Maintenance Services and Expense	620.57	186.30	2,625.06	3,482.99
Construction, Equipment and Land	722.76	.....	743.66	4,107.05
Subsidies, Indemnities and Other Items	.....	.....	141.07	.....
Total	$ 18,753.03	$ 18,753.51	$ 52,995.19	$ 44,520.99
CONRAD WEISER PARK ASSOCIATION				
Subsidies, Indemnities and Other Items	$ 1,318.75	Transferred to Dept. of Forests & Waters		
DRAKE WELL MEMORIAL PARK—MAINTENANCE				
Salaries	$ 1,040.97	Transferred to Dept. of Forests & Waters		
Maintenance Services and Expenses	158.63			
Total	$ 1,199.60	.....	.....	.....
RESTORING "OLD ECONOMY"	.....	$ 9,591.30	.....	.....
MAINTENANCE OF HISTORICAL SITES	.....	.....	.....	$ 4,408.94
EYE AND EAR TESTS OF PUPILS				
Salaries	.....	.....	$ 4,400.00	.....
Transportation, Communication and Information	.....	.....	1,223.66	.....
Maintenance Services and Expenses	.....	.....	93.48	.....
Construction, Equipment and Land	.....	.....	17,145.73	.....
Total	.....	.....	$ 22,862.87	.....
TOTAL EXPENDITURES	$ 21,271.33	28,344.81	$ 75,858.06	$ 48,929.93
During—1933-1935	$ 21,100.28	.....	.....	.....
1935-1937	171.10	$ 28,148.60	.....	.....
1937-1939	.....	196.21	$ 72,149.34	.....
1939-1940	.....	.....	3,703.72	$ 46,677.11
Unpaid May 31, 1940	.....	.....	.....	2,252.82
BIENNIAL APPROPRIATIONS—				
Pennsylvania Historical Commission	$ 20,000.00	$ 20,000.00	$ 55,000.00	$ 125,000.00
Conrad Weiser Park Association	1,318.75	.....	.....	.....
Drake Well Memorial Park—Maintenance	1,200.00	.....	.....	.....
Restoring "Old Economy"	.....	10,000.00	.....	.....
Maintenance of Historical Sites	.....	.....	10,000.00	30,000.00
Eye and Ear Tests of Pupils	.....	.....	25,000.00	.....
TOTAL AVAILABLE FUNDS	$ 22,518.75	$ 30,000.00	$ 90,000.00	$ 155,000.00
BALANCES—				
Lapsed	$ 1,247.37	$ 1,655.19	$ 12,137.13	.....
To Continue	.....	.....	2,004.81	$ 106,070.07

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PUBLIC SCHOOL EMPLOYES' RETIREMENT BOARD				
State Annuity Reserve Account No. 2	$ 3,520,000.00	$ 3,550,000.00	$ 3,600,000.00	$ 1,291,174.34
Contingent Reserve Account	2,175,000.00	2,435,000.00	2,450,000.00	652,953.47
Former Teachers Account	152,501.69	242,853.63	249,990.42	133,047.67
TOTAL EXPENDITURES	$ 5,847,501.69	$ 6,227,853.63	$ 6,299,990.42	$ 2,077,175.48
During—1933-1935	$ 2,842,112.53	.....	.....	.....
1935-1937	3,005,389.16	$ 2,916,854.34	.....	.....
1937-1939	.....	3,310,999.29	$ 4,950,813.43	.....
1939-1940	.....	.....	1,349,176.99	$ 2,077,059.24
Unpaid May 31, 1940	.....	.....	.....	116.24
BIENNIAL APPROPRIATIONS—				
State Annuity Reserve Account No. 2	$ 3,520,000.00	$ 3,550,000.00	$ 3,600,000.00	$ 3,500,000.00
Contingent Reserve Account	2,175,000.00	2,435,000.00	2,450,000.00	2,450,000.00
Former Teacher's Account	155,000.00	200,000.00	250,000.00	280,000.00
Former Teacher's Account—Additional	.....	47,000.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 5,850,000.00	$ 6,232,000.00	$ 6,300,000.00	$ 6,230,000.00
BALANCES—				
Lapsed	$ 2,498.31	$ 4,146.37	$ 9.58	.....
To Continue	.....	.....	.....	$ 4,152,824.52

EXPENDED FOR—				
PENNSYLVANIA STATE ORAL SCHOOL FOR THE DEAF				
Salaries	$ 74,145.77	$ 80,603.82	$ 88,828.88	$ 48,831.14
Wages	7,467.53	6,817.08	9,079.42	8,422.53
Fees	2,005.88	244.16	429.00	480.69
Materials, Supplies and Printing	27,960.78	31,603.51	27,427.71	13,120.30
Transportation, Communication and Information	1,509.91	1,514.32	2,515.30	1,277.50
Maintenance Services and Expense	32,850.44	21,244.07	18,243.74	10,746.61
Construction, Equipment and Land	3,723.55	6,644.65	7,045.64	943.36
Stores	336.03	1,328.39	1,423.97	1,265.69
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 149,999.89	$ 150,000.0	$ 154,993.66	$ 86,087.82
During—1933-1935	$ 149,167.13	.....	.....	.....
1935-1937	832.76	$ 147,549.1[illegible]	.....	.....
1937-1939	.....	2,450.87	$ 144,976.74	.....
1939-1940	.....	.....	10,016.92	$ 81,418.01
Unpaid May 31, 1940	.....	.....	.....	4,669.81
BIENNIAL APPROPRIATIONS—				
Pennsylvania State Oral School for the Deaf	$ 150,000.00	$ 150,000.00	$ 160,000.00	$ 180,000.00
BALANCES—				
Lapsed	$ .11	.....	$ 5,006.34	.....
To Continue	.....	.....	.....	$ 93,912.18

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
HOME FOR TRAINING IN SPEECH—MAINTENANCE				
Salaries	$ 16,558.18		No	
Wages	230.66			
Fees	221.00		Appropriation	
Materials, Supplies and Printing	4,905.83			
Transportation, Communication and Information	378.51		These	
Maintenance Services and Expense	1,992.29			
Construction, Equipment and Land	126.12		Periods	
Stores	*602.04			
TOTAL EXPENDITURES	$ 23,810.60			
During—1933-1935	$ 23,812.26			
1935-1937	*1.66			
BIENNIAL APPROPRIATIONS—				
Home for Training in Speech	$ 24,000.00			
BALANCES—				
Lapsed	$ 189.40			
EXPENDED FOR—				
THADDEUS STEVENS INDUSTRIAL SCHOOL				
Salaries	$ 41,197.91	$ 38,599.37	$ 50,739.14	$ 27,335.04
Wages	60.50		20.00	
Fees	25.00		25.00	12.50
Materials, Supplies and Printing	3,378.04	3,252.69	18,618.90	10,905.71
Transportation, Communication and Information	673.56	396.65	1,044.70	486.90
Maintenance Services and Expense	9,338.01	8,619.17	13,742.34	6,862.66
Construction, Equipment and Land	3,141.55	3.00	9,070.95	2,402.31
Subsidies, Indemnities and Other Items	140.26	331.32	326.15	206.76
Stores	*44.61	*1,204.73	1,708.22	2,891.79
Advance Requisitions			*300.00	300.00
TOTAL EXPENDITURES	$ 57,910.22	$ 49,997.47	$ 94,995.40	$ 51,403.67
During—1933-1935	$ 56,596.40			
1935-1937	1,313.82	$ 49,898.18		
1937-1939		99.29	$ 94,062.28	
1939-1940			933.12	$ 51,110.15
Unpaid May 31, 1940				293.52
BIENNIAL APPROPRIATIONS—				
Thaddeus Stevens Industrial School	$ 58,000.00	$ 50,000.00	$ 95,000.00	$ 95,000.00
BALANCES—				
Lapsed	$ 89.78	$ 2.53	$ 4.60	
To Continue				$ 43,596.33

* Indicates Deduction.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PENNSYLVANIA SOLDIERS' ORPHANS SCHOOL				
Salaries	$ 129,321.28	$ 134,224.45	$ 146,576.82	$ 78,908.48
Wages	5,988.67	3,838.13	6,112.64	2,738.70
Fees	2,891.88	3,366.39	2,764.35	1,301.15
Materials, Supplies and Printing	73,213.07	78,179.29	94,824.67	43,692.47
Transportation, Communication and Information	4,287.47	3,691.54	4,313.88	1,951.76
Maintenance Services and Expense	26,695.45	27,779.39	34,380.26	16,861.15
Construction, Equipment and Land	5,806.98	1,968.90	16,427.67	3,903.76
Stores	1,694.12	*3,998.33	6,598.73	2,729.48
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 249,898.92	$ 249,049.76	$ 311,999.02	$ 153,086.95
During—1933-1935	$ 246,587.21	.....	.....	.....
1935-1937	3,311.71	$ 242,787.69	.....	.....
1937-1939	.....	6,262.07	$ 286,301.93	.....
1939-1940	.....	.....	25,697.04	$ 148,049.97
Unpaid May 31, 1940	.....	.....	.....	5,036.98
BIENNIAL APPROPRIATIONS—				
Pennsylvania Soldier's Orphans School	$ 250,000.00	$ 250,000.00	$ 315,000.00	$ 348,000.00
BALANCES—				
Lapsed	$ 101.08	$ 950.24	$ 3,000.98	.....
To Continue	.....	.....	.....	$ 194,913.05
EXPENDED FOR—				
PENNSYLVANIA STATE COLLEGE (LAND GRANT)				
Maintenance	$ 3,708,000.00	$ 3,658,000.00	$ 4,150,000.00	$ 2,187,500.00
School of Mineral Industries	.....	50,000.00	100,000.00	42,500.00
Engineering Research	.....	.....	25,000.00	.....
Total Pennsylvania State College	$ 3,708,000.00	$ 3,708,000.00	$ 4,275,000.00	$ 2,230,000.00
UNIVERSITIES AND COLLEGES — STATE AIDED				
University of Pennsylvania	$ 1,485,000.00	$ 1,485,000.00	$ 1,585,000.00	$ 742,500.00
University of Pittsburgh	1,188,000.00	1,188,000.00	1,188,000.00	619,000.00
Women's Medical College	81,000.00	81,000.00	100,000.00	50,000.00
Jefferson Medical College	77,578.94	75,000.00	125,000.00	62,500.00
Temple University	594,000.00	750,000.00	900,000.00	450,000.00
Hahnemann Medical College	99,000.00	99,000.00	110,000.00	50,000.00
Lincoln University	.....	.....	50,000.00	25,000.00
TOTAL EXPENDITURES	$ 7,232,578.94	$ 7,386,000.00	$ 8,333,000.00	$ 4,229,000.00
During—1933-1935	$ 3,832,023.83	.....	.....	.....
1935-1937	3,400,555.11	$ 5,624,765.63	.....	.....
1937-1939	.....	1,761,234.37	$ 6,316,523.35	.....
1939-1940	.....	.....	2,016,476.65	3,320,380.25
Unpaid May 31, 1940	.....	.....	.....	908,619.75
BIENNIAL APPROPRIATIONS—				
Pennsylvania State College	$ 3,708,000.00	$ 3,708,000.00	$ 4,275,000.00	$ 4,460,000.00
University of Pennsylvania	1,485,000.00	1,485,000.00	1,585,000.00	1,485,000.00
University of Pittsburgh	1,188,000.00	1,188,000.00	1,188,000.00	1,238,000.00
Women's Medical College	81,000.00	81,000.00	100,000.00	100,000.00
Jefferson Medical College	162,000.00	75,000.00	125,000.00	125,000.00
Temple University	594,000.00	750,000.00	900,000.00	900,000.00
Hahnemann Medical College	99,000.00	99,000.00	110,000.00	100,000.00
Lincoln University	.....	.....	50,000.00	50,000.00
TOTAL AVAILABLE FUNDS	$ 7,317,000.00	$ 7,386,000.00	$ 8,333,000.00	$ 8,458,000.00

* Indicates deduction.

GENERAL FUND

DEPARTMENT OF PUBLIC INSTRUCTION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BALANCES—				
Lapsed	$ 84,421.06			
To Continue				$ 4,229,000.00
EXPENDED FOR—				
OTHER EDUCATIONAL INSTITUTIONS—STATE AIDED				
Philadelphia Museums	$ 30,000.00	$ 29,999.98	$ 30,000.00	$ 13,500.00
Pennsylvania Museum and School of Industrial Art	90,000.00	90,000.00	90,000.00	45,000.00
Philadelphia School of Design	40,000.00	15,000.00	20,000.00	
Downingtown Industrial and Agricultural School	50,000.00	50,000.00	60,000.00	30,000.00
Commissioners of Navigation—Nautical School	139,495.14	139,734.88	149,597.22	#
National Farm School	30,000.00	30,000.00	36,000.00	17,500.00
Johnson Industrial School	45,000.00	22,500.00	22,500.00	11,250.00
TOTAL EXPENDITURES	$ 424,495.14	$ 377,234.86	$ 408,097.22	$ 117,250.00
During—1933-1935	$ 312,314.04			
1935-1937	112,181.10	$ 324,083.51		
1937-1939		53,151.35	$ 318,200.99	
1939-1940			89,896.23	$ 89,063.33
Unpaid May 31, 1940				28,186.67
CREDITS AND BIENNIAL APPROPRIATIONS—				
Philadelphia Museums	$ 30,000.00	$ 30,000.00	$ 30,000.00	$ 27,000.00
Pennsylvania Museum and School of Industrial Art	90,000.00	90,000.00	90,000.00	90,000.00
Philadelphia School of Design	40,000.00	20,000.00	20,000.00	
Downingtown Industrial and Agricultural School	50,000.00	50,000.00	60,000.00	60,000.00
Commissioners of Navigation—Nautical School	90,000.00	90,000.00	100,000.00	#
Credits—1933-1935	50,000.00			
Credits—1935-1937		50,000.00		
Credits—1937-1939			50,000.00	
National Farm School	30,000.00	30,000.00	36,000.00	35,000.00
Johnson Industrial School	45,000.00	22,500.00	22,500.00	22,500.00
TOTAL AVAILABLE FUNDS	$ 425,000.00	$ 382,500.00	$ 408,500.00	$ 234,500.00
BALANCES—				
Lapsed	$ 504.86	$ 5,265.14	$ 402.78	
To continue				$ 117,250.00
EXPENDED FOR—				
PUBLIC SCHOOL CONSTRUCTION—STATE AUTHORITY				
Salaries			$ 16,536.82	
Wages			38,337.24	
Materials, Supplies and Printing			2,044.82	
Transportation, Communication and Information			2,309.51	
Maintenance Services and Expense			205.15	
Construction, Equipment and Land			3,468.55	
TOTAL EXPENDITURES			$ 62,902.09	
During—1937-1939			$ 62,001.15	
1939-1940			900.94	
BIENNIAL APPROPRIATIONS—				
Public School Construction—State Authority			$ 1,000,000.00	
BALANCES—				
Lapsed			$ 937,097.91	

Transferred to Department of Forests and Waters.

GENERAL FUND

DEPARTMENT OF PUBLIC ASSISTANCE

(Includes similar Appropriations made prior to July 1, 1937 to the Department of Welfare and the State Emergency Relief Board)

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE SECRETARY	.....	.....	$ 19,171.05	$ 9,999.84
SALARIES AND EXPENSES—EMPLOYMENT BOARD	.....	.....	431,965.83	302,828.95
SALARIES AND EXPENSES—HEADQUARTERS ADMINISTRATION	.....	.....	2,079,217.81	948,292.91
HEADQUARTERS AND COUNTY ADMINISTRATION BY S. E. R. B. AND WELFARE	$ 431,468.67	$ 9,847,475.59	395,368.77	.....
COUNTY ADMINISTRATION	.....	.....	16,502,785.81	11,277,486.76
AUDITOR GENERAL—ADMINISTRATION	.....	.....	180,000.00	190,678.86
TREASURY DEPARTMENT—ADMINISTRATION	.....	.....	1,646,748.54	799,966.00
GENERAL ASSISTANCE	56,676,667.50	117,992,739.72	148,181,544.50	86,236,559.42
AID TO DEPENDENT CHILDREN	3,660,774.22	4,826,372.31	16,796,068.18	12,387,926.92
OLD AGE ASSISTANCE	4,101,425.73	25,807,789.94	45,579,087.02	22,104,279.31
PENSIONS FOR THE BLIND	386,605.75	5,500,988.15	8,189,581.95	4,492,931.49
RESTITUTIONS PAID TO FEDERAL GOVERNMENT	.....	.....	161,090.81	94,404.21
TOTAL EXPENDITURES	$ 65,256,941.87	$ 163,975,365.71	$ 240,162,630.27	$ 138,845,354.67
During—1933-1935	$ 56,723,779.81	.....	.....	.....
1935-1937	8,533,162.06	$ 163,889,165.97	.....	.....
1937-1939	.....	86,199.74	$ 238,795,690.19	.....
1939-1940	.....	.....	1,366,940.08	$ 138,761,459.89
Unpaid at May 31, 1940	.....	.....	.....	83,894.78

GENERAL FUND

DEPARTMENT OF PUBLIC ASSISTANCE

(Includes similar Appropriations made prior to July 1, 1937 to the Department of Welfare and the State Emergency Relief Board)

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Salary of the Secretary	.....	.....	$ 20,000.00	$ 20,000.00
Salaries and Expenses—Employment Board	.....	.....	*1,480,000.00	100,000.00
Salaries and Expenses—Headquarters Administration	$ 22,000.00	$ 280,000.00		1,000,000.00
County Administration	.....	.....		
Auditor General—Administration	.....	.....		
Treasury Department—Administration	.....	.....		
General Assistance	#57,162,962.99	#126,902,000.00	**207,150,000.00	192,790,000.00
Aid to Dependent Children	4,115,938.00	4,115,000.00		
Old Age Assistance	4,103,037.01	19,880,000.00		
Pensions for the Blind	412,000.00	3,435,000.00		
FEDERAL CREDITS—				
Headquarters Administration—1935-1937	.....	$ 640,144.70	.....	.....
1937-1939	.....	.....	$ 954,009.48	.....
1939-1940	.....	.....	.....	$##645,665.33
County Administration—1937-1939	.....	.....	780,752.37	.....
1939-1940	.....	.....	.....	655,210.48
Aid to Dependent Children—1935-1937	.....	1,312,171.89	.....	.....
1937-1939	.....	.....	5,292,015.84	.....
1939-1940	.....	.....	.....	4,724,293.76
Old Age Assistance—1935-1937	.....	7,292,371.82	.....	.....
1937-1939	.....	.....	23,014,383.90	.....
1939-1940	.....	.....	.....	11,479,497.75
Pensions for the Blind—1935-1937	.....	2,121,109.73	.....	.....
1937-1939	.....	.....	1,051,593.75	.....
OTHER CREDITS (Restitutions and Gifts)—				
All Types—1933-1935	$ 11,049.14	.....	.....	.....
1935-1937	.....	$ 156,550.03	.....	.....
1937-1939	.....	.....	$ 910,861.08	.....
1939-1940	.....	.....	.....	$ 936,491.51
BALANCES FROM PRIOR PERIODS	.....	11,049.14	241,469.86	@348,034.99
TOTAL AVAILABLE FUNDS	$ 65,826,987.14	$ 166,145,397.31	$ 240,895,086.28	$ 212,699,193.82
BALANCES—				
Lapsed	$ 553,996.13	$ 1,928,561.74	$ 343,660.17	.....
Transferred to Next Period	11,049.14	241,469.86	348,034.99	.....
To Continue	.....	.....	40,760.85	$ 73,853,839.15

Note: All appropriations prior to 1937-1939 were made to the Department of Welfare except General Assistance which was appropriated to the State Emergency Relief Board.

Included in this appropriation is "whatever amount which may be necessary" for County and Headquarters Administration.

* Includes $28,000 appropriated to Department of Welfare for June, 1937. In addition, not over $280,000 may be expended for Headquarters Administration from the appropriation of $207,150,000.

** Includes $4,837,000 for General Assistance appropriated to the State Emergency Relief Board and $1,575,900 appropriated to the Department of Welfare for other types of assistance during the month of June, 1937.

@ Includes $35,500 available for Headquarters Administration and $20,539.07 for Restitutions due the Federal Government.

Includes $217,900 for the Employment Board.

GENERAL FUND
PUBLIC UTILITY COMMISSION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF THE CHAIRMAN	$ 21,000.00	$ 20,854.17	$93,879.64	$ 47,003.44
SALARIES OF THE COMMISSIONERS	$ 117,096.88	$ 115,620.88		
SALARIES AND EXPENSES—				
Salaries	$ 739,183.31	$ 772,895.20	$ 1,751,161.64	$ 693,505.45
Wages	26,375.62	95,689.84	337,484.51	4,999.92
Fees	66,586.96	47,008.53	107,722.82	23,387.50
Materials, Supplies and Printing	.....	.....	110,703.23	13,573.72
Transportation, Communication and Information	89,061.37	101,446.42	232,492.69	82,440.61
Maintenance Service and Expenses	.....	.....	24,410.91	7,307.28
Construction, Equipment and Land	.....	.....	75,601.55	3,732.64
Total	$ *921,207.26	$ *1,017,039.99	$ 2,689,577.35	$ 833,947.12
SALARIES AND EXPENSES MAKING REVALUATIONS—				
Salaries	.....	$ 32,690.30	.....	.....
Wages	.....	172,798.06	.....	.....
Fees	.....	2,214.79	.....	.....
Transportation, Communication and Information	.....	6,163.86	.....	.....
Construction, Equipment and Land	.....	1,380.60	.....	.....
Total	.....	$ 215,267.20	.....	.....
TOTAL EXPENDITURES	$ 1,059,304.14	$ 1,333,782.24	$ 2,783,456.99	$ 880,950.56
During—1933-1935	$ 1,054,429.20	.....	.....	.....
1935-1937	4,874.84	$ 1,354,051.53	.....	.....
1937-1939	.....	14,720.66	$ 2,748,764.66	.....
1939-1940	.....	.....	34,692.33	$ 875,616.35
Unpaid May 31, 1940	.....	.....	.....	5,334.21
BIENNIAL APPROPRIATIONS—				
Salary of Chairman	$ 21,000.00	$ 21,000.00	$ 101,000.00	$ 101,000.00
Salaries of Commissioners	120,000.00	120,000.00		
Salaries and Expenses	1,050,000.00	1,000,000.00	2,900,000.00	1,750,000.00
Salaries and Expenses—Deficiency	.....	19,000.00	.....	.....
Salaries and Expenses Making Revaluations	.....	200,000.00	.....	.....
Salaries and Expenses Making Revaluations—Deficiency	.....	21,000.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 1,191,000.00	$ 1,381,000.00	$ 3,001,000.00	$ 1,851,000.00
BALANCES—				
Lapsed	$ 131,695.86	$ 12,217.76	$ 7,120.36	.....
To Continue	.....	.....	210,422.65	$ 970,049.44
EXPENDED FOR—				
GRADE CROSSING PROTECTION—				
Subsidies, Indemnities and Other Items	$ 14,378.43	$ 13,821.46	$ 14,316.42	$ 1,376.64
TOTAL EXPENDITURES	$ 14,378.43	$ 13,821.46	$ 14,316.42	$ 1,376.64
During—1933-1935	$ 9,175.90	.....	.....	.....
1935-1937	5,202.53	$ 5,690.06	.....	.....
1937-1939	.....	8,131.40	$ 5,570.51	.....
1939-1940	.....	.....	8,745.91	$ 1,376.64
BIENNIAL APPROPRIATIONS—				
Grade Crossing Protection	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00
BALANCES—				
Lapsed	$ 621.57	$ 1,178.54	.....	.....
To Continue	.....	.....	$ 683.58	$ 13,623.36

* For additional expenditures from Property and Supplies allocations, see that department.

GENERAL FUND

DEPARTMENT OF REVENUE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY	$ 24,000.00	$ 24,000.00	$ 19,806.45	$ 11,616.67
SALARIES AND EXPENSES—				
Salaries	$ 1,059,508.99	$ 1,538,548.08	$ 2,275,730.23	$ 895,853.47
Wages	72,474.56	534,759.92	264,198.80	73,553.50
Fees	294.41	13,583.02	4,585.36	2,739.84
Materials, Supplies and Printing	....	137,125.93	391,500.95	117,717.90
Transportation, Communication and Information	190,478.29	422,853.34	634,215.54	186,120.12
Maintenance Services and Expense	2,832.37	3,129.71	108,344.06	40,156.32
Construction, Equipment and Land	.....	.....	46,179.03	7,932.56
Total	$ *1,305,588.62	$ *2,650,000.00	$ 3,724,753.97	$ 1,324,073.71
TOTAL EXPENDITURES	$ *1,329,588.62	$ *2,674,000.00	$ 3,744,560.42	$ 1,335,690.38
During—1933-1935	$ 1,313,646.70	.....	.....	.....
1935-1937	15,941.92	$ 2,654,483.25	.....	.....
1937-1939	.....	19,516.75	$ 3,685,579.80	.....
1939-1940	.....	.....	58,980.62	$ 1,302,645.27
Unpaid May 31, 1940	.....	.....	.....	33,045.11
BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
Salaries and Expenses	1,340,000.00	2,250,000.00	3,823,000.00	3,045,000.00
Salaries and Expenses—Deficiency	.....	150,000.00	.....	.....
Salaries and Expenses—1936 Special Session	.....	250,000.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 1,364,000.00	$ 2,674,000.00	$ 3,847,000.00	$ 3,069,000.00
BALANCES—				
Lapsed	$ 34,411.38	.....	$ 102,439.58	.....
To Continue	.....	.....	.....	$ 1,733,309.62

* During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND
DEPARTMENT OF REVENUE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
COMPENSATION OF INFORMANTS IN ESCHEATS	$ 8,663.95	$ 9,825.33	$ 4,982.19	$ 4,474.22
MILEAGE OF MERCANTILE APPRAISERS	$ 34,954.57	$ 34,994.88	$ 30,000.00	$ 15,433.29
COSTS IN SUITS VS. DELINQUENT DEALERS	$ 14,999.94	$ 14,071.78	$ 962.70	$ 2,970.40
STATE ATHLETIC COMMISSION				
Salaries			$ 53,423.22	$ 26,805.98
Wages			1,602.02	108.46
Fees	In Department of		31,145.55	12,130.00
Materials, Supplies and Printing	Military Affairs		788.08	242.36
Transportation, Communication and Information	During these Periods		5,431.55	4,245.02
Maintenance Services and Expense			7,169.99	3,685.48
Construction, Equipment and Land			138.88	5.46
Total	.....	.....	$ 99,699.29	$ 47,222.76
SALARIES AND EXPENSES—GARRETT ESTATES				
Salaries	.....	.....	$ 12,425.00	$ 5,515.00
Wages	.....	.....	1,205.93	.....
Fees	.....	.....	31,318.52	15,063.97
Materials, Supplies and Printing	.....	.....	442.80	.....
Transportation, Communication and Information	.....	.....	1,111.62	435.57
Maintenance Services and Expense	.....	.....	232.49	12.93
Construction, Equipment and Land	.....	.....	217.78	.....
Total	.....	.....	$ 46,954.14	$ 21,027.47
ADMINISTERING CHAIN STORE TAX				
Salaries	.....	.....	$ 56,036.93	.....
Wages	.....	.....	73,933.07	.....
Fees	.....	.....	603.75	.....
Maintenance Services and Expense	.....	.....	428.14	.....
Total	.....	.....	$ 131,001.89	.....
TOTAL EXPENDITURES	$ 58,618.46	$ 58,891.99	$ 313,600.21	$ 91,128.14
During—1933-1935	$ 42,127.11	.....	.....	.....
1935-1937	16,491.35	$ 53,881.91	.....	.....
1937-1939	.....	5,010.08	$ 311,342.57	.....
1939-1940	.....	.....	2,257.64	$ 88,272.37
Unpaid May 31, 1940	.....	.....	.....	2,855.77
BIENNIAL APPROPRIATIONS—				
Compensation of Informants in Escheats	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 5,000.00
Mileage of Mercantile Appraisers	20,000.00	35,000.00	35,000.00	30,000.00
Mileage of Mercantile Appraisers—Deficiency	15,000.00	.....	.....	.....
Costs in Suits vs. Delinquent Dealers	15,000.00	10,000.00	15,000.00	5,000.00
Costs in Suits vs. Delinquent Dealers—Deficiency	.....	5,000.00	.....	.....
State Athletic Commission	.....	.....	99,700.00	90,000.00
Salaries and Expenses—Garrett Estate	.....	.....	50,000.00	50,000.00
Administering Chain Store Tax	.....	.....	151,517.00	.....
TOTAL AVAILABLE FUNDS	$ 60,000.00	$ 60,000.00	$ 361,217.00	$ 180,000.00
BALANCES—				
Lapsed	$ 1,381.54	$ 1,108.01	$ 47,616.79	.....
To Continue	.....	.....	.....	$ 88,871.86

GENERAL FUND
DEPARTMENT OF STATE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 9,999.84
SALARIES AND EXPENSES—				
Salaries	$ 120,868.31	$ 117,575.01	$ 122,197.41	$ 55,126.58
Wages	260.00	3,101.57	.....	4,564.75
Fees	450.00	.....	29.50	.....
Materials, Supplies and Printing	.....	.....	15,137.43	3,897.73
Transportation, Communication and Information	7,863.90	5,359.64	17,162.54	3,275.96
Maintenance Services and Expense	3.23	14.88	1,591.50	1,074.21
Construction, Equipment and Land	.....	.....	5,832.71	891.91
Total	$ †129,445.44	$ †126,051.10	$ 161,951.09	$ 68,831.14
TOTAL EXPENDITURES	$ †149,445.44	$ †146,051.10	$ 181,951.09	$ 78,830.98
During—1933-1935	$ 149,365.45	.....	.....	.....
1935-1937	79.99	$ 145,771.32	.....	.....
1937-1939	.....	279.78	$ 168,419.76	.....
1939-1940	.....	.....	13,531.33	$ 77,253.59
Unpaid May 31, 1940	.....	.....	.....	1,577.39
BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	150,000.00	140,000.00	151,500.00	165,900.00
Salaries and Expenses—Deficiency	.....	.....	10,454.79	.....
TOTAL AVAILABLE FUNDS	$ 170,000.00	$ 160,000.00	$ 181,954.79	$ 185,900.00
BALANCES—				
Lapsed	$ 20,554.56	$ 13,948.90	$ 3.70	.....
To Continue	.....	.....	.....	$ 107,069.02
EXPENDED FOR—				
PUBLISHING CONSTITUTIONAL AMENDMENTS				
Transportation, Communication and Information	$ 28,687.03	$ 16,469.38	$ 30,000.00	.....
SALARIES OF RETIRED STATE EMPLOYES				
Subsidies, Indemnities and Other Items	$ 43,456.57	$ 34,013.26	$ 25,226.09	$ 11,230.70
PAYMENTS OF PENSIONS AND GRATUITIES				
Subsidies, Indemnities and Other Items	$ 2,440.00	$ 1,848.00	$ 1,848.00	924.00
BUREAU OF CIVIL RIGHTS				
Salaries	.....	.....	$ 13,912.92	.....
Materials, Supplies and Printing	.....	.....	61.91	.....
Transportation, Communication and Information	.....	.....	2,174.67	.....
Construction, Equipment and Land	.....	.....	1,350.50	.....
Total	.....	.....	$ 17,500.00	.....
TOTAL EXPENDITURES	$ 74,583.60	$ 52,330.64	$ 74,574.09	$ 12,154.70

† During this period additional expenditures were made from Property and Supplies appropriations.

GENERAL FUND

DEPARTMENT OF STATE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
During—1933-1935	$ 72,880.32	.....	.....	.....
1935-1937	1,703.28	$ 52,249.64	.....	.....
1937-1939	.....	81.00	$ 72,875.17	.....
1939-1940	.....	.....	1,698.92	$ 11,162.65
Unpaid May 31, 1940	.....	.....	.....	992.05
BIENNIAL APPROPRIATIONS—				
Publishing Constitutional Amendments	$ 40,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00
Salaries of Retired Employes	59,800.00	39,500.00	33,420.00	23,620.00
Payment of Pensions and Gratuities	6,560.00	2,040.00	1,848.00	1,850.00
Bureau of Civil Rights	.....	.....	17,500.00	.....
TOTAL AVAILABLE FUNDS	$ 106,360.00	$ 71,540.00	$ 82,768.00	$ 55,470.00
BALANCES—				
Lapsed	$ 31,776.40	$ 19,209.36	$ 8,193.91	.....
To Continue	.....	.....	.....	$ 43,315.30
EXPENDED FOR—				
STATE EMPLOYES' RETIREMENT BOARD—SALARIES AND EXPENSES				
Salaries	$ 28,699.14	$ 34,485.63	.....	$ 27,824.87
Wages	.....	847.43	.....	4,549.88
Fees	2,375.00	92.00	.....	70.00
Materials, Supplies and Printing	.....	.....	.....	364.82
Transportation, Communication and Information	800.40	2,009.15	.....	1,643.94
Maintenance Services and Expense	438.13	786.56	.....	438.93
Construction, Equipment and Land	.....	.....	.....	34.43
TOTAL EXPENDITURES	$ †32,312.67	$ †38,220.77	*	$ 34,926.87
During—1933-1935	$ 29,949.64	.....	.....	.....
1935-1937	2,363.03	$ 38,104.07	.....	.....
1937-1939	.....	116.70	.....	.....
1939-1940	.....	.....	.....	$ 34,530.43
Unpaid May 31, 1940	.....	.....	.....	396.44
BIENNIAL APPROPRIATIONS—				
Salaries and Expenses	$ 35,000.00	$ 35,000.00	*	$ 80,000.00
Salaries and Expenses—Deficiency	.....	5,600.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 35,000.00	$ 40,600.00	.....	$ 80,000.00
BALANCES—				
Lapsed	$ 2,687.33	$ 2,379.23	.....	.....
To continue	.....	.....	.....	$ 45,073.13
EXPENDED FOR—				
STATE EMPLOYES' RETIREMENT BOARD				
Annuity Reserve Account No. 2	$ 718,620.00	$ 742,600.00	*	$ 329,500.00
Contingent Reserve Account	444,860.00	408,430.00	*	436,500.00
Motor Police Retirement System	.....	.....	.....	25,000.00
TOTAL EXPENDITURES	$ 1,163,480.00	$ 1,151,030.00	.....	$ 791,000.00
During—1933-1935	$ 1,163,480.00	.....	.....	.....
1935-1937	.....	$ 677,622.50	.....	.....
1937-1939	.....	473,407.50	.....	.....
1939-1940	.....	.....	.....	$ 791,000.00
BIENNIAL APPROPRIATIONS—				
Annuity Reserve Account No. 2	$ 718,620.00	$ 742,600.00	.....	$ 659,000.00
Contingent Reserve Account	444,860.00	408,430.00	.....	873,000.00
Motor Police Retirement System	.....	.....	.....	50,000.00
TOTAL AVAILABLE FUNDS	$ 1,163,480.00	$ 1,151,030.00	.....	$ 1,582,000.00
BALANCES—				
To continue	.....	.....	.....	$ 791,000.00

† During this period additional expenditures were made from Property and Supplies appropriations.
* See Treasury Department this biennium.

GENERAL FUND

PENNSYLVANIA MOTOR POLICE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF COMMISSIONER	$ 15,000.00	$ 15,000.00	**	**
SALARIES AND EXPENSES				
Salaries	$ 1,735,532.22	$ 1,717,203.57	$ 4,702,049.75	$ 2,800,115.97
Wages	.....	.....	39,656.33	527.12
Fees	10,888.21	10,725.69	43,969.65	6,032.20
Materials, Supplies and Printing	.....	.....	329,028.58	65,074.00
Transportation, Communication and Information	373,000.95	374,157.37	1,937,540.68	1,103,647.11
Maintenance Services and Expense	10,239.38	12,548.57	635,470.75	279,289.54
Equipment	.....	.....	429,266.48	54,587.43
Advance Requisitions	.....	.....	.....	16,000.00
Total	$ *2,129,660.76	$ *2,114,635.20	$ 8,116,982.22	$ 4,325,273.37
TOTAL EXPENDITURES	$ 2,144,660.76	$ 2,129,635.20	$ 8,116,982.22	$ 4,325,273.37
During—1933-1935	$ 2,065,065.29	.....	.....	.....
1935-1937	79,595.47	$ 2,055,263.35	.....	.....
1937-1939	.....	74,371.85	$ 7,863,443.13	.....
1939-1940	.....	.....	253,539.09	$ 4,191,839.97
Unpaid May 31, 1940	.....	.....	.....	133,433.40
CREDITS AND BIENNIAL APPROPRIATIONS—				
Salary of Commissioner	$ 15,000.00	$ 15,000.00	$ 1,000,000.00	$ 1,000,000.00
Salaries and Expenses	2,168,000.00	2,100,000.00		
Salaries and Expenses—1936 Special Session	.....	9,000.00	.....	.....
Credits—1935-1937	.....	5,635.20	.....	.....
Credits—1937-1939	.....	.....	7,152,755.00	.....
Credits—1939-1940	.....	.....	.....	#4,001,188.75
TOTAL AVAILABLE FUNDS	$ 2,183,000.00	$ 2,129,635.20	$ 8,152,755.00	$ 5,001,188.75
BALANCES—				
Lapsed	$ 38,339.24	.....	$ 35,772.78	.....
To Continue	.....	.....	.....	$ 675,915.38
EXPENDED FOR—				
TELETYPE SYSTEM				
Wages	.....	.....		
Materials, Supplies and Printing	$ 7,151.86	$ 6,023.96		
Transportation, Communication and Information	1,294.68	1,513.17		
Maintenance Services and Expenses	379,400.40	366,175.79		
Construction, Equipment and Land	330.53	293.04		
Total	$ 388,177.47	$ 374,005.96		
PROPERTY DAMAGE	.....	.....		
TRAINING SCHOOL FOR LOCAL POLICE	.....	.....	Included in Appropriation for Salaries and Expenses during these periods	
TOTAL EXPENDITURES	$ 388,177.47	$ 374,005.96		
During—1933-1935	$ 387,213.76	.....		
1935-1937	963.71	$ 373,590.37		
1937-1939	.....	415.59		
BIENNIAL APPROPRIATIONS—				
Teletype System	$ 400,000.00	$ 385,000.00		
Property Damage	1,500.00	.....		
Training School for Local Police	.....	20,000.00		
TOTAL AVAILABLE FUNDS	$ 401,500.00	$ 405,000.00		
BALANCES—				
Lapsed*	$ 13,322.53	$ 30,994.04		

* During this period additional expenditures were made from Property and Supplies appropriations.

\# Part of an appropriation of $8,070,000 from the Motor License Fund. As required this money is transferred to the credit of this appropriation in the General Fund.

** Included in appropriation for Salaries and Expenses this period.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY OF SECRETARY	$ 19,999.84	$ 20,000.00	$ 19,892.32	$ 9,999.84
SALARIES AND EXPENSES				
Salaries	$ 284,132.00	$ 295,387.62	$ 304,686.79	$ 148,975.03
Wages	9,405.38	11,041.88	7,675.24	2,487.44
Fees	.....	.....	.....	.....
Materials, Supplies and Printing	.....	.....	9,675.68	4,091.23
Transportation, Communication and Information	47,894.75	36,287.17	45,571.53	23,392.76
Maintenance Services and Expenses	.....	.....	11,012.65	5,858.26
Construction, Equipment and Land	.....	378.18	7,477.91	3,950.14
Total	$ *341,432.13	$ *343,094.85	$ 386,099.80	$ 188,754.86
TOTAL EXPENDITURES	$ 361,431.97	$ 363,094.85	$ 405,992.12	$ 198,754.70
During—1933-1935	$ 359,954.16	.....	.....	.....
1935-1937	1,477.81	$ 361,152.27	.....	.....
1937-1939	.....	1,942.58	$ 403,043.61	.....
1939-1940	.....	.....	2,948.51	$ 195,156.47
Unpaid May 31, 1940	.....	.....	.....	3,598.23
BIENNIAL APPROPRIATIONS—				
Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	360,000.00	355,000.00	388,500.00	392,000.00
TOTAL AVAILABLE FUNDS	$ 380,000.00	$ 375,000.00	$ 408,500.00	$ 412,000.00
BALANCES—				
Lapsed	$ 18,568.03	$ 11,905.15	$ 2,507.88	.....
To continue	.....	.....	.....	$ 213,245.30
EXPENDED FOR—				
COUNCIL FOR THE BLIND				
Salaries	$ 43,507.66	$ 35,401.27	$ 35,755.49	$ 17,782.43
Wages	1,507.35	879.76	2,665.82	.....
Fees	100.00	.....	.....	.....
Materials, Supplies and Printing	.....	.....	416.32	410.92
Transportation, Communication and Information	14,304.96	9,384.45	8,877.59	2,897.20
Maintenance Services and Expenses	1.00	.....	214.20	57.30
Construction, Equipment and Land	.....	23.59	324.81	12.27
TOTAL EXPENDITURES	$ *59,420.97	$ *45,689.07	$ 48,254.23	$ 21,160.12
During—1933-1935	$ 58,496.15	.....	.....	.....
1935-1937	924.82	$ 45,284.76	.....	.....
1937-1939	.....	404.31	$ 47,939.79	.....
1939-1940	.....	.....	314.44	$ 20,918.20
Unpaid May 31, 1940	.....	.....	.....	241.92
BIENNIAL APPROPRIATIONS—				
Council for the Blind	$ #90,000.00	$ 50,000.00	$ 51,000.00	$ 47,000.00
BALANCES—				
Lapsed	$ 30,579.03	$ 4,310.93	$ 2,745.77	.....
To continue	.....	.....	.....	$ 25,839.88

* During this period additional expenditures were made from Property and Supplies appropriation.
# Included the Alcohol Permit Board in 1933-1935.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
ASHLAND STATE HOSPITAL				
Salaries	$ 238,954.12	$ 199,875.49	$ 203,595.22	$ 98,380.26
Wages	12,965.61	3,507.87	7,094.84	1,580.87
Fees	984.50	317.00	646.00	156.00
Materials, Supplies and Printing	127,177.81	117,759.32	141,211.09	48,028.11
Transportation, Communication and Information	7,267.68	6,157.85	4,315.88	1,653.55
Maintenance Services and Expense	18,054.50	21,394.91	31,703.70	2,404.10
Construction, Equipment and Land	12,754.51	1,095.82	26,906.16	10,563.09
Stores	819.38	4,865.11	1,126.76	32,180.90
Advance Requisitions	.....	.....	.....	200.00
TOTAL EXPENDITURES	$ 418,978.11	$ 354,973.37	$ 416,599.56	$ 195,146.88
During—1933-1935	$ 412,224.45	.....	.....	.....
1935-1937	6,753.66	$ 354,230.83	.....	.....
1937-1939	.....	742.54	$ 409,684.73	.....
1939-1940	.....	.....	6,914.83	$ 185,395.09
Unpaid May 31, 1940	.....	.....	.....	9,751.79
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 419,000.00	$ 354,973.37	$ ‡416,621.00	$ ‡390,000.00
BALANCES—				
Lapsed	$ 21.89	.....	$ 21.44	.....
To Continue	.....	.....	.....	$ 194,853.12
EXPENDED FOR—				
BLOSSBURG STATE HOSPITAL				
Salaries	$ 104,777.25	$ 102,058.94	$ 118,338.74	$ 64,774.41
Wages	7,354.06	7,888.16	7,043.49	3,322.76
Fees	57.00	36.00	94.00	51.25
Materials, Supplies and Printing	41,039.89	42,719.36	44,841.57	20,878.92
Transportation, Communication and Information	2,351.61	1,886.11	3,179.00	1,378.46
Maintenance Services and Expense	20,600.13	17,104.14	17,724.36	6,875.10
Construction, Equipment and Land	6,965.84	596.19	9,546.63	4,753.18
Stores	787.26	2,666.89	447.06	7,947.86
Advance Requisitions	.....	.....	.....	200.00
TOTAL EXPENDITURES	$ 183,933.04	$ 174,955.79	$ 201,214.85	$ 110,181.94
During—1933-1935	$ 178,250.87	.....	.....	.....
1935-1937	5,682.17	$ 171,586.16	.....	.....
1937-1939	.....	3,369.63	$ 195,469.22	.....
1939-1940	.....	.....	5,745.63	$ 103,898.99
Unpaid May 31, 1940	.....	.....	.....	6,282.95
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 184,000.00	$ 175,000.00	$ ‡202,423.00	$ ‡222,000.00
BALANCES—				
Lapsed	$ 66.96	$ 44.21	$ 1,208.15	.....
To Continue	.....	.....	.....	$ 111,818.06

‡ Allocation from Lump appropriation for State Owned Medical and Surgical Hospitals.

Note—For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note—See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
COALDALE STATE HOSPITAL				
Salaries	$ 117,466.15	$ 122,759.74	$ 142,497.94	$ 71,919.66
Wages	15,311.11	9,385.10	8,712.39	4,029.65
Fees	595.23	95.00	132.50	50.00
Materials, Supplies and Printing	47,195.73	47,641.53	57,573.56	18,150.43
Transportation, Communication and Information	4,194.54	3,840.69	3,663.13	1,828.10
Maintenance Services and Expense	16,798.51	16,168.90	19,055.57	6,092.34
Construction, Equipment and Land	2,035.16	122.89	19,438.35	5,587.61
Subsidies, Indemnities and Other Items	446.40	.....	.....	.....
Stores	453.59	2,968.07	1,576.93	15,158.60
Advance Requisitions	.....	.....	.....	200.00
TOTAL EXPENDITURES	$ 204,496.45	$ 202,981.92	$ 252,650.37	$ 123,016.39
During—1933-1935	$ 198,380.88	.....	.....	.....
1935-1937	6,115.57	$ 198,833.79	.....	.....
1937-1939	.....	4,148.13	$ 244,022.25	.....
1939-1940	.....	.....	8,628.12	$ 115,802.97
Unpaid May 31, 1940	.....	.....	.....	7,213.42
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 204,500.00	$ 203,000.00	$ † 252,672.00	$ † 250,000.00
Construction Claim	.....	.....	.....	1,112.00
BALANCES—				
Lapsed	$ 3.55	$ 18.08	$ 21.63	.....
To Continue	.....	.....	.....	$ 128,095.61
EXPENDED FOR—				
CONNELLSVILLE STATE HOSPITAL				
Salaries	$ 99,699.97	$ 96,916.41	$ 118,885.93	$ 60,318.35
Wages	2,220.15	3,716.56	2,731.15	1,197.12
Fees	842.50	50.00	126.25	50.00
Materials, Supplies and Printing	32,564.47	35,021.08	39,565.30	14,837.56
Transportation, Communication and Information	2,585.77	2,158.11	2,646.51	1,224.98
Maintenance Services and Expense	12,722.75	11,900.58	13,987.77	4,692.07
Construction, Equipment and Land	1,300.00	295.14	6,873.31	5,424.85
Advance Requisitions	.....	.....	.....	200.00
Stores	821.25	2,295.40	* 535.49	5,945.36
TOTAL EXPENDITURES	$ 152,756.86	$ 152,353.28	$ 184,280.73	$ 93,890.29
During—1933-1935	$ 146,328.36	.....	.....	.....
1935-1937	6,428.50	$ 147,878.94	.....	.....
1937-1939	.....	4,474.34	$ 178,466.30	.....
1939-1940	.....	.....	5,814.43	$ 88,288.22
Unpaid May 31, 1940	.....	.....	.....	5,602.07
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 156,500.00	$ 152,355.00	$ † 188,367.00	$ † 192,000.00
BALANCES—				
Lapsed	$ 3,743.14	$ 1.72	$ 4,086.27	.....
To Continue	.....	.....	.....	$ 98,109.71

† Allocation from lump sum appropriation for State Owned Medical and Surgical Hospitals.

Note—For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note—See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

* Indicates Deduction.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
HAZLETON STATE HOSPITAL				
Salaries	$ 151,224.25	$ 149,275.14	$ 169,335.26	$ 89,440.72
Wages	2,703.52	2,268.70	3,628.58	1,669.70
Fees	78.00	170.00	169.75	195.00
Materials, Supplies and Printing	109,168.03	106,647.60	122,106.54	40,660.73
Transportation, Communication and Information	3,129.77	3,193.40	3,454.36	1,910.43
Maintenance Services and Expense	26,552.97	27,139.43	27,470.40	7,947.13
Construction, Equipment and Land	3,035.84	257.32	24,558.55	4,165.65
Stores	*943.51	8,050.78	2,498.74	29,927.75
Advance Requisitions	.....	.....	.....	200.00
TOTAL EXPENDITURES	$ 294,948.87	$ 296,997.37	$ 353,222.18	$ 176,117.11
During—1933-1935	$ 287,071.45	.....	.....	.....
1935-1937	7,877.42	$ 292,673.69	.....	.....
1937-1939	.....	4,323.68	$ 343,559.76	.....
1939-1940	.....	.....	9,662.42	$ 167,221.41
Unpaid May 31, 1940	.....	.....	.....	8,895.70
BIENNIAL APPROPRIATIONS				
Maintenance	$ 295,000.00	$ 297,000.00	$ †353,242.00	$ †387,000.00
BALANCES—				
Lapsed	$ 51.13	$ 2.63	$ 19.82	.....
To Continue	.....	.....	.....	$ 210,882.89
EXPENDED FOR—				
LOCUST MOUNTAIN STATE HOSPITAL				
Salaries	$ 110,289.40	$ 99,642.06	$ 120,963.57	$ 60,987.56
Wages	6,126.66	6,832.75	5,656.58	3,450.28
Fees	48.00	68.00	114.18	54.75
Materials, Supplies and Printing	38,900.71	43,022.80	58,510.74	15,068.68
Transportation, Communication and Information	1,683.00	1,487.09	1,964.30	934.98
Maintenance Services and Expense	13,349.80	11,453.66	18,127.73	6,197.88
Construction, Equipment and Lands	3,607.19	763.95	11,746.74	1,130.27
Advance Requisitions	.....	.....	.....	200.00
Stores	*693.08	1,688.65	369.82	11,991.74
TOTAL EXPENDITURES	$ 173,311.68	$ 164,958.96	$ 217,453.66	$ 100,016.14
During—1933-1935	$ 166,705.43	.....	.....	.....
1935-1937	6,603.25	$ 162,104.06	.....	.....
1937-1939	.....	2,854.90	$ 209,427.87	.....
1939-1940	.....	.....	8,025.79	$ 94,715.37
Unpaid May 31, 1940	.....	.....	.....	5,300.77
BIENNIAL APPROPRIATIONS				
Maintenance	$ 175,000.00	$ 164,959.00	$ †217,689.00	$ †207,000.00
BALANCES—				
Lapsed	$ 1,688.32	$ .04	$ 235.34	.....
To Continue	.....	.....	.....	$ 106,983.86

* Indicates deduction.

† Allocation from lump sum appropriation for State Owned Medical and Surgical Hospitals.

Note—For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note—See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
NANTICOKE STATE HOSPITAL				
Salaries	$ 123,491.72	$ 124,486.68	$ 139,785.27	$ 69,744.17
Wages	9,825.90	9,007.69	7,187.22	3,257.27
Fees	112.00	94.00	87.50	50.00
Materials, Supplies and Printing	75,193.14	77,684.44	72,885.22	22,553.55
Transportation, Communication and Information	3,481.04	2,665.58	2,326.16	1,099.80
Maintenance Services and Expense	25,581.18	18,811.76	18,747.75	6,196.10
Construction, Equipment and Land	16,145.26	111.60	8,739.00	1,699.77
Stores	639.70	1,727.72	*695.23	14,304.02
Advance Requisitions				200.00
TOTAL EXPENDITURES	$ 254,469.94	$ 234,589.47	$ 249,062.89	$ 119,104.68
During—1933-1935	$ 237,519.10			
1935-1937	16,950.84	$ 227,603.87		
1937-1939		6,985.60	$ 240,942.73	
1939-1940			8,120.16	$ 111,893.97
Unpaid May 31, 1941				7,210.71
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 254,500.00	$ 234,991.00	$ ‡251,935.00	$ ‡277,000.00
BALANCES—				
Lapsed	$ 30.06	$ 401.53	$ 2,872.11	
To Continue				$ 157,895.32
EXPENDED FOR—				
PHILIPSBURG STATE HOSPITAL				
Salaries	$ 85,093.06	$ 94,104.93	$ 123,609.65	$ 68,195.23
Wages	9,766.44	14,571.74	8,381.41	2,183.21
Fees	1,240.85	1,146.00	810.86	88.00
Materials, Supplies and Printing	57,742.56	61,490.01	72,343.50	23,191.07
Transportation, Communication and Information	4,008.99	3,776.49	4,037.54	1,962.46
Maintenance Services and Expense	14,209.44	14,296.73	16,952.98	5,909.29
Construction, Equipment and Land	8,540.30	711.92	14,458.77	3,704.40
Stores	3,395.57	5,900.54	186.19	20,285.09
Advance Requisitions				200.00
TOTAL EXPENDITURES	$ 183,997.21	$ 195,998.36	$ 240,780.90	$ 125,718.75
During—1933-1935	$ 177,607.05			
1935-1937	6,390.16	$ 189,163.84		
1937-1939		6,834.52	$ 225,739.79	
1939-1940			15,041.11	$ 117,509.55
Unpaid May 31, 1940				8,209.20
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 184,000.00	$ 195,998.63	$ ‡246,979.00	$ ‡279,000.00
BALANCES—				
Lapsed	$ 2.79	$ .27	$ 6,198.10	
To Continue				$ 153,281.25

‡ Allocation from Lump Sum appropriation for State Owned Medical and Surgical Hospitals.

† Allocation from appropriation of $50,000 for Additional Maintenance at Medical and Surgical Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

* Indicates deduction.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SCRANTON STATE HOSPITAL				
Salaries	$ 196,078.74	$ 189,862.42	$ 196,434.39	$ 91,764.88
Wages	7,849.07	11,049.13	15,668.16	3,317.80
Fees	239.00	381.00	659.69	152.00
Materials, Supplies and Printing	166,146.07	159,651.36	157,537.92	40,931.70
Transportation, Communication and Information	5,869.87	5,599.71	6,473.92	2,744.82
Maintenance Services and Expense	34,788.92	27,376.15	42,391.79	13,179.35
Construction, Equipment and Land	7,239.36	1,451.26	8,155.78	963.14
Stores	*5,716.86	12,628.93	*7,687.29	30,015.34
Advance Requisitions			11.27	200.00
TOTAL EXPENDITURES	$ 412,494.17	$ 407,999.96	$ 419,645.63	$ 183,269.03
During—1933-1935	$ 401,668.10			
1935-1937	10,826.07	$ 401,468.12		
1937-1939		6,531.84	$ 405,780.78	
1939-1940			13,864.85	$ 175,054.41
Unpaid May 31, 1940				8,214.62
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 412,500.00	$ 408,000.00	$ ‡423,275.00	$ ‡457,000.00
BALANCES—				
Lapsed	$ 5.83	$ .04	$ 3,629.37	
To Continue				$ 273,730.97
EXPENDED FOR—				
SHAMOKIN STATE HOSPITAL				
Salaries	$ 98,164.33	$ 98,191.31	$ 108,435.92	$ 61,407.01
Wages	4,462.66	4,329.54	4,446.60	3,213.84
Fees	37.50	53.00	90.00	50.00
Materials, Supplies and Printing	65,521.96	58,370.52	61,243.66	26,533.25
Transportation, Communication and Information	1,692.36	2,054.14	3,034.78	1,373.32
Maintenance Services and Expense	22,967.06	23,663.97	18,092.06	3,591.78
Construction, Equipment and Land	6,298.64	1,062.20	12,262.86	5,871.54
Stores	507.29	5,937.71	640.63	13,932.67
Advance Requisitions				200.00
TOTAL EXPENDITURES	$ 199,651.80	$ 193,662.39	$ 208,246.51	$ 116,173.41
During—1933-1935	$ 187,783.14			
1935-1937	11,868.66	189,349.09		
1937-1939		4,313.30	$ 201,419.66	
1939-1940			6,826.85	$ 107,801.23
Unpaid May 31, 1940				8,372.18
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 200,000.00	$ 193,723.00	$ ‡208,290.00	$ ‡239,000.00
BALANCES—				
Lapsed	$ 348.20	$ 60.61	$ 43.49	
To Continue				$ 122,826.59

* Indicates deduction.

‡ Allocation from Lump sum appropriation for State Owned Medical and Surgical Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

Note: Lump sum appropriation for all State Owned Medical and Surgical Hospitals amounted to $2,800,000 in 1937-39, from which $2,761,493 was allocated, the balance of $38,507 being lapsed together with separate lapses indicated for each institution. For 1939-41, the total appropriation was $2,900,000, all of which has been allocated.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
PENNSYLVANIA INDUSTRIAL SCHOOL AT HUNTINGDON				
Salaries	$ 542,908.33	$ 526,561.84	$ 559,682.50	$ 290,369.76
Wages	36,188.84	4,733.22	4,044.20	3,120.70
Fees	6,713.20	4,992.37	14,952.69	1,725.28
Materials, Supplies and Printing	243,949.28	233,038.28	326,364.75	40,046.80
Transportation, Communication and Information	12,380.63	12,772.67	13,834.27	5,740.03
Maintenance Services and Expense	45,728.98	49,735.20	54,694.21	5,462.82
Construction, Equipment and Land	22,325.12	24,085.99	33,077.91	7,982.58
Subsidies, Indemnities and Other Items	19,524.25	68,051.60	78,138.95	44,424.28
Stores	3,038.17	38,622.48	3,023.07	141,625.79
Advance Requisitions	.....	.....	.....	3,000.00
Total	$ 932,756.80	$ 962,593.65	$ 1,087,812.55	$ 543,498.04
PENNSYLVANIA INDUSTRIAL SCHOOL—FLOOD DAMAGE	.....	$ 23,746.31	.....	.....
TOTAL EXPENDITURES	$ 932,756.80	$ 986,339.96	$ 1,087,812.55	$ 543,498.04
During—1933-1935	$ 908,703.26	.....	.....	.....
1935-1937	24,053.54	$ 944,467.12	.....	.....
1937-1939	.....	41,872.84	$ 1,068,023.69	.....
1939-1940	.....	.....	19,788.86	$ 527,178.89
Unpaid May 31, 1940	.....	.....	.....	16,319.15
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 957,000.00	$ 975,000.00	$ †1,087,814.00	$ †1,070,000.00
Flood Damage—1936 Special Session	.....	26,000.00	.....	.....
TOTAL AVALABLE FUNDS	$ 957,000.00	$ 1,001,000.00	$ 1,087,814.00	$ 1,070,000.00
BALANCES—				
Lapsed	$ 24,243.20	$ 14,660.04	$ 1.45	.....
To Continue	.....	.....	.....	$ 526,501.96
EXPENDED FOR—				
PENNSYLVANIA TRAINING SCHOOL				
Salaries	$ 283,855.30	$ 266,448.11	$ 285,518.10	$ 144,923.73
Wages	21,392.57	12,494.33	5,850.32	4,753.11
Fees	11,688.21	13,504.99	4,742.03	4,208.04
Materials, Supplies and Printing	171,387.58	157,146.19	201,178.75	45,643.27
Transportation, Communication and Information	20,908.03	17,196.39	15,029.63	6,388.52
Maintenance Services and Expense	83,427.51	72,454.36	65,635.51	19,488.98
Construction, Equipment and Land	26,985.83	63,823.44	22,203.28	6,601.23
Subsidies, Indemnities and Other Items	820.60	1,175.51	985.00	545.00
Advance Requisitions	.....	.....	.....	1,000.00
Stores	1,303.16	13,710.46	9,397.28	73,854.84
TOTAL EXPENDITURES	$ 621,768.79	$ 617,953.78	$ 610,539.90	$ 307,406.72
During—1933-1935	$ 610,003.70	.....	.....	.....
1935-1937	11,765.09	$ 538,009.99	.....	.....
1937-1939	.....	79,943.79	$ 596,876.43	.....
1939-1940	.....	.....	13,663.47	$ 291,438.61
Unpaid May 31, 1940	.....	.....	.....	15,968.11
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 622,000.00	$ 620,000.00	$ † 611,133.00	$ † 620,000.00
BALANCES—				
Lapsed	$ 231.21	$ 2,046.22	$ 593.10	.....
To Continue	.....	.....	.....	$ 312,593.28

† Allocation from lump sum appropriation for Penal and Correctional Institutions.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND
DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biénniúm 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
STATE INDUSTRIAL HOME FOR WOMEN—MUNCY				
Salaries	$ 131,089.71	$ 138,998.22	$ 151,480.12	$ 79,718.38
Wages	12,414.03	7,278.70	5,822.89	3,170.08
Fees	8,167.50	6,946.98	8,993.02	2,611.00
Materials, Supplies and Printing	61,231.57	60,135.46	71,528.28	20,244.32
Transportation, Communication and Information	9,069.06	9,747.83	8,532.87	4,366.19
Maintenance Services and Expense	32,223.79	28,244.34	30,619.83	8,810.88
Construction, Equipment and Land	13,879.03	8,048.66	6,778.51	5,645.52
Subsidies, Indemnities and Other Items	14.00	5,121.40	11,278.86	6,195.40
Advance Requisitions	.....	.....	.....	500.00
Stores	3,125.96	2,823.64	2,422.95	30,048.37
TOTAL	$ 271,214.65	$ 267,345.23	$ 297,457.33	$ 161,310.14
STATE INDUSTRIAL HOME FOR WOMEN—CLAIMS—RESERVOIR CONSTRUCTION	.....	.....	14,002.12	.....
TOTAL EXPENDITURES	$ 271,214.65	$ 267,345.23	$ 311,459.45	$ 161,310.14
During—1933-1935	$ 257,382.00	.....	.....	.....
1935-1937	13,832.65	$ 257,351.25	.....	.....
1937-1939	.....	9,993.98	$ 307,882.12	.....
1939-1940	.....	.....	3,577.33	$ 151,712.23
Unpaid May 31, 1940	.....	.....	.....	9,597.91
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 273,500.00	$ 275,000.00	$ ‡298,146.00	$ ‡335,000.00
Claims—Reservoir Construction	.....	.....	14,002.12	.....
BALANCES—				
Lapsed	$ 2,285.35	$ 7,654.77	$ 688.67	.....
To Continue	.....	.....	.....	$ 173,689.86
EXPENDED FOR—				
EASTERN STATE PENITENTIARY				
Salaries	$ 1,018,938.10	$ 1,097,997.13	$ 1,172,112.98	$ 598,054.76
Wages	121,383.50	10,008.10	5,694.71	1,728.00
Fees	7,375.09	7,885.59	7,309.95	3,818.44
Materials, Supplies and Printing	773,211.74	789,864.20	900,045.33	110,988.95
Transportation, Communication and Information	44,654.57	46,063.72	49,478.64	22,212.96
Maintenance Services and Expense	186,145.20	186,360.84	201,036.17	76,298.93
Construction, Equipment and Land	21,823.69	11,283.38	80,186.78	7,148.07
Subsidies, Indemnities and Other Items	26,118.45	123,470.50	138,121.25	70,559.00
Stores	24,641.75	115,989.01	8,348.51	367,353.86
Advance Requisitions	.....	.....	.....	3,000.00
TOTAL EXPENDITURES	$ 2,224,292.09	$ 2,388,922.47	$ 2,562,334.32	$ 1,261,162.97
During—1933-1935	$ 2,133,812.67	.....	.....	.....
1935-1937	90,479.42	$ 2,320,935.44	.....	.....
1937-1939	.....	67,987.03	$ 2,514,861.55	.....
1939-1940	.....	.....	47,472.77	$ 1,225,041.11
Unpaid May 31, 1940	.....	.....	.....	36,121.86
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 2,092,000.00	$ 2,400,000.00	$ ‡2,581,999.00	$ ‡2,595,000.00
Maintenance—Deficiency	150,000.00	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 2,242,000.00	$ 2,400,000.00	$ 2,581,999.00	$ 2,595,000.00

‡ Allocation from lump sum appropriation to Penal and Correctional Institutions.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BALANCES—				
Lapsed	$ 17,707.91	$ 11,077.53	$ 19,664.68	.....
To Continue	.....	.....	.....	$ 1,333,837.03
EXPENDED FOR—				
WESTERN STATE PENITENTIARY				
Salaries	$ 873,478.73	$ 884,536.45	$ 914,293.56	$ 466,438.28
Wages	86,457.29	3,181.62	2,286.90	859.80
Fees	7,266.17	11,069.89	12,006.96	5,959.64
Materials, Supplies and Printing	545,330.57	526,752.24	568,636.78	99,484.22
Transportation, Communication and Information	43,976.82	38,778.06	36,808.03	13,715.77
Maintenance Services and Expense	128,180.94	121,811.03	149,611.65	20,365.24
Construction, Equipment and Land	48,050.45	5,457.43	53,155.00	11,288.37
Subsidies, Indemnities and Other Items	26,541.65	98,341.50	104,729.65	49,283.25
Stores	13,828.10	39,396.98	763.94	205,044.24
Advance Requisitions	.....	.....	.....	3,000.00
Total	$ 1,773,110.72	$ 1,729,325.20	$ 1,842,292.47	$ 875,438.81
WESTERN STATE PENITENTIARY—FLOOD DAMAGE	.....	$ 99,627.22	.....	.....
TOTAL EXPENDITURES	$ 1,773,110.72	$ 1,828,952.42	$ 1,842,292.47	$ 875,438.81
During—1933-1935	$ 1,714,297.88	.....	.....	.....
1935-1937	58,812.84	$ 1,734,987.62	.....	.....
1937-1939	.....	43,964.80	$ 1,799,010.79	.....
1939-1940	.....	.....	43,281.68	$ 847,583.61
Unpaid May 31, 1940	.....	.....	.....	27,855.20
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,821,500.00	$ 1,730,000.00	$ †1,858,125.00	$ †1,845,000.00
Flood Damage—1936 Special Session	.....	100,000.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 1,821,500.00	$ 1,830,000.00	$ 1,858,125.00	$ 1,845,000.00
BALANCES—				
Lapsed	$ 48,389.28	$ 1,047.58	$ 15,832.53	.....
To Continue	.....	.....	.....	$ 969,561.19
EXPENDED FOR—				
PENNSYLVANIA INDUSTRIAL SCHOOL AT WHITE HILL				
Salaries	.....	.....	.....	$ 12,916.11
Wages	.....	.....	.....	470.69
Materials, Supplies and Printing	.....	.....	.....	2,437.14
Transportation, Communication and Information	.....	.....	.....	635.70
Maintenance Services and Expense	.....	.....	.....	33.81
Construction, Equipment and Land	.....	.....	.....	5,215.51
TOTAL EXPENDITURES	.....	.....	.....	$ 21,708.96
During—1939-1940	.....	.....	.....	$ 16,169.41
Unpaid May 31, 1940	.....	.....	.....	5,539.55

† Allocation from lump sum appropriation for Penal and Correctional Institutions.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

Note—Lump sum appropriation for all Penal and Correctional Institutions amounted to $6,520,000 in 1937-39, from which $6,437,217 was allocated, the balance of $82,783 being lapsed together with separate lapses indicated for each institution. For 1939-41, the total appropriation was $6,600,000, all of which has been allocated. In addition, the sum of $300,000 contained in an additional appropriation for maintenance to be allocated to any institution, has all been allocated to the Penal and Correctional group.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Maintenance	.....	.....	.....	$ 435,000.00
BALANCES—				
To Continue	.....	.....	.....	$ 413,291.04
EXPENDED FOR—				
THE GLEN MILLS SCHOOLS				
Subsidies, Indemnities and Other Items	$ 267,897.28	$ 249,976.27	$ 284,930.72	$ 142,500.00
TOTAL EXPENDITURES	$ 267,897.28	$ 249,976.27	$ 284,930.72	$ 142,500.00
During—1933-1935	$ 154,522.06	.....	.....	.....
1935-1937	113,375.22	$ 219,634.87	.....	.....
1937-1939	.....	30,341.40	$ 206,677.47	.....
1939-1940	.....	.....	78,253.25	$ 100,623.60
Unpaid May 31, 1940	.....	.....	.....	41,876.40
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 270,000.00	$ 250,000.00	$ 285,000.00	$ 285,000.00
BALANCES—				
Lapsed	$ 2,102.72	$ 23.73	$ 69.28	.....
To Continue	.....	.....	.....	$ 142,500.00
EXPENDED FOR—				
SLEIGHTON FARMS SCHOOL				
Subsidies, Indemnities and Other Items	$ 269,999.19	$ 249,999.98	$ 269,999.97	$ 135,000.00
TOTAL EXPENDITURES	$ 269,999.19	$ 249,999.98	$ 269,999.97	$ 135,000.00
During—1933-1935	$ 169,316.49	.....	.....	.....
1935-1937	100,682.70	$ 218,991.10	.....	.....
1937-1939	.....	31,008.88	$ 202,439.45	.....
1939-1940	.....	.....	67,560.52	$ 101,246.06
Unpaid May 31, 1940	.....	.....	.....	33,753.94
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 270,000.00	$ 250,000.00	$ 270,000.00	$ 270,000.00
BALANCES—				
Lapsed	$ .81	$ .02	$ .03	.....
To Continue	.....	.....	.....	$ 135,000.00
EXPENDED FOR—				
MAINTENANCE, CARE AND TREATMENT OF THE INDIGENT INSANE IN COUNTY HOSPITALS AND POOR DISTRICTS:				
Allegheny County Home	$ 398,764.00	$ 375,730.00	$ 517,083.98	$ 230,468.85
Blakely Poor District	23,216.56	29,609.71	25,307.15	15,541.71
Blair County Hospital	47,737.42	66,758.87	62,936.01	23,855.15
Chester County Hospital	61,931.41	63,331.43	65,291.69	24,733.43
Jenkins Township Poor District	72,759.02	75,637.24	65,139.70	36,262.28
Lancaster County Home and Hospital	55,877.68	67,960.27	75,424.86	38,784.58
Luzerne County Poor District at Retreat	185,730.55	198,085.70	209,130.57	110,064.57
Mercer County Home and Hospital	40,604.85	41,345.72	45,477.43	22,838.28
Philadelphia Hospital for Mental Diseases	1,007,578.85	1,193,146.94	1,146,950.88	39,089.02
Pittsburgh City Home and Hospital	508,491.25	480,800.27	661,697.42	317,916.00
Schuylkill County Home	103,725.44	126,445.43	116,528.00	42,859.71
Scranton Poor District	124,516.57	166,801.70	136,793.69	84,957.43
Somerset County Hospital	81,825.14	90,129.71	98,400.84	49,772.00
Removal and Transfer of Indigent Insane	5,028.26	5,547.01	4,837.78	1,214.20
TOTAL EXPENDITURES	$ 2,717,787.00	$ 2,981,330.00	$ 3,231,000.00	$ 1,038,357.21

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
During—1933-1935	$ 1,903,007.83	.....	.....	.....
1935-1937	814,779.17	$ 2,817,718.92	.....	.....
1937-1939	.....	163,611.08	$ 2,781,230.85	.....
1939-1940	.....	.....	449,769.15	$ 1,038,227.67
Unpaid May 31, 1940	.....	.....	.....	129.54
BIENNIAL APPROPRIATIONS—				
Maintenance, Care and Treatment of the Indigent Insane in County Hospitals and Poor Districts	$ 2,717,787.00	$ 2,700,000.00	$ 3,231,000.00	$ 2,545,000.00
County Hospitals and Poor Districts—Additional	.....	281,330.00	.....	.....
TOTAL AVAILABLE FUNDS	$ 2,717,787.00	$ 2,981,330.00	$ 3,231,000.00	$ 2,545,000.00
BALANCES—				
To Continue	.....	.....	.....	$ 1,506,642.79
EXPENDED FOR—				
ALLENTOWN STATE HOSPITAL				
Salaries	$ 537,607.65	$ 537,013.64	$ 592,954.01	$ 303,182.93
Wages	1,900.70	331.57	398.60	217.00
Fees	1,925.37	1,775.92	1,967.24	1,432.82
Materials, Supplies and Printing	284,207.36	292,299.79	334,632.33	85,686.24
Transportation, Communication and Information	10,830.71	10,439.37	10,210.47	3,935.21
Maintenance Services and Expense	97,576.26	84,095.39	116,562.66	11,856.67
Construction, Equipment and Land	14,814.36	4,675.62	40,736.77	11,139.38
Stores	5,992.58	41,368.50	*15,060.34	143,263.60
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 954,854.99	$ 971,999.80	$ 1,082,601.74	$ 561,713.85
During—1933-1935	$ 926,146.08	.....	.....	.....
1935-1937	23,708.91	$ 957,569.17	.....	.....
1937-1939	.....	14,430.63	$ 1,047,608.02	.....
1939-1940	.....	.....	35,593.72	$ 522,771.18
Unpaid May 31, 1940	.....	.....	.....	38,942.67
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 955,000.00	$ 972,000.00	$ ‡1,082,608.00	$ ‡1,155,000.00
BALANCES—				
Lapsed	$ 145.01	$ .20	$ 6.26	.....
To Continue	.....	.....	.....	$ 593,286.15
EXPENDED FOR—				
LANVILLE STATE HOSPITAL				
Salaries	$ 710,138.49	$ 715,236.73	$ 828,423.15	$ 425,958.75
Wages	1,910.93	1,128.07	2,242.52	1,304.11
Fees	6,638.02	6,186.42	4,598.57	1,257.60
Materials, Supplies and Printing	360,391.38	357,913.94	396,623.43	69,647.89
Transportation, Communication and Information	9,624.39	9,260.98	8,406.16	2,588.35
Maintenance Services and Expense	50,171.23	45,133.15	63,878.97	6,850.11
Construction, Equipment and Land	15,138.53	559.51	28,882.67	5,767.33
Stores	* 2,430.23	23,484.12	8,469.70	150,010.19
Advance Requisitions	.....	.....	.....	1,000.00
Total	$ 1,151,542.74	$ 1,158,902.92	$ 1,341,525.17	$ 664,384.33

* Indicates deduction.

‡ Allocation from lump sum appropriation for Mental Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
DANVILLE STATE HOSPITAL—CONSTRUCTION OF RAILROAD TRACKS				
Construction, Equipment and Land	$ 530.94			
DANVILLE STATE HOSPITAL—FLOOD DAMAGE		$ 2,945.97		
TOTAL EXPENDITURES	$ 1,152,073.68	$ 1,161,848.89	$ 1,341,525.17	$ 664,384.33
During—1933-1935	$ 1,112,677.78			
1935-1937	39,395.90	$ 1,138,011.30		
1937-1939		23,837.59	$ 1,289,958.65	
1939-1940			51,566.52	$ 624,106.81
Unpaid May 31, 1940				40,277.52
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,162,000.00	$ 1,159,021.00	$ ‡1,347,181.00	$ ‡1,455,000.00
Damages—Construction of Railroad Tracks	600.00			
Flood Damages—1936 Special Session		3,100.00		
TOTAL AVAILABLE FUNDS	$ 1,162,600.00	$ 1,162,121.00	$ 1,347,181.00	$ 1,455,000.00
BALANCES—				
Lapsed	$ 10,526.32	$ 272.11	$ 5,655.83	
To Continue				$ 790,615.67
EXPENDED FOR—				
FARVIEW STATE HOSPITAL				
Salaries	$ 294,289.54	$ 307,011.27	$ 419,246.96	$ 226,487.15
Wages	2,533.10	1,823.75	2,867.90	629.48
Fees	1,855.09	769.24	1,219.50	412.00
Materials, Supplies and Printing	118,478.02	134,385.27	152,748.40	38,771.04
Transportation, Communication and Information	4,461.23	4,931.25	6,339.68	1,996.01
Maintenance Services and Expense	35,921.04	31,113.53	46,692.34	3,614.79
Construction Equipment and Land	21,695.67	24.95	22,173.11	2,110.59
Subsidies, Indemnities and Other Items	33.70		5.00	
Stores	7,794.40	13,895.59	5,461.04	63,698.72
Advance Requisitions				1,000.00
TOTAL EXPENDITURES	$ 487,061.79	$ 493,954.85	$ 656,753.93	$ 338,719.78
During—1933-1935	$ 475,654.44			
1935-1937	11,407.35	$ 481,804.07		
1937-1939		12,150.78	$ 641,987.67	
1939-1940			14,766.26	$ 323,022.62
Unpaid May 31, 1940				15,697.16
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 520,000.00	$ 493,956.00	$ ‡658,937.00	$ ‡730,000.00
BALANCES—				
Lapsed	$ 32,938.21	$ 1.15	$ 2,183.07	
To Continue				$ 391,280.22

* Indicates deduction.

‡ Allocation from lump sum appropriation for Mental Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
HARRISBURG STATE HOSPITAL				
Salaries	$ 495,382.50	$ 518,608.18	$ 646,959.28	$ 348,541.20
Wages	1,784.53	13,316.10	1,327.18	858.30
Fees	1,830.50	812.99	2,094.79	1,139.58
Materials, Supplies and Printing	373,045.38	411,334.61	467,737.88	98,497.73
Transportation, Communication and Information	10,242.22	11,084.25	12,029.22	4,994.56
Maintenance Services and Expense	87,150.63	79,635.40	99,600.80	20,342.52
Construction Equipment and Land	31,424.28	3,079.01	44,235.27	20,033.13
Stores	12,139.85	48,709.46	10,745.58	174,976.49
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 1,012,999.89	$ 1,086,580.00	$ 1,284,730.00	$ 670,383.51
During—1933-1935	$ 979,472.46	.....	.....	.....
1935-1937	33,527.43	$ 1,055,778.02	.....	.....
1937-1939	.....	30,801.98	$ 1,238,874.97	.....
1939-1940	.....	.....	45,855.03	$ 623,039 39
Unpaid May 31, 1940	.....	.....	.....	47,344.12
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,013,000.00	$ 1,086,580.00	$ ‡1,284,730.00	$ ‡1,375,000.00
BALANCES—				
Lapsed	$ .11	.....	.....	.....
To Continue	.....	.....	.....	$ 704,616.49
EXPENDED FOR—				
NORRISTOWN STATE HOSPITAL				
Salaries	$ 894,395.90	$ 915,260.03	$ 1,069,796.24	$ 564,814.48
Wages	4,756.56	7,176.83	5,033.43	1,110.95
Fees	12,538.24	2,330.60	2,107.30	1,224.06
Materials, Supplies and Printing	575,549.75	607,525.88	721,179.34	203,206.62
Transportation, Communication and Information	15,801.33	16,815.96	19,866.65	7,429.39
Maintenance Services and Expense	253,672.01	253,643.25	229,676.86	15,947.32
Construction, Equipment and Land	6,539.98	2,112.65	138,360.86	10,837.96
Stores	4,744.72	105,097.18	50,791.61	257,727.76
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 767,998.49	$ 1,909,962.38	$ 2,236,812.29	$ 1,063,298.54
During—1933-1935	$ 1,744,876.13	.....	.....	.....
1935-1937	23,122.36	$ 1,875,489.29	.....	.....
1937-1939	.....	34,473.09	$ 2,109,709.08	.....
1939-1940	.....	.....	127,103.21	$ 1,005,943.50
Unpaid May 31, 1940	.....	.....	.....	57,355.04
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,768,000.00	$ 1,909,963.00	$ ‡2,243,663.00	$ ‡2,300,000.00
BALANCES—				
Lapsed	$ 1.51	$ .62	$ 6,850.71	.....
To Continue	.....	.....	.....	$ 1,236,701.46

‡ Allocation from lump sum appropriation for Mental Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
TORRANCE STATE HOSPITAL				
Salaries	$ 388,562.33	$ 444,994.84	$ 569,744.09	$ 295,526.93
Wages	2,644.25	8,787.15	1,809.77	253.13
Fees	3,295.60	1,411.92	677.94	1,069.36
Materials, Supplies and Printing	253,245.64	331,320.63	329,824.55	93,096.82
Transportation, Communication and Information	10,865.31	12,164.97	10,860.08	4,860.66
Maintenance Services and Expense	60,448.40	51,944.70	72,505.59	19,227.46
Construction, Equipment and Land	6,781.97	2,846.77	52,037.66	13,099.28
Stores	3,598.04	36,716.90	943.59	110,533.15
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 729,441.54	$ 890,187.88	$ 1,038,403.27	$ 538,666.79
During—1933-1935	$ 639,758.47	.....	.....	.....
1935-1937	39,683.07	$ 868,066.71	.....	.....
1937-1939	.....	22,121.17	$ 1,006,208.26	.....
1939-1940	.....	.....	32,195.01	$ 510,185.73
Unpaid May 31, 1940	.....	.....	.....	28,481.06
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 667,500.00	$ 890,637.00	$ ‡1,047,057.00	$ ‡1,200,000.00
Maintenance—Deficiency	68,000.00	.....	.....	.....
TOTAL AVAILABLE FUNDS	$ 735,500.00	$ 890,637.00	$ 1,047,057.00	$ 1,200,000.00
BALANCES—				
Lapsed	$ 6,058.46	$ 449.12	$ 8,653.73	.....
To Continue	.....	.....	.....	661,333.21
EXPENDED FOR—				
WARREN STATE HOSPITAL				
Salaries	$ 670,234.49	$ 662,871.38	$ 779,964.71	$ 411,557.54
Wages	3,485.47	4,919.44	18,140.24	1,653.09
Fees	3,504.66	4,325.64	4,088.94	1,898.67
Materials, Supplies and Printing	361,345.66	411,367.64	513,817.62	142,969.29
Transportation, Communication and Information	13,101.39	11,149.30	12,465.30	4,570.87
Maintenance Services and Expense	110,476.14	106,156.27	124,452.67	10,812.43
Construction, Equipment and Land	15,487.32	305.26	29,865.57	5,219.71
Stores	* 11,822.59	31,904.69	* 7,801.30	189,971.16
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 1,165,812.54	$ 1,232,999.62	$ 1,474,993.75	$ 769,652.76
During—1933-1935	$ 1,143,019.16	.....	.....	.....
1935-1937	22,793.38	$ 1,205,931.86	.....	.....
1937-1939	.....	27,067.76	$ 1,431,401.38	.....
1939-1940	.....	.....	43,592.37	$ 728,048.91
Unpaid May 31, 1940	.....	.....	.....	41,603.85
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,166,000.00	$ 1,233,000.00	$ ‡1,475,175.00	$ ‡1,570,000.00
BALANCES—				
Lapsed	$ 187.46	$ .38	$ 181.25	.....
To Continue	.....	.....	.....	$ 800,347.24

* Indicates deduction.

‡ Allocation from Lump Sum appropriation for Mental Hospitals.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WERNERSVILLE STATE HOSPITAL				
Salaries	$ 414,267.73	$ 438,202.31	$ 432,408.68	$ 248,617.00
Wages	2,932.64	3,030.11	4,853.49	967.83
Fees	5,296.52	3,481.38	2,699.72	1,082.24
Materials, Supplies and Printing	237,217.17	229,334.37	291,861.33	75,366.23
Transportation, Communication and Information	5,645.93	7,739.87	8,620.22	2,082.80
Maintenance Services and Expense	57,094.40	57,230.15	76,831.10	4,176.46
Construction, Equipment and Land	19,495.85	509.62	27,361.51	2,577.26
Subsidies, Indemnities and Other Items	1.00	2.00	2.00	.....
Stores	12,706.00	15,277.98	10,117.38	114,650.39
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 754,657.24	$ 754,807.79	$ 904,755.43	$ 450,520.21
During—1933-1935	$ 724,784.59	.....	.....	.....
1935-1937	29,872.65	$ 742,623.68	.....	.....
1937-1939	.....	12,184.11	$ 877,038.18	.....
1939-1940	.....	.....	27,717.25	$ 426,765.97
Unpaid May 31, 1940	.....	.....	.....	23,754.24
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 763,000.00	$ 754,843.00	$ ‡ 906,350.00	$ ‡ 985,000.00
BALANCES—				
Lapsed	$ 8,342.76	$ 35.21	$ 1,594.57	.....
To Continue	.....	.....	.....	$ 534,479.79

EXPENDED FOR—				
PHILADELPHIA STATE HOSPITAL				
Salaries			$ 439,576.24	$ 817,729.81
Wages			.....	162.49
Fees			535.41	5,161.73
Materials, Supplies and Printing	Operated by the County		478,931.52	420,868.63
Transportations, Communication and Information	of Philadelphia		7,493.81	9,606.00
Maintenance Services and Expense	During These Periods		98,775.25	30,450.08
Construction, Equipment and Land			69,979.09	57,615.32
Advance Requisitions			.....	1,000.00
Stores			89,116.86	454,747.31
TOTAL EXPENDITURES	.....	.....	$ †1,184,408.18	$ 1,797,341.37
During—1937-1939	.....	.....	$ 1,019,015.22	.....
1939-1940	.....	.....	165,392.96	$ 1,711,838.51
Unpaid May 31, 1940	.....	.....	.....	85,502.86
BIENNIAL APPROPRIATIONS—				
Maintenance	.....	.....	$ *150,000.00	$ *4,130,000.00
Maintenance—Deficiency	.....	.....	1,045,000.00	.....
BALANCES—				
Lapsed	.....	.....	$ 10,591.82	.....
To Continue	.....	.....	.....	$ 2,332,658.63

* Represents an allocation from the lump sum appropriation for the Mental Hospitals.

Note—Lump sum appropriation for all Mental Hospitals amounted to $10,230,000 in 1937-39, from which $10,195.701 was allocated, the balance of $84,299 being lapsed, together with separate lapses indicated for each hospital. For 1939-41 the total appropriation was $15,250,000, all of which has been allocated.

† This institution taken over by the State in October, 1938. These expenditures cover the period October, 1938 to May 31, 1939.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WESTERN STATE PSYCHIATRIC HOSPITAL				
Salaries				$ 5,970.87
Materials, Supplies and Printing				864.28
Transportation, Communication and Information				231.02
Maintenance Services and Expense				2,728.98
Construction, Equipment and Land				219.29
TOTAL EXPENDITURES				$ 10,014.44
During—1939-1940				$ 9,282.01
Unpaid May 31, 1940				732.43
BIENNIAL APPROPRIATIONS—				
Maintenance				$ *350,000.00
BALANCES—				
To Continue				$ 339,985.56
EXPENDED FOR—				
DIXMONT HOSPITAL				
Subsidies, Indemnities and Other Items	$ 300,000.00	$ 325,000.00	$ 325,000.00	$ 197,500.00
TOTAL EXPENDITURES	$ 300,000.00	$ 325,000.00	$ 325,000.00	$ 197,500.00
During—1933-1935	$ 262,500.00			
1935-1937	37,500.00	$ 284,375.00		
1937-1939		40,625.00	$ 284,375.00	
1939-1940			40,625.00	$ 176,035.84
Unpaid May 31, 1940				21,464.16
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 300,000.00	$ 325,000.00	$ 325,000.00	$ 395,000.00
BALANCES—				
To Continue				$ 197,500.00
EXPENDED FOR—				
LAURELTON STATE VILLAGE				
Salaries	$ 227,006.03	$ 235,471.62	$ 265,445.77	$ 143,746.43
Wages	8,472.88	5,148.93	9,672.53	679.55
Fees	1,508.05	1,804.48	2,617.61	1,146.68
Materials, Supplies and Printing	127,255.30	118,870.20	131,046.15	36,896.93
Transportation, Communication and Information	6,010.10	7,138.13	9,773.60	3,030.05
Maintenance Services and Expense	50,921.62	48,822.24	57,891.13	13,765.79
Construction, Equipment and Land	9,027.37	316.72	18,359.07	4,253.62
Subsidies, Indemnities and Other Items	5.00	15.00	80.00	30.00
Stores	* 2,596.00	10,533.60	* 1,454.80	48,607.37
Advance Requisitions				500.00
TOTAL EXPENDITURES	$ 427,610.35	$ 428,120.92	$ 493,431.06	$ 252,656.42
During—1933-1935	$ 418,436.87			
1935-1937	9,173.48	$ 418,258.28		
1937-1939		9,862.64	$ 476,728.50	
1939-1940			16,702.56	$ 237,754.73
Unpaid May 31, 1940				14,901.69

* Indicates deduction.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Year 1939-1940	Biennium 1937-1939
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 428,000.00	$ 428,121.00	$ † 498,207.00	$ † 550,000.00
BALANCES—				
Lapsed	$ 389.65	$ .08	$ 4,775.94	.....
To Continue	.....	.....	.....	$ 297,343.58
EXPENDED FOR—				
PENNHURST STATE SCHOOL				
Salaries	$ 375,820.16	$ 363,719.23	$ 458,110.23	$ 245,674.31
Wages	12,144.82	39,158.92	3,160.01	1,258.00
Fees	3,386.07	1,988.25	2,537.87	1,660.75
Materials, Supplies and Printing	251,155.06	270,051.30	332,991.23	57,084.34
Transportation, Communication and Information	11,864.14	11,870.69	9,725.00	3,556.64
Maintenance Services and Expense	94,042.63	80,170.78	98,355.14	14,133.28
Construction, Equipment and Land	34,459.81	1,308.72	85,516.84	5,214.48
Stores	6,680.12	27,016.31	15,252.08	135,647.77
Advance Requisitions	.....	.....	.....	500.00
TOTAL EXPENDITURES	$ 789,552.81	$ 795,284.20	$ 1,005,648.40	$ 464,729.57
During—1933-1935	$ 756,798.56	.....	.....	.....
1935-1937	32,754.25	$ 775,743.87	.....	.....
1937-1939	.....	19,540.33	$ 946,596.32	.....
1939-1940	.....	.....	59,052.08	$ 434,699.41
Unpaid May 31, 1940	.....	.....	.....	30,030.16
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 792,000.00	$ 795,946.00	$ ‡1,005,786.00	$ ‡1,030,000.00
BALANCES—				
Lapsed	$ 2,447.19	$ 661.80	$ 137.60	.....
To Continue	.....	.....	.....	$ 565,270.43
EXPENDED FOR—				
POLK STATE SCHOOL				
Salaries	$ 613,175.09	$ 609,724.28	$ 666,705.54	$ 340,818.61
Wages	7,369.15	3,029.47	2,293.88	4,018.25
Fees	3,188.07	2,023.63	3,741.64	2,629.86
Materials, Supplies and Printing	421,327.37	447,417.04	514,164.03	106,945.78
Transportation, Communication and Information	13,477.68	13,571.27	14,455.47	6,482.54
Maintenance Services and Expense	110,646.68	114,310.95	138,695.55	13,331.37
Construction, Equipment and Land	43,313.11	727.68	45,101.69	10,674.62
Subsidies, Indemnities and Other Items	194.49	1,119.52	1,099.50	344.75
Stores	23,026.89	36,913.34	455.67	188,299.65
Advance Requisitions	.....	.....	.....	1,000.00
TOTAL EXPENDITURES	$ 1,235,718.53	$ 1,228,837.18	$ 1,386,712.97	$ 674,545.43
During—1933-1935	$ 1,181,620.31	.....	.....	.....
1935-1937	54,098.22	$ 1,210,961.76	.....	.....
1937-1939	.....	17,875.42	$ 1,335,748.16	.....
1939-1940	.....	.....	50,964.81	$ 631,408.68
Unpaid May 31, 1940	.....	.....	.....	43,136.75

† Allocation from Lump Sum appropriation for Feeble Minded and Epileptic Institutions.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

GENERAL FUND
DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 1,244,000.00	$ 1,228,838.00	$ ‡1,386,713.00	$ ‡1,370,000.00
BALANCES—				
Lapsed	$ 8,281.47	$ .82	$ .03	.....
To Continue	.....	.....	.....	$ 695,454.57
EXPENDED FOR—				
SELINSGROVE STATE COLONY FOR EPILEPTICS				
Salaries	$ 108,379.86	$ 116,454.83	$ 157,845.97	$ 93,938.86
Wages	5,019.49	1,593.39	5,770.99	2,334.21
Fees	1,624.00	2,483.85	2,911.55	1,143.70
Materials, Supplies and Printing	103,767.41	79,672.43	103,017.00	18,234.89
Transportation, Communication and Information	9,136.92	7,089.43	7,683.81	2,298.65
Maintenance, Services and Expense	33,082.29	28,064.11	36,732.05	3,043.98
Construction, Equipment and Land	7,175.57	480.35	10,197.71	6,383.42
Subsidies, Indemnities and Other Items	54.17	2.65	17.10	.....
Stores	2,024.53	11,238.16	*1,508.17	36,818.05
Advance Requisitions	.....	.....	.....	500.00
TOTAL EXPENDITURES	$ 270,264.24	$ 247,079.20	$ 322,668.01	$ 164,695.74
During—1933-1935	$ 261,333.20	.....	.....	.....
1935-1937	8,931.04	$ 243,390.29	.....	.....
1937-1939	.....	3,688.91	$ 312,938.74	.....
1939-1940	.....	.....	9,729.27	$ 158,055.38
Unpaid May 31, 1940	.....	.....	.....	6,640.36
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 270,500.00	$ 247,095.00	$ †322,794.00	$ †500,000.00
BALANCES—				
Lapsed	$ 235.76	$ 15.80	$ 125.99	.....
To Continue	.....	.....	.....	$ 335,304.26
EXPENDED FOR—				
ELWYN TRAINING SCHOOL				
Subsidies, Indemnities and Other Items	$ 357,446.54	$ 359,565.55	$ 404,826.24	$ 210,000.00
TOTAL EXPENDITURES	$ 357,446.54	$ 359,565.55	$ 404,826.24	$ 210,000.00
During—1933-1935	$ 223,275.98	.....	.....	.....
1935-1937	134,170.56	$ 269,665.48	.....	.....
1937-1939	.....	89,900.07	$ 299,235.13	.....
1939-1940	.....	.....	105,591.11	$ 157,293.57
Unpaid May 31, 1940	.....	.....	.....	52,706.43
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 360,000.00	$ 360,000.00	$ 420,000.00	$ 420,000.00
BALANCES—				
Lapsed	$ 2,553.46	$ 434.45	$ 15,173.76	.....
To Continue	.....	.....	.....	$ 210,000.00

* Indicates Deduction.

† Allocation from lump sum appropriation for Feeble Minded and Epileptic Institutions.

Note: For 1935-1937 see also allocations from lump sum appropriation for Major Building and Equipment Repairs presented in a later statement.

Note: See also schedule of actual and estimated patient days service and per capita per diem costs presented in a later statement.

Note: Lump sum appropriation for all Feeble Minded and Epileptic Institutions amounted to $3,250,000 in 1937-39, from which $3,213,500 was allocated, the balance of $36,500 being lapsed, together with separate lapses indicated for each institution. For 1939-41 the total appropriation amounted to $3,550,000 of which $3,450,000 had been allocated to May 31, 1940, leaving unallocated $100,000.

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
MEDICAL AND SURGICAL HOSPITALS—STATE AIDED				
Subsidies, Indemnities and Other Items	$ 7,552,981.71	$ 7,690,663.67	$ 8,374,200.00	$ 4,243,725.00
TOTAL EXPENDITURES	$ 7,552,981.71	$ 7,690,663.67	$ 8,374,200.00	$ 4,243,725.00
During—1933-1935	$ 5,472,798.33			
1935-1937	1,923,933.38	$ 6,515,407.35		
1937-1939	156,250.00	1,175,256.32	$ 6,282,722.16	
1939-1940			2,091,477.84	$ 3,084,690.65
Unpaid May 31, 1940				1,159,034.35
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 7,553,350.00	$ 7,691,150.00	$ 8,374,200.00	$ 8,487,450.00
BALANCES—				
Lapsed	$ 368.29	$ 486.33		
To Continue				$ 4,243,725.00
EXPENDED FOR—				
HOMES—STATE AIDED				
Subsidies, Indemnities and Other Items	$ 610,785.57	$ 487,883.80	$ 493,865.25	$ 234,050.00
TOTAL EXPENDITURES	$ 610,785.57	$ 487,883.80	$ 493,865.25	$ 234,050.00
During—1933-1935	$ 361,889.71			
1935-1937	248,895.86	$ 415,078.39		
1937-1939		72,805.41	$ 366,284.25	
1939-1940			127,581.00	$ 162,346.85
Unpaid May 31, 1940				71,703.15
BIENNIAL APPROPRIATIONS—				
Maintenance	$ 624,600.00	$ 503,650.00	$ 508,000.00	$ 468,100.00
BALANCES—				
Lapsed	$ 13,814.43	$ 15,766.20	$ 11,959.75	
To Continue			2,175.00	$ 234,050.00
EXPENDED FOR—				
MATERIALS—W. P. A. SEWING PROJECTS			$ 74,304.97	
During—1937-1939			$ 74,304.97	
BIENNIAL APPROPRIATION—				
Materials—W. P. A. Sewing Projects			$ 75,000.00	
BALANCES—				
Lapsed			$ 695.03	

GENERAL FUND

DEPARTMENT OF WELFARE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
MAJOR BUILDING AND EQUIPMENT REPAIRS AT INSTITUTIONS:				
Ashland State Hospital		$ 17,059.74		
Blossburg State Hospital		8,314.10		
Coaldale State Hospital		5,304.28		
Connellsville State Hospital		1,861.94		
Hazleton State Hospital		16,708.92		
Locust Mountain State Hospital		2,903.75		
Nanticoke State Hospital		6,400.64		
Philipsburg State Hospital		8,474.02		
Scranton State Hospital		18,086.81		
Shamokin State Hospital		3,577.75		
Total Medical and Surgical Hospitals		$ 88,691.95		
Pennsylvania Industrial School		$ 28,097.27		
Pennsylvania Training School		18,658.84	No	
State Industrial Home for Women		5,580.37	Appropriations	
Eastern State Penitentiary		57,417.52	during these	
Western State Penitentiary		20,696.23	periods*	
Total Penal and Correctional Institutions		$ 130,450.23		
Allentown State Hospital		$ 24,130.02		
Danville State Hospital		19,485.95		
Farview State Hospital		18,993.14		
Harrisburg State Hospital		67,133.48		
Norristown State Hospital		62,623.89		
Torrance State Hospital		45,989.47		
Warren State Hospital		36,369.80		
Wernersville State Hospital		24,385.43		
Total Mental Hospitals		$ 299,111.18		
Laurelton State Village		$ 15,713.86		
Pennhurst State School		23,777.84		
Polk State School		20,454.63		
Selinsgrove State Colony for Epileptics		8,613.69		
Total Institutions for Feeble Minded and Epileptics		$ 68,560.02		
TOTAL EXPENDITURES		$ 586,813.38		
During—1935-1937		$ 458,923.54		
1937-1939		127,889.84		
BIENNIAL APPROPRIATIONS—				
Major Building and Equipment Repairs at Institutions		$ 600,000.00		
BALANCES—				
Lapsed		$ 13,186.62		

* Similar expenditures during these periods were made from appropriations to each institution for maintenance.

STATEMENT OF PER CAPITA PER DIEM COSTS AND DAYS SERVICE RENDERED BY THE STATE-OWNED WELFARE INSTITUTIONS BY YEARS

PENAL AND CORRECTIONAL INSTITUTIONS

		Eastern State Penitentiary	Western State Penitentiary	Pennsylvania Industrial School	Pennsylvania Training School	State Industrial Home for Women	Total Days Service
1931-1932	Per Capita Per Diem Costs	$ .95	$ 1.25	$ .98	$ 1.16	$ 2.06	.....
	Patient Days Service	1,034,327	756,914	484,107	286,485	53,707	2,615,540
1932-1933	Per Capita Per Diem Costs	$ .96	$ 1.19	$ 1.15	$ 1.16	$ 1.82	.....
	Patient Days Service	1,103,488	775,492	424,551	283,913	63,274	2,650,718
1933-1934	Per Capita Per Diem Costs	$ .93	$ 1.11	$ 1.21	$ 1.37	$ 1.70	.....
	Patient Days Service	1,103,811	742,926	350,008	224,773	69,612	2,491,130
1934-1935	Per Capita Per Diem Costs	$ 1.10	$ 1.22	$ 1.15	$ 1.39	$ 1.48	.....
	Patient Days Service	1,069,278	740,062	406,570	202,801	85,377	2,504,088
1935-1936	Per Capita Per Diem Costs	$ 1.02	$ 1.22	$ 1.08	$ 1.33	$ 1.35	.....
	Patient Days Service	1,145,321	729,428	438,334	200,569	94,559	2,608,211
1936-1937	Per Capita Per Diem Costs	$ 1.11	$ 1.15	$ 1.38	$ 1.49	$ 1.40	.....
	Patient Days Service	1,083,281	738,638	336,002	190,553	94,875	2,443,349
1937-1938	Per Capita Per Diem Costs	$ 1.09	$ 1.20	$ 1.21	$ 1.28	$ 1.56	.....
	Patient Days Service	1,131,879	749,934	400,778	221,885	93,044	2,597,520
1938-1939	Per Capita Per Diem Costs	$ 1.07	$ 1.15	$ 1.14	$ 1.18	$ 1.61	.....
	Patient Days Service	1,163,522	769,703	482,294	246,242	88,721	2,750,482
1939-1940	Per Capita Per Diem Costs	$ 1.05	$ 1.11	$ 1.15	$ 1.28	$ 1.35	.....
	Patient Days Service	1,193,163	790,922	463,558	234,630	108,296	2,790,569

INSTITUTIONS FOR MENTAL DEFECTIVES

		Laurelton State Village	Pennhurst State School	Polk State School	Selinsgrove State Colony for Epileptics	Total Days Service
1931-1932	Per Capita Per Diem Costs	$ .85	$ .75	$ .58	$ 1.09	.....
	Patient Days Service	240,986	529,362	997,716	97,720	1,865,784
1932-1933	Per Capita Per Diem Costs	$ .86	$ .65	$ .55	$ 1.10	.....
	Patient Days Service	239,196	590,537	1,008,079	130,863	1,968,675
1933-1934	Per Capita Per Diem Costs	$ .80	$ .61	$ .55	$ .80	.....
	Patient Days Service	242,588	608,613	1,030,303	142,686	2,024,190
1934-1935	Per Capita Per Diem Costs	$ .86	$ .61	$ .58	$ .91	.....
	Patient Days Service	244,442	629,898	1,052,610	152,579	2,079,529
1935-1936	Per Capita Per Diem Costs	$ .85	$ .59	$ .57	$ .74	.....
	Patient Days Service	247,441	641,269	1,064,676	157,860	2,111,246
1936-1937	Per Capita Per Diem Costs	$ .84	$ .64	$ .59	$ .84	.....
	Patient Days Service	252,428	645,299	1,070,600	155,136	2,123,463
1937-1938	Per Capita Per Diem Costs	$ .90	$ .69	$ .65	$ .96	.....
	Patient Days Service	253,025	628,282	1,044,740	154,420	2,080,467
1938-1939	Per Capita Per Diem Costs	.93	$ .68	$ .62	$ .96	.....
	Patient Days Service	257,756	663,391	1,055,369	162,265	2,138,781
1939-1940	Per Capita Per Diem Costs	$ .92	$ .66	$ .61	$ .99	.....
	Patient Days Service	255,333	709,033	1,057,226	161,157	2,182,749

STATEMENT OF PER CAPITA PER DIEM COSTS AND DAYS SERVICE RENDERED BY THE STATE-OWNED WELFARE INSTITUTIONS BY YEARS

MEDICAL AND SURGICAL HOSPITALS

	Ashland State Hospital	Blossburg State Hospital	Coaldale State Hospital	Connells-ville State Hospital	Hazleton State Hospital	Locust Mountain State Hospital	Nanticoke State Hospital	Philips-burg State Hospital	Scranton State Hospital	Shamokin State Hospital	Total Days Service
1931-1932 Per Capita Per Diem Costs	$ 3.89	$ 4.24	$ 3.77	$ 3.97	$ 3.25	$ 5.97	$ 3.31	$ 2.62	$ 3.23	$ 3.65	.....
Patient Days Service .	56,777	20,647	26,560	20,445	45,624	11,363	39,127	33,024	61,742	29,435	344,744
1932-1933 Per Capita Per Diem Costs	$ 3.73	$ 4.01	$ 3.12	$ 3.22	$ 3.22	$ 4.16	$ 3.04	$ 2.55	$ 3.21	$ 3.11	.....
Patient Days Service .	54,676	21,725	31,437	23,282	46,165	20,753	37,147	33,088	67,554	32,022	367,849
1933-1934 Per Capita Per Diem Costs	$ 3.58	$ 3.49	$ 3.13	$ 3.18	$ 3.21	$ 4.07	$ 3.12	$ 2.54	$ 2.67	$ 2.94	.....
Patient Days Service .	56,276	24,646	31,204	23,349	45,460	20,773	36,429	34,304	76,393	32,681	381,515
1934-1935 Per Capita Per Diem Costs	$ 3.83	$ 3.67	$ 2.92	$ 3.15	$ 3.20	$ 4.23	$ 3.50	$ 2.53	$ 3.03	$ 2.89	.....
Patient Days Service .	54,347	23,455	33,646	24,484	45,987	20,725	35,649	35,384	67,870	33,841	375,388
1935-1936 Per Capita Per Diem Costs	$ 2.85	$ 3.38	$ 3.14	$ 2.85	$ 2.86	$ 3.30	$ 3.17	$ 2.76	$ 2.84	$ 2.87	.....
Patient Days Service .	64,024	25,753	31,599	25,991	50,431	24,016	37,531	35,138	70,824	32,790	398,097
1936-1937 Per Capita Per Diem Costs	$ 3.20	$ 3.38	$ 3.08	$ 2.88	$ 3.26	$ 3.30	$ 3.38	$ 2.87	$ 3.14	$ 4.23	.....
Patient Days Service .	54,508	26,003	34,059	27,366	46,610	25,791	35,066	34,405	66,812	23,303	373,923
1937-1938 Per Capita Per Diem Costs	$ 3.44	$ 3.32	$ 3.24	$ 3.19	$ 3.26	$ 3.87	$ 3.61	$ 3.01	$ 3.51	$ 4.05	.....
Patient Days Service .	55,048	28,702	35,206	27,321	49,490	26,103	33,666	36,332	64,702	22,811	379,381
1938-1939 Per Capita Per Diem Costs	$ 3.83	$ 3.08	$ 3.35	$ 3.37	$ 3.22	$ 3.88	$ 3.53	$ 3.14	$ 3.86	$ 3.39	.....
Patient Days Service .	51,737	31,338	34,719	26,927	50,196	26,577	33,843	37,286	49,837	30,503	372,963
1939-1940 Per Capita Per Diem Costs	$ 3.61	$ 3.33	$ 3.45	$ 3.32	$ 3.30	$ 3.77	$ 3.38	$ 3.25	$ 4.38	$ 3.09	.....
Patient Days Service .	50,933	31,529	34,126	26,703	50,517	25,941	35,169	36,981	41,553	35,732	369.184

STATEMENT OF PER CAPITA PER DIEM COSTS AND DAYS SERVICE RENDERED BY THE STATE-OWNED WELFARE INSTITUTIONS BY YEARS

MENTAL HOSPITALS

	Allentown State Hospital	Danville State Hospital	Farview State Hospital	Harrisburg State Hospital	Norristown State Hospital	Philadelphia State Hospital	Torrance State Hospital	Warren State Hospital	Wernersville State Hospital	Total Days Service
1931-1932 Per Capita Per Diem Costs	$ .91	$ .83	$ .94	$ .77	$ .76	.....	$ .71	$ .91	$ .79	.....
Patient Days Service	529,836	671,203	231,489	625,515	1,121,155	.....	367,427	666,666	442,147	4,655,438
1932-1933 Per Capita Per Diem Costs	$ .86	$ .80	$ .91	$ .71	$ .75	.....	$ .67	$ .85	$ .74	.....
Patient Days Service	544,304	661,543	236,085	632,892	1,135,956	.....	448,117	694,087	455,646	4,808,630
1933-1934 Per Capita Per Diem Costs	$ .83	$ .82	$ .84	$ .70	$ .74	.....	$ .65	$ .79	$ .73	.....
Patient Days Service	566,487	667,906	264,598	650,176	1,181,014	.....	523,594	721,741	488,793	5,064,309
1934-1935 Per Capita Per Diem Costs	$ .81	$ .85	$ .86	$ .73	$ .71	.....	$ .65	$ .81	$ .73	.....
Patient Days Service	577,468	692,228	278,079	680,920	1,243,516	.....	567,632	743,318	504,583	5,287,744
1935-1936 Per Capita Per Diem Costs	$ .78	$ .82	$ .82	$ .72	$ .72	.....	$ .65	$ .79	$ .72	.....
Patient Days Service	611,144	706,033	295,300	722,292	1,304,476	.....	625,712	773,434	519,862	5,558,253
1936-1937 Per Capita Per Diem Costs	$ .80	$ .80	$ .82	$ .76	$ .72	.....	$ .74	$ .79	$ .73	.....
Patient Days Service	609,025	729,988	303,661	747,588	1,354,718	.....	650,815	805,429	529,586	5,730,810
1937-1938 Per Capita Per Diem Costs	$ .90	$ .91	$ .98	$ .81	$ .79	.....	$ .80	$ .87	$ .79	.....
Patient Days Service	584,864	702,017	308,048	727,495	1,281,202	.....	593,209	802,530	525,263	5,524,628
1938-1939 Per Capita Per Diem Costs	$ .89	$ .91	$ 1.02	$ .84	$ .80	$ .81	$ .79	$ .87	$ .81	.....
Patient Days Service	590,060	711,426	315,012	737,137	1,289,035	1,242,315(1)	627,029	839,492	533,225	6,884,731
1939-1940 Per Capita Per Diem Costs	$ .87	$ .89	$ .97	$ .83	$ .80	$ .81	$ .79	$ .83	$ .79	.....
Patient Days Service	594,775	731,424	338,710	767,710	1,331,052	2,105,862	647,719	874,075	549,254	7,940,581

(1) Part of year only.

GENERAL FUND

MILK CONTROL COMMISSION

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARIES AND EXPENSES				
Salaries	$ 49,479.58	$ 122,260.86	$ 201,679.51	$ 125,302.86
Wages	1,193.90	5,009.72	2,965.64	7,289.15
Fees	1,422.42	1,335.85	2,307.15	594.83
Materials, Supplies and Printing	2,097.51	4,094.29	5,200.54	2,537.80
Transportation, Communication and Information	9,253.20	38,267.39	73,950.73	45,524.53
Maintenance Services and Expense	4,224.74	6,963.91	10,930.37	7,499.72
Construction, Equipment and Land	3,718.41	3,356.53	2,966.06	3,163.64
TOTAL EXPENDITURES	$ 71,389.76	$ 181,288.55	$ 300,000.00	$ 191,912.53
During—1933-1935	$ 71,389.76	.....	.....	.....
1935-1937	.....	$ 176,584.88	.....	.....
1937-1939	.....	4,703.67	$ 300,000.00	.....
1939-1940	.....	.....	.....	$ 190,920.02
Unpaid May 31, 1940	.....	.....	.....	992.51
BIENNIAL APPROPRIATIONS—				
Salaries and Expenses	$ 100,000.00	$ 225,000.00	$ 300,000.00	$ 200,000.00
BALANCES—				
Lapsed	$ 28,610.24	$ 43,711.45	.....	.....
To Continue	.....	.....	.....	$ 8,087.47

Note:—See also Milk Control Fund for additional support of this Commission.

GENERAL FUND

ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
GENERAL				
Harrisburg Fire Companies	#	#	#	$ 2,500.00
Cresson Volunteer Fire Company	#	#	#	500.00
Board of Commissioners of Navigation of the Delaware River	$ 59,662.60	$ 49,736.90	*	*
State Planning Board	.....	9,805.08	$ 118,536.09	**
Philadelphia Charter Commission—1937 Session	.....	25,000.00	.....	.....
General State Authority—Administration	.....	.....	1,155,001.00	$ 341,515.00
State World's Fair Commission	.....	.....	75,000.00	1,000.00
Celebration—Landing of Swedes	.....	12,499.31	39,999.82	.....
Celebration—Anniversary of Constitution	.....	12,499.04	96,394.79	.....
Contribution for Gettysburg Peace Memorial	.....	.....	5,000.00	.....
Pennsylvania Scenic and Historic Commission	.....	20,000.00	.....	.....
Port of Philadelphia	50,000.00	49,897.15	99,998.56	59,591.58
Reimbursing City of Philadelphia-Delaware River Bridge	.....	12,084.17	.....	.....
Cornplanter Indian Reservation—Roads	.....	598.15	599.83	391.05
Anthracite Coal Industry Commission — 1937 Session	.....	50,000.00	.....	.....
Anthracite Coal Industry Commission — 1938 Special Session	.....	.....	26,262.99	.....
Gettysburg Memorial Commission	.....	14,999.04	75,000.00	.....
Commission to Investigate Oil Industry	.....	.....	27,495.33	.....
Commission to Investigate Oil Industry—1938 Special Session	.....	.....	11,711.85	.....
Liquor Control Board	2,000,000.00	.....	.....	.....

For notes see next page.

GENERAL FUND

ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS—Continued.

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
NON-GOVERNMENTAL PAYMENTS				
Annuity for Right-of-Way	$ 20,000.00	$ 20,000.00	$ 20,000.00	.....
Federal Aid to State College	100,000.00	179,261.47	336,307.35	$ 187,784.41
Federal Aid—National Forests	.....	10,665.70	4,059.69	.....
TOTAL EXPENDITURES	$ 2,229,662.60	$ 467,046.01	$ 2,091,367.30	$ 593,282.04
During—1933-1935	$ 2,225,910.75	$ 12,084.17	.....	.....
1935-1937	3,751.85	383,729.52	$ 80,000.00	.....
1937-1939	.....	71,232.32	2,002,051.53	.....
1939-1940	.....	.....	9,315.77	$ 593,282.04
CREDITS AND BIENNIAL APPROPRIATIONS—				
Harrisburg Fire Companies	#	#	#	$ 5,000.00
Cresson Volunteer Fire Company	#	#	#	1,000.00
Board of Commissioners of Navigation of the Delaware River	$ 61,200.00	$ 50,000.00	*	*
State Planning Board	.....	10,000.00	$ 125,000.00	**
Philadelphia Charter Commission—1937 Session	.....	25,000.00	.....	.....
General State Authority—Administration	.....	.....	1,400,000.00	750,000.00
State World's Fair Commission	.....	.....	@75,000.00	.....
Celebration—Landing of Swedes	.....	12,500.00	40,000.00	.....
Celebration—Anniversary of Constitution	.....	12,500.00	100,000.00	.....
Contribution for Gettysburg Peace Memorial	.....	.....	5,000.00	.....
Pennsylvania Scenic and Historic Commission	.....	20,000.00	.....	.....
Port of Philadelphia	50,000.00	50,000.00	100,000.00	100,000.00
Reimbursing City of Philadelphia-Delaware River Bridge	.....	12,034.17	.....	.....
Expenses of Constitutional Convention	.....	650,000.00	.....	.....
Cornplanter Indian Reservation—Roads	.....	600.00	600.00	600.00
Anthracite Coal Industry Commission—1937 Session	.....	50,000.00	.....	.....
Anthracite Coal Industry Commission—1938 Special Session	.....	.....	26,500.00	.....
Gettysburg Memorial Commission	.....	15,000.00	75,000.00	.....
Commission to Investigate Oil Industry	.....	.....	50,000.00	.....
Commission to Investigate Oil Industry—1938 Special Session	.....	.....	20,000.00	.....
Liquor Control Board	2,000,000.00	.....	.....	.....
Balance Transferred from Prior Biennium	3.80	3,087.92	37.75	2,606.74
Credits 1933-1935	123,087.92	.....	.....	.....
Credits 1935-1937	.....	206,877.00	.....	.....
Credits 1937-1939	.....	.....	362,936.03	.....
Credits 1939-1940	.....	.....	.....	260,760.21
TOTAL AVAILABLE FUNDS	$ 2,234,291.72	$ 1,117,649.09	$ 2,380,073.78	$ 1,119,966.95
BALANCES—				
Lapsed	$ 1,541.20	$ 650,565.33	$ 37,495.35	.....
To Continue	.....	.....	248,604.39	$ 526,684.91
Balance Transferred	3,087.92	37.75	2,606.74	.....

* See Department of Forests and Waters these periods.
** See Department of Commerce this period.
# See Department of Property and Supplies these periods.
@ See also appropriation from Motor License Fund.

GENERAL FUND

SENATE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARIES				
Senators	$ 138,500.00	$ 126,000.00	$ 134,700.00	.....
Officers and Employes—Session	76,800.00	98,584.00	81,670.00	.....
Returning Officers and Employes	5,617.00	7,881.00	7,701.00	.....
Clerk to President of Senate	2,981.85	4,725.00	4,800.00	$ 2,400.00
Secretary	15,000.00	15,000.00	15,000.00	7,500.00
Chief Clerk	12,000.00	12,000.00	12,000.00	6,000.00
Assistant Clerk—Session	2,000.00	2,000.00	2,000.00	.....
Assistant Clerk—Recess	3,048.95	2,287.97	2,578.88	1,659.68
Librarian	8,000.00	8,939.51	8,794.35	4,500.00
Assistant Librarian	7,200.00	2,922.58	.....	.....
Assistant Librarian—Recess	3,484.50	3,034.16	.....	.....
Clerk to President Pro Tem.	.....	.....	4,400.00	2,400.00
Assistant to Secretary—Recess	.....	.....	2,940.84	2,229.03
Stenographer to President	2,362.90	2,400.00	3,240.00	1,620.00
Stenographer to Librarian	5,226.78	4,551.30	4,411.30	3,493.54
Two Watchmen	7,183.93	7,050.00	7,162.50	3,600.00
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	3,000.00
Custodians—Washroom and Basement	7,200.00	7,200.00	7,146.77	3,600.00
Custodian—Senate Chamber	7,520.07	6,897.08	7,324.56	4,769.52
Messenger	2,400.00	2,400.00	2,400.00	1,200.00
Sergeants-at-Arms—Extra Compensation	.....	.....	.....	1,049.00
MILEAGE				
Senators	18,000.00	16,233.60	14,401.55	.....
Officers and Employes	1,465.00	2,294.80	1,820.30	.....
Returning Officers and Employes	948.00	1,683.20	1,939.70	.....
MISCELLANEOUS EXPENSES				
Postage of Senators—Session	7,500.00	7,500.00	7,350.00	.....
Postage Chief Clerk—Session	150.00	150.00	150.00	.....
Postage Lieutenant Governor—Session	150.00	150.00	150.00	.....
Postage Legislative Journal—Session	3,600.00	5,500.00	4,500.00	.....
Office of Secretary—Recess	2,000.00	2,300.00	3,000.00	3,000.00
Office of Secretary—Session	2,000.00	1,842.20	2,314.20	.....
Office of Librarian—Recess	2,240.00	2,497.40	2,300.00	2,800.00
Office of Librarian—Session	2,240.00	2,499.38	2,142.24	.....
President Pro Tempore—Recess	2,000.00	.....	1,032.80	.....
President Pro Tempore—Session	.....	1,252.00	431.34	.....
Office of Chief Clerk—Years Ending May 31, 1934, 1936, 1938, and 1940	3,128.08	3,500.00	4,384.94	5,000.00
Office of Chief Clerk—Six months ending November 30, 1934, 1936, 1938, and 1940	1,600.00	1,302.25	2,285.79	.....
Incidental Expenses from December 1, 1934, 1936, 1938 and 1940 to end of Session	6,400.00	9,388.73	7,848.13	.....
History of Legislation—Extra Services	2,500.00	2,500.00	2,380.00	2,400.00
Expenses—Committee on Appropriations	3,565.50	7,851.25	1,074.50	4,000.00
Issuing Certificates of Election	75.00	75.00	75.00	.....
Expenses Attending Funerals	.....	423.90	757.09	1,000.00
SALARIES, MILEAGE AND OTHER EXPENSES—DEFICIENCY	23,774.50	.....	.....	.....
Total Regular Sessions	$ 396,862.06	$ 388,816.31	$ 375,107.78	$ 67,220.77
SPECIAL SESSION 1933	$ 114,003.62	.....	.....	.....
SPECIAL SESSION 1934	37,217.95	.....	.....	.....
SPECIAL SESSION 1936	.....	$ 106,718.02	.....	.....
SPECIAL SESSION 1936 NO. 2	.....	34,421.55	.....	.....
SPECIAL SESSION 1938	.....	.....	$ 122,952.47	.....
SPECIAL SESSION 1940	.....	.....	.....	$ 40,456.60
TOTAL EXPENDITURES*	$ 548,083.63	$ 529,955.88	$ 498,060.25	$ 107,677.37
During—1933-1935	$ 478,635.03	.....	.....	.....
1935-1937	69,448.60	$ 455,492.62	.....	.....
1937-1939	.....	74,463.26	$ 485,591.99	.....
1939-1940	.....	.....	12,468.26	$ 107,677.37

* For Expenditures by Property and Supplies for the Senate, see that Department.

GENERAL FUND

SENATE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Salaries:				
Senators	$ 151,000.00	$ 126,000.00	$ 138,500.00	$ 151,000.00
Officers and Employes—Session	76,800.00	105,000.00	96,000.00	96,000.00
Returning Officers and Employes	8,000.00	8,000.00	8,000.00	8,000.00
Clerk to President of Senate	3,000.00	4,800.00	4,800.00	4,800.00
Secretary	15,000.00	15,000.00	15,000.00	15,000.00
Chief Clerk	12,000.00	12,000.00	12,000.00	12,000.00
Assistant Clerk—Session	2,000.00	2,000.00	2,000.00	2,000.00
Assistant Clerk—Recess	3,800.00	3,800.00	3,800.00	3,800.00
Librarian	9,000.00	9,000.00	9,000.00	9,000.00
Assistant Librarian	7,200.00	7,200.00	7,200.00	7,200.00
Assistant Librarian—Recess	4,200.00	4,200.00	.....	.....
Clerk to President Pro Tem	.....	.....	4,800.00	4,800.00
Assistant to Secretary—Recess	.....	.....	4,200.00	4,200.00
Stenographer to President	2,400.00	2,400.00	3,240.00	3,240.00
Stenographer to Librarian—Recess	6,300.00	6,300.00	6,300.00	6,300.00
Two Watchmen	7,200.00	7,200.00	7,200.00	7,200.00
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	6,000.00
Custodians—Washroom and Basement	7,200.00	7,200.00	7,200.00	7,200.00
Custodian—Senate Chamber	8,625.00	8,625.00	9,255.00	9,255.00
Messenger	2,400.00	2,400.00	2,400.00	2,400.00
Senators Elected During Session	.....	1,000.00	.....	.....
Sergeants-at-Arms—Extra Compensation	.....	.....	.....	1,053.00
Mileage:				
Senators	18,000.00	20,500.00	18,000.00	18,000.00
Officers and Employes	2,160.00	2,500.00	2,700.00	2,700.00
Returning Officers and Employes	2,000.00	2,000.00	2,000.00	2,000.00
Miscellaneous Expenses:				
Postage of Senators—Session	7,500.00	7,500.00	7,500.00	7,500.00
Postage of Chief Clerk—Session	150.00	150.00	150.00	150.00
Postage, Lieutenant Governor—Session	150.00	150.00	150.00	150.00
Postage, Legislative Journal—Session	3,600.00	5,500.00	4,500.00	4,500.00
Office of Secretary—Recess	2,000.00	2,300.00	3,000.00	3,000.00
Office of Secretary—Session	2,000.00	2,300.00	3,000.00	3,000.00
Office of Librarian—Recess	2,240.00	2,500.00	2,800.00	2,800.00
Office of Librarian—Session	2,240.00	2,500.00	2,800.00	2,800.00
President Pro Tempore—Recess	2,000.00	1,800.00	3,000.00	3,000.00
President Pro Tempore—Session	2,000.00	1,800.00	3,000.00	3,000.00
Office of Chief Clerk—Years Ending May 31, 1934, 1936, 1938, and 1940	3,200.00	3,500.00	5,000.00	5,000.00
Office of Chief Clerk—Six months ending November 30, 1934, 1936, 1938, and 1940	1,600.00	1,800.00	2,500.00	2,500.00
Incidental Expenses from December 1, 1934, 1936, 1938 and 1940 to end of Session	6,400.00	10,000.00	8,000.00	8,000.00
History of Legislation—Extra Services	2,500.00	2,500.00	2,500.00	2,500.00
Expenses—Committee on Appropriations	9,600.00	9,000.00	12,000.00	10,000.00
Issuing Certificates of Election	75.00	75.00	75.00	75.00
Expenses Attending Funerals	.....	1,000.00	1,000.00	1,000.00
Salaries, Mileage, and Other Expenses—Deficiency	26,446.60	.....	.....	.....
Total—Regular Sessions	$ 427,986.60	$ 417,500.00	$ 430,570.00	$ 442,123.00
Special Session 1933	$ 159,880.98	.....	.....	.....
Special Session 1934	46,943.00	.....	.....	.....
Special Session 1936	.....	$ 126,500.00	.....	.....
Special Session 1936 No. 2	.....	41,400.00	.....	.....
Special Session 1938	.....	.....	$ 132,566.00	.....
Special Session 1940	.....	.....	.....	$ 50,657.00
TOTAL AVAILABLE FUNDS	$ 634,810.58	$ 585,400.00	$ 563,136.00	$ 492,780.00
BALANCES—				
Lapsed	$ 86,726.95	$ 55,444.12	$ 30,595.75	.....
To Continue	.....	.....	14,480.00	$ 385,102.63

GENERAL FUND

HOUSE OF REPRESENTATIVES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARIES				
Members	$ 521,000.00	$ 520,000.00	$ 625,000.00	.....
Officers and Employes—Session	94,400.00	115,000.00	119,457.26	.....
Returning Officers—Session	7,056.19	1,725.40	7,861.50	.....
Chief Clerk	5,266.13	12,370.97	14,294.35	$ 6,062.50
Stenographer to Chief Clerk—Recess	.....	.....	2,038.31	1,596.77
Assistant to Chief Clerk	7,200.00	7,200.00	7,200.00	3,600.00
Assistant Clerk—Session	1,600.00	2,000.00	2,000.00	.....
Assistant Clerk—Recess	3,048.95	2,654.91	2,316.39	2,037.91
Secretary to the Speaker	.....	.....	987.10	2,400.00
Stenographer to Speaker	.....	3,450.00	2,888.71	1,800.00
Resident Clerk	7,137.10	.....	.....	.....
Stenographer to Resident Clerk—Recess	2,613.39	.....	.....	.....
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	3,000.00
Assistant Resident Clerk	5,845.20	.....	.....	.....
Two Watchmen	6,059.84	4,275.00	7,192.74	3,600.00
Custodian of Basement	.....	1,200.00	3,600.00	1,800.00
Custodian of Hall	3,600.00	3,600.00	3,532.26	1,800.00
Assistant Custodians	5,151.76	4,551.28	4,955.12	3,959.32
Messenger in Library	2,400.00	2,400.00	2,400.00	1,200.00
Parliamentarian	6,000.00	6,000.00	7,148.38	3,600.00
Secretary	.....	.....	.....	4,791.59
MILEAGE				
Members	75,000.00	73,951.55	66,277.15	.....
Officers and Employes—Session	2,118.50	2,514.20	3,196.90	.....
Returning Officers—Session	1,993.60	684.93	2,229.50	.....
MISCELLANEOUS EXPENSES				
Postage of Members	31,350.00	31,200.00	31,200.00	.....
Postage of Chief Clerk—Session	.....	150.00	150.00	.....
Postage of Legislative Journal—Session	8,000.00	8,000.00	8,400.00	.....
Speaker—Recess	**172.16	1,033.94	773.62	3,000.00
Speaker—Session	2,000.00	1,459.30	2,720.37	.....
Chief Clerk—Years ending May 31, 1934, 1936, 1938, and 1940	5,223.02	15,500.00	17,426.12	13,757.51
Chief Clerk—Six Months ending November 30, 1934, 1936, 1938, and 1940	3,188.35	5,079.80	5,161.53	.....
Chief Clerk—Recess	.....	3,000.00	.....	.....
Chief Clerk—Session	.....	3,000.00	.....	.....
Resident Clerk—Year ending May 31, 1934	1,883.44	.....	.....	.....
Resident Clerk—Year ending May 31, 1935	2,796.56	.....	.....	.....
Appropriation Committee	8,270.05	8,745.04	9,344.09	5,000.00
Issuing Certificates of Election	750.00	750.00	750.00	.....
Incidental Expenses	10,394.00	13,000.00	13,171.62	.....
Expenses Attending Funerals	.....	.....	1,139.70	1,000.00
Unpaid Bills—Investigating Philadelphia Poor Districts	.....	3,500.00	.....	.....
SALARIES, MILEAGE, AND OTHER EXPENSES—DEFICIENCY	16,235.20	.....	.....	.....
Total Regular Sessions	$ 853,409.12	$ 863,996.32	$ 980,812.72	$ 64,005.60
Special Session 1933	$ 170,058.36	.....	.....	.....
Special Session 1934	126,938.92	.....	.....	.....
Special Session 1936	.....	$ 239,655.67	.....	.....
Special Session 1936 No. 2	.....	124,419.75	.....	.....
Special Session 1938	.....	.....	$ 247,801.74	.....
Special Session 1940	.....	.....	.....	$ 133,163.59
TOTAL EXPENDITURES*	$ 1,150,406.40	$ 1,228,071.74	$ 1,228,614.46	$ 197,169.19
During—1933-1935	$ 962,637.75	.....	.....	.....
1935-1937	187,768.65	$ 1,089,138.30	.....	.....
1937-1939	.....	138,933.44	$ 1,205,414.45	.....
1939-1940	.....	.....	23,200.01	$ 197,169.19

* For expenditures by Property and Supplies for House of Representatives, see that department.
** Indicates deduction.

GENERAL FUND
HOUSE OF REPRESENTATIVES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Salaries:				
Members	$ 625,000.00	$ 521,000.00	$ 628,000.00	$ 625,000.00
Officers and Employes—Session	94,400.00	115,000.00	120,000.00	120,000.00
Returning Officers—Session	13,000.00	11,000.00	13,000.00	13,000.00
Chief Clerk	12,000.00	12,500.00	15,000.00	15,000.00
Stenographer to Chief Clerk—Recess	.....	.....	3,075.00	3,075.00
Assistant to Chief Clerk	7,200.00	7,200.00	7,200.00	7,200.00
Assistant Clerk—Session	2,000.00	2,000.00	2,000.00	2,000.00
Assistant Clerk—Recess	3,600.00	3,600.00	3,600.00	3,600.00
Stenographer to Speaker	.....	3,600.00	3,600.00	3,600.00
Secretary to the Speaker	.....	.....	4,800.00	4,800.00
Resident Clerk	9,000.00	.....	.....	.....
Stenographer to Resident Clerk—Recess	3,075.00	.....	.....	.....
Superintendent of Storeroom	6,000.00	6,000.00	6,000.00	6,000.00
Assistant Resident Clerk	7,200.00	.....	.....	.....
Two Watchmen	7,200.00	7,200.00	7,200.00	7,200.00
Custodian of Basement	3,600.00	3,600.00	3,600.00	3,600.00
Custodian of Hall	3,600.00	3,600.00	3,600.00	3,600.00
Assistant Custodians	7,908.00	7,908.00	7,908.00	7,908.00
Messenger in Library	2,400.00	2,400.00	2,400.00	2,400.00
Parliamentarian	6,000.00	6,000.00	7,200.00	7,200.00
Members Elected During Session	.....	1,000.00	.....	.....
Secretary	.....	.....	.....	10,000.00
Mileage:				
Members	75,000.00	87,500.00	85,000.00	85,000.00
Officers and Employes—Session	3,200.00	4,000.00	4,000.00	4,000.00
Returning Officers—Session	3,000.00	2,500.00	3,000.00	3,000.00
Miscellaneous:				
Postage of Members	31,200.00	31,200.00	31,350.00	31,200.00
Postage of Chief Clerk—Session	150.00	150.00	150.00	150.00
Postage of Legislative Journal—Session	8,000.00	8,000.00	10,000.00	10,000.00
Speaker—Recess	2,000.00	2,000.00	3,000.00	3,000.00
Speaker—Session	2,000.00	2,000.00	3,000.00	3,000.00
Chief Clerk—Years ending May 31, 1934, 1936, 1938, and 1940	10,800.00	15,500.00	19,000.00	19,000.00
Chief Clerk—Six Months ending November 30, 1934, 1936, 1938, and 1940	4,800.00	6,000.00	9,100.00	9,100.00
Chief Clerk—Recess	.....	3,000.00	.....	.....
Chief Clerk—Session	.....	3,000.00	.....	.....
Resident Clerk—Year ending May 31, 1934	2,800.00	.....	.....	.....
Resident Clerk—Year ending May 31, 1935	2,800.00	.....	.....	.....
Appropriation Committee	9,600.00	9,000.00	12,000.00	12,000.00
Issuing Certificates of Election	750.00	750.00	750.00	750.00
Incidental Expenses	10,400.00	13,000.00	20,000.00	20,000.00
Expenses Attending Funerals	.....	.....	3,000.00	3,000.00
Unpaid Bills—Investigating Philadelphia Poor Districts	.....	3,500.00	.....	.....
Salaries, Mileage and Other Expenses—Deficiency	21,000.00	.....	.....	.....
Total Regular Sessions	$ 1,000,683.00	$ 904,708.00	$ 1,041,533.00	$ 1,048,383.00
SPECIAL SESSION 1933	$ 258,931.24	.....	.....	.....
SPECIAL SESSION 1934	143,433.00	.....	.....	.....
SPECIAL SESSION 1936	.....	$ 257,868.74	.....	.....
SPECIAL SESSION 1936 NO. 2	.....	136,200.00	.....	.....
SPECIAL SESSION 1938	.....	.....	$ 257,868.74	.....
SPECIAL SESSION 1940	.....	.....	.....	$ 144,848.00
TOTAL AVAILABLE FUNDS	$ 1,403,047.24	$ 1,298,776.74	$ 1,299,401.74	$ 1,193,231.00
BALANCES—				
Lapsed	$ 252,640.84	$ 70,705.00	$ 70,787.28	.....
To Continue	.....	.....	.....	$ 996,061.81

GENERAL FUND

LEGISLATIVE JOURNAL

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
LEGISLATIVE JOURNAL				
Indices for Legislative Journal	$ 1,500.00	$ 1,500.00	$ 1,500.00	.....
Proof Reading	.....	.....	4,392.00	$ 2,773.00
Indexing the Legislative Journal	1,500.00	1,500.00	1,200.00	.....
Special Session 1933	1,000.00	.....	.....	.....
Special Session 1934	500.00	.....	.....	.....
Special Session 1936	.....	1,000.00	.....	.....
Special Session No. 2 1936	.....	200.00	.....	.....
Special Session 1938	.....	.....	1,000.00	.....
Special Session 1940	.....	.....	.....	420.00
TOTAL EXPENDITURES	$ 4,500.00	$ 4,200.00	$ 8,092.00	$ 3,193.00
During—1933-1935	$ 3,000.00	.....	.....	.....
1935-1937	1,500.00	$ 2,700.00	.....	.....
1937-1939	.....	1,500.00	$ 6,642.00	.....
1939-1940	.....	.....	1,450.00	$ 3,193.00
BIENNIAL APPROPRIATIONS				
Indices for Legislative Journal	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00
Proof Reading	4,500.00	4,500.00	4,500.00	4,500.00
Indexing the Legislative Journal	1,500.00	1,500.00	1,500.00	1,500.00
Special Session 1933	2,500.00	.....	.....	.....
Special Session 1934	1,000.00	.....	.....	.....
Special Session 1936	.....	2,500.00	.....	.....
Special Session No. 2 1936	.....	300.00	.....	.....
Special Session 1938	.....	.....	2,500.00	.....
Special Session 1940	.....	.....	.....	2,400.00
TOTAL AVAILABLE FUNDS	$ 11,000.00	$ 10,300.00	$ 10,000.00	$ 9,900.00
BALANCES—				
Lapsed	$ 6,500.00	$ 6,100.00	$ 1,608.00	.....
To Continue	.....	.....	300.00	6,707.00

GENERAL FUND

LEGISLATIVE REFERENCE BUREAU

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SALARY AND OTHER EXPENSES				
Salaries	$ 69,456.00	$ 75,712.22	$ 78,865.67	$ 42,187.97
Wages	3,492.97	4,404.28	8,122.75	200.00
Materials, Supplies and Printing	546.95	533.50	589.16	183.50
Transportation, Communication and Information	1,039.81	1,086.24	896.88	478.51
Maintenance Services and Expense	65.00	70.00	233.63	99.37
Equipment	103.44	790.65	1,325.85	370.71
TOTAL EXPENDITURES	$ 74,704.17	$ 82,596.89	$ 90,033.94	$ 43,520.06
During—1933-1935	$ 74,158.17	.....	.....	.....
1935-1937	546.00	$ 82,506.39	.....	.....
1937-1939	.....	90.50	$ 89,647.44	.....
1939-1940	.....	.....	386.50	$ 43,520.06
BIENNIAL APPROPRIATIONS				
Salaries and Expenses	$ 74,740.00	$ 85,000.00	$ 94,000.00	$ 94,000.00
TOTAL AVAILABLE FUNDS	$ 74,740.00	$ 85,000.00	$ 94,000.00	$ 94,000.00
BALANCES—				
Lapsed	35.83	2,403.11	$ 3,966.06	.....
To Continue	.....	.....	.....	$ 50,479.94
EXPENDED FOR—				
COMPILATION OF VETERANS LAWS	.....	.....	.....	$ 457.96
During—1939-1940	.....	.....	.....	$ 457.96
BIENNIAL APPROPRIATIONS				
Compilation of Veterans Laws	.....	.....	.....	$ 1,000.00
BALANCES—				
To Continue	.....	.....	.....	$ 542.04

GENERAL FUND

LEGISLATIVE MISCELLANEOUS AND COMMISSIONS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Expenses of Delegates to American Legislator's Association	.....	$ 1,304.28	.....	.....
Support of American Legislator's Association	$ 700.00	700.00	$ 2,000.00	.....
Convention on Repeal of 18th Amendment	348.36	.....	.....	.....
Expenses of Electoral College	.....	639.48	.....	.....
Committee to Investigate Insurance Department	.....	2,000.00	.....	.....
House Committee to Investigate Penal Institutions	.....	350.00	.....	.....
House Committee to Investigate Liquor Stores	.....	20,000.00	.....	.....
Commission to Study Bituminous Mining	.....	.....	7,194.63	.....
Commission to Study Industrial Taxes	.....	.....	4,820.60	.....
Commission to Study Industrial Taxes—1938 Special Session	.....	.....	5,000.00	.....
Committee to Investigate Pittsburgh Board of Education	.....	.....	392.00	.....
Committee to Investigate Pennsylvania Working Home for Blind	.....	.....	3,000.00	.....
Committee to Investigate Fairmount Park Commission	.....	.....	7,000.00	.....
Commission on Inter-State Cooperation	.....	.....	984.83	$ 702.66
Commission on Delaware Basin	.....	.....	22,750.00	12,500.00
Joint State Government Committee	.....	.....	3,153.87	24,970.80
Committee on Flood Control—Pittsburgh	.....	.....	3,500.00	.....
Expenses in Election Contest of Albert McClaster	.....	.....	750.00	.....
Commission to Study Forest and Mineral Land Taxes	.....	.....	.....	.....
Local Government Commission	.....	10,000.00	5,000.00	4,000.00
Committee to Investigate Unemployment Relief	.....	9,991.29	.....	.....
Committee to Investigate Gilberton Mine Disaster	.....	1,000.00	.....	.....
Commission to Study and Coordinate Relief—1937 Session	.....	1,591.35	.....	.....
Commission to Investigate Court Procedure—1937 Session	.....	49,977.64	.....	.....
Commission to Investigate Court Procedure—1938 Special Session	.....	.....	450.00	.....
Commission to Investigate Governmental Costs in Philadelphia—1937 Session	.....	18,086.81	.....	.....
Commission to Investigate Gambling—1938 Special Session	.....	.....	24,877.04	.....
Committee to Investigate Charges against State Officials—1938 Special Session	.....	.....	49,996.61	.....
Committee to Investigate Charges against Philadelphia Magistrates—1938 Special Session	.....	.....	4,820.00	.....
Commission to Survey Aviation Facilities	.....	.....	.....	.....
Commission to Study Public School System	.....	9,940.87	.....	.....
Expenses in Cambria County Election Contest	.....	.....	†968.41	.....
Committee to Investigate Civil Service—Unemployment Compensation Division	.....	.....	.....	5,000.00
Inaugural Committee	.....	.....	.....	4,913.66
Interstate Commission on Crime	.....	.....	.....	1,500.00
Committee to Study Milk Control Regulations	.....	.....	.....	953.00
Commission to Study Economic Conditions of Colored People	.....	.....	.....	5,000.00
Support of Interstate Legislative Reference Bureau	.....	.....	.....	5,000.00
TOTAL EXPENDITURES	$ 1,048.36	$ 125,581.72	$ 146,657.99	$ 64,540.12
During—1933-1935	$ 960.86	.....	.....	.....
1935-1937	87.50	$ 72,152.60	.....	.....
1937-1939	.....	53,429.12	$ 143,980.24	$ 4,913.66
1939-1940	.....	.....	2,677.75	59,626.46

For footnote, see next page.

GENERAL FUND

LEGISLATIVE MISCELLANEOUS AND COMMISSIONS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Expenses of Delegates to American Legislator's Association	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00
Support of American Legislator's Association	700.00	700.00	2,000.00	.....
Convention on Repeal of 18th Amendment	1,000.00	.....	.....	.....
Expenses of Electoral College	.....	1,000.00	.....	.....
Committee to Investigate Insurance Department	.....	2,000.00	.....	.....
House Committee to Investigate Penal Institutions	.....	350.00	.....	.....
House Committee to Investigate Liquor Stores	.....	20,000.00	.....	.....
Commission to Study Bituminous Mining	.....	.....	7,500.00	.....
Commission to Study Industrial Taxes	.....	.....	5,000.00	.....
Commission to Study Industrial Taxes—1938 Special Session	.....	.....	10,000.00	.....
Committee to Investigate Pittsburgh Board of Education	.....	.....	392.00	.....
Committee to Investigate Pennsylvania Working Home for Blind	.....	.....	3,000.00	.....
Committee to Investigate Fairmount Park Commission	.....	.....	7,000.00	.....
Commission on Inter-State Cooperation	.....	.....	4,750.00	5,000.00
Commission on Delaware Basin	.....	.....	22,750.00	25,000.00
Joint State Government Committee	.....	.....	10,000.00	65,000.00
Committee on Flood Control—Pittsburgh	.....	.....	3,500.00	.....
Expenses in Election Contest of Albert McClaster	.....	.....	750.00	.....
Local Government Commission	.....	10,000.00	5,000.00	10,000.00
Committee to Investigate Unemployment Relief	.....	10,000.00	.....	.....
Committee to Investigate Gilberton Mine Disaster	.....	1,000.00	.....	.....
Commission to Study and Coordinate Relief—1937 Session	.....	5,000.00	.....	.....
Commission to Investigate Court Procedure—1937 Session	.....	50,000.00	.....	.....
Commission to Investigate Court Procedure—1938 Special Session	.....	.....	450.00	.....
Commission to Investigate Governmental Costs in Philadelphia—1937 Session	.....	25,000.00	.....	.....
Commission to Investigate Gambling—1938 Special Session	.....	.....	25,000.00	.....
Committee to Investigate Charges against State Officials—1938 Special Session	.....	.....	50,000.00	.....
Committee to Investigate Charges against Philadelphia Magistrates—1938 Special Session	.....	.....	5,000.00	.....
Commission to Survey Aviation Facilities	.....	.....	500.00	.....
Commission to Study Public School System	.....	10,000.00	.....	.....
Expenses in Cambria County Election Contest	.....	.....	†968.41	.....
Committee to Investigate Civil Service—Unemployment Compensation Division	.....	.....	.....	10,000.00
Inaugural Committee	.....	.....	.....	5,000.00
Interstate Commission on Crime	.....	.....	.....	3,000.00
Committee to Study Milk Control Regulations	.....	.....	.....	1,000.00
Commission to Study Economic Conditions of Colored People	.....	.....	.....	10,000.00
Support of Interstate Legislative Reference Bureau	.....	.....	.....	10,000.00
TOTAL AVAILABLE FUNDS	$ 4,200.00	$ 137,550.00	$ 166,060.41	$ 146,500.00
BALANCES—				
Lapsed	$ 3,151.64	$ 11,968.28	$ 18,974.09	.....
To Continue	.....	.....	428.33	$ 81,959.88

† Ordered by Court of Common Pleas of Cambria County by authority of Act of May 19, 1873, Section 9 as amended by Act of April 28, 1899, P. L. 118. Section 1.

GENERAL FUND

JUDICIAL DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
SUPREME COURT				
Salaries of Judges	$ 274,000.00	$ 270,383.01	$ 274,000.00	$ 136,999.92
Expenses of Judges	49,255.10	49,694.57	50,088.65	24,958.60
Salary of Deputy Prothonotary—Eastern District	8,600.00	8,600.00	8,600.00	4,299.96
Chief Clerk	6,000.00	6,000.00	6,000.00	3,000.00
Assistant Chief Clerk	3,900.00	3,900.00	3,900.00	1,950.00
Clerk in Office of Prothonotary	3,900.00	3,900.00	3,900.00	1,950.00
Record Clerk	6,000.00	6,000.00	6,000.00	3,000.00
Salaries and Expenses of Librarian and Assistant Librarian	16,099.94	17,296.50	17,298.99	6,663.80
Salary of Deputy Prothonotary and Clerk—Middle District	4,800.00	4,800.00	4,800.00	.....
Salary of Prothonotary—Middle District	.....	.....	.....	3,000.00
Attendant of Supreme Court—Middle District	1,200.00	1,200.00	1,150.00	.....
Salary of Secretary-Assistant—Middle District	.....	.....	.....	1,800.00
Salary, Clerk in Office of Prothonotary—Western District	6,600.00	6,600.00	5,930.83	3,300.00
Salary of Court Clerk in Office of Prothonotary—Western District	4,800.00	4,800.00	4,800.00	2,400.00
Salaries of Criers, Tipstaves, and Stenographers and Expenses	68,072.54	68,713.57	69,595.96	34,173.90
Stationery, Supplies and Necessary Expense—Eastern District	15,497.63	15,498.94	15,500.00	13,032.96
Stationery, Supplies and Necessary Expense—Western District	5,500.00	5,499.39	5,500.00	2,897.42
Fees of Prothonotary—Eastern, Middle and Western Districts	5,000.00	4,865.00	5,000.00	2,315.00
Contingent Expenses—Supreme and Superior Courts—Middle District	800.00	1,101.80	1,499.24	639.43
Portraits—Chief Justices	.....	.....	1,500.00	.....
Board of Governance	1,790.82	1,795.22	4,044.62	2,662.69
Procedural Rules Committee	.....	.....	20,000.00	13,000.00
Total Supreme Court	$ 481,816.03	$ 480,648.00	$ 509,108.29	$ 262,043.68
SUPERIOR COURT				
Salaries of Judges	$ 252,991.79	$ 253,000.00	$ 250,217.73	$ 126,499.92
Expenses of Judges	42,638.81	46,428.65	44,727.79	22,761.22
Salaries and Expenses of Criers and Tipstaves	55,992.36	54,576.50	56,000.00	33,720.35
Docket, Stationery and Supplies	9,999.32	9,999.87	10,000.00	5,609.53
Salaries and Expenses of Criers and Tipstaves—Deficiency	263.50	.....	.....	.....
Total Superior Court	$ 361,885.78	$ 364,005.02	$ 360,945.52	$ 188,591.02
COMMON PLEAS COURT				
Salaries of Judges	$ 2,836,000.00	$ 2,840,054.56	$ 3,016,785.23	$ 1,492,786.00
Expenses of Traveling Judges	130,000.00	100,000.00	99,037.85	49,089.79
Expenses of Traveling Judges—Deficiency	25,997.44	.....	.....	.....
Payment of Mileage of Divided Judicial Districts	2,667.40	2,979.75	2,802.64	1,613.25
Clerk Hire—Dauphin County	14,400.00	14,400.00	14,400.00	9,000.00
Salaries of Judges—Deficiency	1,920.29	2,032.02	.....	.....
Total Common Pleas Court	$ 3,010,985.13	$ 2,959,466.33	$ 3,133,025.72	$ 1,552,489.04
ORPHANS' COURT				
Salaries of Judges	$ 561,489.10	$ 561,704.90	$ 617,500.80	$ 308,999.28

GENERAL FUND

JUDICIAL DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
MUNICIPAL COURT OF PHILADELPHIA				
Salaries of Judges	$ 215,848.56	$ 221,000.00	$ 116,700.00	$ 108,401.90
Salaries of Judges—Deficiency	.....	.....	77,569.44	.....
Total Municipal Court of Philadelphia	$ 215,848.56	$ 221,000.00	$ 194,269.44	$ 108,401.90
COUNTY COURT OF ALLEGHENY COUNTY	$ 120,067.66	$ 121,000.00	$ 121,000.00	$ 60,499.80
JUVENILE COURT OF ALLEGHENY COUNTY				
Salary of Judge	$ 14,166.67	$ 20,000.00	$ 20,000.00	$ 9,999.96
EXPENDED FOR—				
MISCELLANEOUS				
Retired Judges' Salaries	$ 106,145.14	$ 114,367.16	$ 89,925.00	$ 43,499.80
Associate Judges' Salaries	42,591.19	38,461.82	39,714.72	14,590.32
Associate Judges' Mileage	3,006.72	2,866.50	4,069.65	1,799.70
Total Miscellaneous	$ 151,743.05	$ 155,695.48	$ 133,709.37	$ 59,889.82
STATE REPORTER				
Salary of Reporter	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 4,999.92
Salary of Assistant State Reporter	6,000.00	6,000.00	6,000.00	3,000.00
Salaries and General Expenses	7,996.84	7,991.83	11,951.63	6,045.29
Total State Reporter	$ 23,996.84	$ 23,991.83	$ 27,951.63	$ 14,045.21
TOTAL EXPENDITURES	$ 4,941,998.82	$ 4,907,511.61	$ 5,117,510.77	$ 2,564,959.71
During—1933-1935	$ 4,911,758.30	.....	.....	.....
1935-1937	30,240.52	$ 4,887,033.23	.....	.....
1937-1939	.....	20,478.38	$ 5,103,579.55	.....
1939-1940	.....	.....	13,931.22	$ 2,564,959.71
BIENNIAL APPROPRIATIONS—				
Supreme Court—				
Salaries of Judges	$ 274,000.00	$ 274,000.00	$ 274,000.00	$ 274,000.00
Expenses of Judges	56,000.00	56,000.00	56,000.00	56,000.00
Salary of Deputy Prothonotary—Eastern District	8,600.00	8,600.00	8,600.00	8,600.00
Chief Clerk	6,000.00	6,000.00	6,000.00	6,000.00
Assistant Chief Clerk	3,900.00	3,900.00	3,900.00	3,900.00
Clerk, as Assistant to Chief Clerk	3,900.00	3,900.00	3,900.00	3,900.00
Record Clerk	6,000.00	6,000.00	6,000.00	6,000.00
Salaries and Expenses of Librarian and Assistant Librarian	16,100.00	17,300.00	17,300.00	17,300.00
Attendant of Supreme Court Room—Middle District	4,800.00	4,800.00	4,800.00	.....
Salary of Prothonotary—Middle District	.....	.....	.....	6,000.00
Salary of Deputy Prothonotary—Middle District	1,200.00	1,200.00	1,200.00	.....
Salary of Secretary-Assistant—Middle District	.....	.....	.....	3,600.00
Salary, Clerk in Office of Prothonotary—Western District	6,600.00	6,600.00	6,600.00	6,600.00
Salary of Court Clerk in Office of Prothonotary—Western District	4,800.00	4,800.00	4,800.00	4,800.00
Salaries of Criers, Tipstaves, Stenographers and Expenses	70,796.00	69,596.00	69,596.00	69,596.00
Stationery, Supplies, and Necessary Expenses—Eastern District	15,500.00	15,500.00	15,500.00	20,000.00
Stationery, Supplies, and Necessary Expenses—Western District	5,500.00	5,500.00	5,500.00	5,500.00
Fees of Prothonotary—Eastern, Middle and Western Districts	5,000.00	5,000.00	5,000.00	5,000.00
Contingent Expenses, Supreme and Superior Courts Middle District	800.00	1,200.00	1,500.00	1,500.00

GENERAL FUND

JUDICIAL DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
BIENNIAL APPROPRIATIONS—				
Supreme Court—Continued				
Portraits of Chief Justices	.....	.....	1,500.00	.....
Board of Governance	5,000.00	5,000.00	5,000.00	10,000.00
Procedural Rules Committee	.....	.....	20,000.00	20,000.00
Total Supreme Court	$ 494,496.00	$ 494,896.00	$ 516,696.00	$ 528,296.00
Superior Court—				
Salaries of Judges	$ 253,000.00	$ 253,000.00	$ 253,000.00	$ 253,000.00
Expenses of Judges	49,000.00	49,000.00	49,000.00	49,000.00
Salaries and Expenses of Criers and Tipstaves	56,000.00	56,000.00	56,000.00	60,000.00
Salaries and Expenses of Criers and Tipstaves —Deficiency	300.00	.....	.....	.....
Docket Stationery and Supplies	10,000.00	10,000.00	10,000.00	12,000.00
Total Superior Court	$ 368,300.00	$ 368,000.00	$ 368,000.00	$ 374,000.00
Common Pleas Court—				
Salaries of Judges	$ 2,836,000.00	$ 2,842,000.00	$ 3,031,500.00	$ 3,028,000.00
Salaries of Judges—Deficiency	12,000.00	8,750.00	.....	.....
Expenses of Traveling Judges	130,000.00	100,000.00	100,000.00	100,000.00
Expenses of Traveling Judges—Deficiency	26,000.00	.....	.....	.....
Payment of Mileage in Divided Judicial District	5,000.00	5,000.00	5,000.00	5,000.00
Clerk Hire—Dauphin County	14,400.00	14,400.00	14,400.00	19,200.00
Total Common Pleas Court	$ 3,023,400.00	$ 2,970,150.00	$ 3,150,900.00	$ 3,152,200.00
APPROPRIATIONS				
Orphans' Court				
Salaries of Judges	$ 564,000.00	$ 564,000.00	$ 618,000.00	$ 618,000.00
Municipal Court of Philadelphia—				
Salaries of Judges	$ 221,000.00	$ 221,000.00	$ 116,700.00	$ 221,000.00
Salaries of Judges—Deficiency	.....	.....	79,000.00	.....
Total Municipal Court of Philadelphia	$ 221,000.00	$ 221,000.00	$ 195,700.00	$ 221,000.00
County Court of Allegheny County—				
Salaries of Judges	$ 121,000.00	$ 121,000.00	$ 121,000.00	$ 121,000.00
Juvenile Court of Allegheny County—				
Salary of Judge (Special Session—1933)	$ 15,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Miscellaneous—				
Retired Judges' Salaries	$ 160,000.00	$ 160,000.00	$ 160,000.00	$ 125,000.00
Associate Judges' Salaries	50,000.00	50,000.00	50,000.00	50,000.00
Associate Judges' Mileage	7,000.00	7,000.00	7,000.00	7,000.00
Total Miscellaneous	$ 217,000.00	$ 217,000.00	$ 217,000.00	$ 182,000.00
State Reporter—				
Salary of Reporter	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
Salary of Assistant Reporter	6,000.00	6,000.00	6,000.00	6,000.00
Salaries and Expenses	8,000.00	8,000.00	12,000.00	12,000.00
Total State Reporter	$ 24,000.00	$ 24,000.00	$ 28,000.00	$ 28,000.00
TOTAL AVAILABLE FUNDS	$ 5,048,196.00	$ 5,000,046.00	$ 5,235,296.00	$ 5,244,496.00
BALANCES—				
Lapsed	$ 106,197.18	$ 92,534.39	$ 117,785.23	.....
To Continue	.....	.....	.....	$ 2,679,536.29

MOTOR LICENSE FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
1925-1927 APPROPRIATIONS				
Issuing Road Bonds	$ 650.00	$ 975.00	.....	.....
1929-1931 APPROPRIATIONS				
Township Rewards ($6,000,000.00)	$ 19,432.91	.....	.....	.....
State Aid to Cities, Except First Class	15,107.95	.....	.....	.....
Elimination of Grade Crossings ($250,000.00)	18,000.00	.....	$ 14,700.00	.....
Total	$ 52,540.86	.....	$ 14,700.00	.....
1931-1933 APPROPRIATIONS				
Establishment and Maintenance of Airports ($200,000.00)	$ 30,777.99	$ 1,911.24	.....	.....
State Bridge Commission—Deficiency ($15,000.00)	15,000.00	.....	.....	.....
1931-1933 ALLOCATIONS				
Collecting Motor License Fees and Fines ($7,052,016.38)	189,598.56	.....	.....	.....
Total	$ 235,376.55	$ 1,911.24	.....	.....
1933-1935 APPROPRIATIONS				
Cities of the First Class ($1,000,000.00)	$ 750,000.00	$ 250,000.00	.....	.....
Townships of the Second Class ($11,352,000.00)	4,283,863.33	7,068,136.67	.....	.....
Commissary Supplies ($500.48)	500.48	.....	.....	.....
Interest and Sinking Fund Requirements	13,210,219.55	.....	.....	.....
Loan and Transfer Agent ($30,000.00)	30,000.00	.....	.....	.....
Insurance Payment—Carrier Insolvent ($1,000.00)	971.50	.....	.....	.....
Aircraft Landing Fields ($50,000.00)	5,543.76	285.00	.....	.....
Highway Purchasing ($60,000.00)	50,639.03	1,449.12	.....	.....
Annuity Reserve Account No. 2 ($267,750.00)	267,750.00	.....	.....	.....
Contingent Reserve Account ($165,750.00)	165,750.00	.....	.....	.....
Transfer to General Fund (Special Session—1934)	6,296,850.30	.....	.....	.....
1933-1935 ALLOCATIONS				
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses	$ 100,569,635.79	.....	.....	.....
Refunding Motor License Fees and Fines ($60,000.00)	52,911.56	.....	.....	.....
Refunding Monies Collected Through the Department of Highways ($30,000.00)	3,471.67	.....	.....	.....
Refunding Liquid Fuels Tax—State ($85,000.00)	78,981.97	.....	.....	.....
Bureau of Motor Vehicles, Liquid Fuels Tax, and Operation of State Highway Patrol ($6,719,000.00)	6,139,401.45	$ 146,094.78	.....	.....
Total	$ 131,906,490.39	$ 7,465,965.57	.....	.....
1935-1937 APPROPRIATIONS				
Cities of the First Class ($1,000,000.00)	.....	$ 750,000.00	$ 250,000.00	.....
Townships of the Second Class ($9,000,000.00)	.....	2,804,382.55	6,194,251.29	$ *241.67
Insurance Payment—Carrier Insolvent ($1,500.00)	.....	1,240.95	.....	.....
Fire Damages ($1,908.75)	.....	1,908.75	.....	.....
Interest and Sinking Fund Requirements ($12,722,719.55)	.....	12,722,719.55	.....	.....
Loans and Transfer Agent ($30,000.00)	.....	30,000.00	.....	.....
Expenses—Refunding Series "D" Bonds ($25,000.00)	.....	106.36	.....	.....
Highway Purchasing ($60,000.00)	.....	52,630.52	443.57	.....
Annuity Reserve Account No. 2 ($197,600.00)	.....	197,600.00	.....	.....
Contingent Reserve Account ($108,680.00)	.....	108,680.00	.....	.....
Replacement Checks ($3,000.00)	.....	.....	.....	1,132.01
Transfers to General Fund (To be repaid by May 31, 1937)	.....	18,116,211.00	.....	.....

* Indicates deduction.

MOTOR LICENSE FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
1935-1937 ALLOCATIONS				
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses		$ 83,658,138.75		
Refunding Motor License Fees and Fines ($50,000.00)		64,869.12		
Refunding Monies Collected Through the Department of Highways ($25,000.00)		2,140.86		
Refunding Liquid Fuels Tax—State ($65,000.00)		37,556.03		
Bureau of Motor Vehicles, Liquid Fuels Tax, and Operation of State Highway Patrol ($7,600,414.00)		7,708,999.38	-$ 202,423.16	
Purchasing and Conditioning Airfields ($200,000.00)		194,376.18	10,229.90	
Special Safety Campaign ($200,000.00)		157,436.65	31,098 93	
Total		$ 126,608,996.65	$ 6,688,446.85	$ 890.34
EXPENDED FOR—				
1937-1939 APPROPRIATIONS				
Townships of the Second Class ($8,550,000.00)			$ 4,770,337.55	$ 3,779,662.45
State Publicity Commission ($500,000.00)			499,033.17	854.24
Interest and Sinking Fund Requirements ($12,392,892.88)			9,311,734.03	3,081,158.85
Loan and Transfer Agent ($30,000.00)			26,250.00	3,750.00
Annuity Reserve Account No. 2 ($322,800.00)			322,800.00	
Contingent Reserve Account ($161,400.00)			161,400.00	
Motor Police—Retirement ($50,000.00)			50,000.00	
Highway Purchasing Expenses ($63,500.00)			59,596.30	402.55
State World's Fair Commission ($312,500.00)			143,509.15	158,768.72
1937-1939 ALLOCATIONS				
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses			$ 132,302,078.49	$ 10,373,510.05
Refunding Motor License Fees and Fines			77,174.70	
Refunding Monies Collected by the Department of Highways			2,070.67	
Refunding Liquid Fuels Tax—State			10,441.64	
Bureau of Motor Vehicles and Liquid Fuels Tax Division			5,751,567.27	79,858.59
Purchasing and Conditioning Airfields			873,765.10	28,381.19
Special Safety Campaign			363,183.99	7,107.12
Accident Prevention Campaign			135,284.99	1,560.84
Division of Aeronautics			360,382.54	5,367.11
Pennsylvania Motor Police ($8,070,000.00)			7,150,000.00	
Loans to General Fund (Transfer)			17,500,000.00	
Total			$ 179,870,609.59	$ 17,520,381.71
1939-1941 ALLOCATIONS				
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses				$ 36,822,341.84
Refunding Motor License Fees and Fines				29,277.37
Refunding Monies Collected by the Department of Highways				1,777.23
Refunding Liquid Fuels Tax—State				1,945.72
Bureau of Motor Vehicles and Liquid Fuels Tax Division				2,148,287.61
Purchasing and Conditioning Airfields				50,900.36
Division of Aeronautics				76,820.02
Pennsylvania Motor Police ($8,070,000.00)				4,000,000.00

MOTOR LICENSE FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED (Concluded)

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
1939-1941 APPROPRIATIONS				
Townships of the Second Class ($8,500,000.00)				$ 2,125,000.00
Judgments—Liability Insurance ($7,000.00)				7,000.00
Interest and Sinking Fund Requirements ($11,570,914.55)				5,854,898.11
Loan and Transfer Agent ($30,000.00)				15,000.00
Highway Purchasing Expenses ($63,500.00)				26,751.47
Annuity Reserve Account No. 2 ($204,400.00)				102,200.00
Contingent Reserve Account ($270,700.00)				135,350.00
Motor Police—Retirement ($100,000.00)				50,000.00
Department of Commerce ($400,000.00)				
Total				$ 51,447,549.73
TOTAL EXPENDITURES	$ 132,195,057.80	$ 134,077,848.46	$ 186,573,756.44	$ 68,968,821.78
AVAILABLE FUNDS—				
Balance from Prior Period	$ 16,013,823.97	$ 6,957,711.51	$ 19,829,079.94	$ 8,212,842.90
Receipts to Motor License Fund	123,099,811.34	141,809,216.89	155,741,308.40	81,204,033.25
Transfer from General Fund	39,134.00	5,140,000.00	19,216,211.00	17,500,000.00
TOTAL AVAILABLE FUNDS	$ 139,152,769.31	$ 153,906,928.40	$ 194,786,599.34	$ 106,916,876.15
BALANCE—				
Balances Transferred	$ 6,957,711.51	$ 19,829,079.94	$ 8,212,842.90	$ 37,948,054.37

MOTOR LICENSE FUND
DEPARTMENT OF HIGHWAYS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
CONTINUING APPROPRIATIONS—				
MAINTENANCE, REPAIRS AND CONSTRUCTION OF ROADS—SALARIES AND GENERAL EXPENSES				
Salaries	$ 7,652,759.99	$ 8,515,090.39	$ 10,315,711.04	$ 4,185,513.96
Wages	33,581,933.84	31,292,161.95	44,082,871.66	13,996,439.72
Fees	238,646.65	387,968.64	447,353.67	133,950.68
Materials, Supplies and Printing	26,760,838.58	15,095,729.77	23,724,228.39	7,547,939.95
Transportation, Communication and Information	2,850,334.79	3,010,961.57	3,715,084.88	1,363,257.55
Maintenance Services and Expense	10,826,231.87	7,183,607.25	12,299,797.78	3,676,232.87
Construction, Equipment and Land	18,416,915.66	17,697,479.94	46,708,852.61	4,852,350.73
Subsidies, Indemnities and Other Items	241,974.41	475,139.24	1,381,688.51	1,066,656.38
Total Continuing Appropriations—Expenditures	$ 100,569,635.79	$ 83,658,138.75	$ 142,675,588.54	$ 36,822,341.84
APPROPRIATIONS IN SPECIFIC AMOUNTS—				
CITIES OF THE FIRST CLASS	$ 1,000,000.00	$ 1,000,000.00	.....	.....
JUDGMENTS—LIABILITY INSURANCE	.....	.....	.....	$ 7,000.00
TOWNSHIPS OF THE SECOND CLASS	11,352,000.00	8,998,392.17	$ 8,550,000.00	2,125,000.00
STATE PUBLICITY COMMISSION	.....	.....	499,887.41	#
CLAIMS—INSURANCE CARRIER INSOLVENT	.....	1,240.95	.....	.....
FIRE DAMAGES	.....	1,908.75	.....	.....
COMMISSARY SUPPLIES	500.48	.....	.....	.....
Total Appropriations in Specific Amounts—Expenditures	$ 12,352,500.48	$ 10,001,541.87	$ 9,049,887.41	$ 2,132,000.00
TOTAL EXPENDITURES	$ 112,922,136.27	$ 93,659,400.99	$ 151,725,475.95	$ 38,954,341.84
During—1933-1935	$ 105,603,999.60	.....	.....	.....
1935-1937	7,318,136.67	$ 87,215,671.00	.....	.....
1937-1939	.....	6,444,251.29	$ 137,571,449.21	.....
1939-1940	.....	*241.67	14,154,026.74	$ 38,954,341.84
BIENNIAL FUNDS—				
Continuing Appropriations—				
Allocation by Governor	$ 109,859,726.00	$ 110,100,000.00	$ 165,940,000.00	$140,000,000.00
Appropriations in Specific Amounts—				
Judgments-Liability Insurance	.....	.....	.....	$ 7,000.00
Cities of the First Class	$ 1,000,000.00	$ 1,000,000.00	.....	.....
Townships of the Second Class	11,352,000.00	9,000,000.00	$ 8,550,000.00	8,500,000.00
State Publicity Commission	.....	.....	500,000.00	#
Claims—Insurance Carrier Insolvent	.....	1,500.00	.....	.....
Fire Damages	.....	1,908.75	.....	.....
Commissary Supplies	500.48	.....	.....	.....
Total Appropriations in Specific Amounts—Available Funds	$ 12,352,500.48	$ 10,003,408.75	$ 9,050,000.00	$ 8,507,000.00
TOTAL AVAILABLE FUNDS	$ 122,212,226.48	$ 120,103,408.75	$ 174,990,000.00	$ 148,507,000.00
BALANCES—				
State Appropriation Lapsed	$ 9,290,090.21	$ 26,442,120.30	$ 22,638,034.10	.....
State Appropriation to Continue	.....	1,607.83	626,489.95	$ 109,552,658.16

* Indicates Deduction.
\# Incorporated in Department of Commerce this period.

MOTOR LICENSE FUND
TREASURY DEPARTMENT

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
INTEREST AND REDEMPTION OF ROAD BONDS	$ 13,210,219.55	$ 12,722,719.55	$ 12,392,892.88	$ 5,854,898.11
LOAN AND TRANSFER AGENT	30,000.00	30,000.00	30,000.00	15,000.00
INSURANCE PAYMENT—CARRIER INSOLVENT	971.50			
REFUNDING MOTOR LICENSE FEES AND FINES	52,911.56	64,869.12	77,174.70	29,277.37
REFUNDING MONIES COLLECTED THROUGH THE DEPARTMENT OF HIGHWAYS	3,471.67	2,140.86	2,070.67	1,777.23
REFUNDING LIQUID FUELS TAX—STATE SHARE	78,981.97	37,556.03	10,441.64	1,945.72
REPLACEMENT CHECKS		1,132.01		
EXPENSES—REFUNDING SERIES "D" BONDS		106.36		
STATE EMPLOYES' RETIREMENT BOARD#				
State Annuity Reserve Account No. 2			322,800.00	
Contingent Reserve Account			161,400.00	
Pennsylvania Motor Police—Retirement			50,000.00	
TOTAL EXPENDITURES	$ 13,376,556.25	$ 12,858,523.93	$ 13,046,779.89	$ 5,902,898.43
During—1933-1935	$ 13,376,556.25			
1935-1937		$ 12,857,391.92		
1937-1939			$ 9,961,871.04	
1939-1940		1,132.01	3,084,908.85	$ 5,902,898.43
BIENNIAL APPROPRIATIONS—				
Interest and Redemption of Road Bonds	$ 13,210,219.55	$ 12,722,719.55	$ 12,392,892.88	$ 11,570,914.55
Loan and Transfer Agent	30,000.00	30,000.00	30,000.00	30,000.00
Refunding Motor License Fees and Fines (Allocation by Governor)	60,000.00	70,000.00	80,000.00	75,000.00
Refunding Monies Collected through the Department of Highways (Allocation by Governor)	30,000.00	25,000.00	5,000.00	5,000.00
Refunding Liquid Fuels Tax—State Share (Allocation by Governor)	85,000.00	65,000.00	65,000.00	65,000.00
Insurance Payment—Carrier Insolvent	1,000.00			
Replacement Checks		3,000.00		
Expenses—Refunding Series "D" Bonds		25,000.00		
State Annuity Reserve Account No. 2			322,800.00	
Contingent Reserve Account			161,400.00	
Pennsylvania Motor Police—Retirement			50,000.00	
TOTAL AVAILABLE FUNDS	$ 13,416,219.55	$ 12,940,719.55	$ 13,107,092.88	$ 11,745,914.55
BALANCES—				
Lapsed	$ 39,663.30	$ 80,327.63	$ 60,312.99	
To continue		1,867.99		$ 5,843,016.12

Appropriated to Treasury Department only in 1937-1939. See Department of State other periods.

MOTOR LICENSE FUND

DEPARTMENT OF REVENUE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
COLLECTING MOTOR LICENSE FEES, LIQUID FUELS TAX, AND OPERATION OF THE BUREAU OF SAFETY				
Salaries	$ 3,337,429.28	$ 3,442,428.68	$ 2,352,938.29	$ 949,575.37
Wages	250,554.89	834,506.56	1,238,411.78	460,157.69
Fees	28,463.46	42,762.08	20,970.84	8,149.25
Materials, Supplies and Printing	902,373.15	1,227,815.68	1,092,905.34	287,341.13
Transportation, Communication and Information	1,439,792.03	1,781,617.95	919,934.59	416,429.34
Maintenance Services and Expense	213,185.63	313,737.88	114,496.18	105,284.63
Construction, Equipment and Land	113,697.79	268,553.71	91,768.84	17,889.74
Total	$ #6,285,496.23	$ #7,911,422.54	$ 5,831,425.86	$ 2,244,827.15
PURCHASING AND CONDITIONING AIRFIELDS	.....	$ 204,606.08	$ 902,146.29	$ 52,884.61
SPECIAL SAFETY CAMPAIGN				
Salaries	.....	$ 1,059.68	$ 16,871.53	.....
Wages	.....	.....	1,551.36	.....
Materials, Supplies and Printing	.....	29,366.84	32,179.39	.....
Transportation, Communication and Information	.....	18,638.58	92,456.54	.....
Maintenance Services and Expense	.....	115,460.48	225,865.13	.....
Construction, Equipment and Land	.....	24,010.00	1,367.16	.....
Total	.....	$ 188,535.58	$ 370,291.11	.....
DIVISION OF AERONAUTICS				
Salaries	.....	.....	$ 57,323.42	$ 16,219.44
Wages	.....	.....	94,732.42	21,693.23
Fees	.....	.....	1,382.56	228.98
Materials, Supplies and Printing	.....	.....	21,627.92	4,612.36
Transportation, Communication and Information	.....	.....	88,536.19	17,095.48
Maintenance Services and Expense	.....	.....	60,809.89	19,338.63
Construction, Equipment and Land	.....	.....	41,337.25	211.84
Total	.....	.....	$ 365,749.65	$ 79,399.96
ACCIDENT PREVENTION CAMPAIGN				
Salaries	.....	.....	$ 86,515.72	.....
Wages	.....	.....	26,152.33	.....
Fees	.....	.....	1,887.03	.....
Materials, Supplies and Printing	.....	.....	1,117.77	.....
Transportation, Communication and Information	.....	.....	12,573.43	.....
Maintenance Services and Expense	.....	.....	3,138.18	.....
Construction, Equipment and Land	.....	.....	5,461.37	.....
Total	.....	.....	$ 136,845.83	.....
TOTAL EXPENDITURES	$ 6,285,496.23	$ 8,304,564.20	$ 7,606,458.74	$ 2,377,111.72
During—1933-1935	$ 6,139,401.45	.....	.....	.....
1935-1937	146,094.78	$ 8,060,812.21	.....	.....
1937-1939	.....	243,751.99	$ 7,484,183.89	.....
1939-1940	.....	.....	122,274.85	$ 2,276,007.99
Unpaid May 31, 1940	.....	.....	.....	101,103.73
BIENNIAL APPROPRIATIONS—				
Allocation by the Governor for 1933-1935	$ 6,139,401.45	.....	.....	.....
Allocation by the Governor for 1935-1937	150,000.00	$ 8,363,414.00	.....	.....
Allocation by the Governor for 1937-1939	.....	.....	$ 7,904,500.00	.....
Allocation by the Governor for 1939-1941	.....	.....	.....	$ 5,304,000.00
TOTAL AVAILABLE FUNDS	$ 6,289,401.45	$ 8,363,414.00	$ 7,904,500.00	$ 5,304,000.00
BALANCES—				
Lapsed	$ 3,905.22	$ 58,849.80	$ 261,422.45	.....
To Continue	.....	.....	36,618.81	$ 2,926,888.28

Includes operation of Highway Patrol and Division of Aeronautics these periods. Transferred to Pennsylvania Motor Police in 1937.

MOTOR LICENSE FUND
DEPARTMENT OF PROPERTY AND SUPPLIES

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
ESTABLISHMENT AND MAINTENANCE OF AIRPORTS	$ 5,828.76	.....	.....	.....
HIGHWAY PURCHASING				
Salaries	$ 45,104.26	$ 45,394.92	$ 50,615.65	$ 24,932.22
Wages	2,595.80	2,298.85	546.13	43.90
Materials, Supplies and Printing	3,889.69	4,239.75	6,684.01	1,427.77
Transportation, Communication and Information	498.40	513.48	402.94	203.06
Maintenance Services and Expense	.....	43.89	721.71	174.40
Construction, Equipment and Land	.....	583.20	1,028.41	20.27
Total	$ 52,083.15	$ 53,074.09	$ 59,998.85	$ 26,801.62
TOTAL EXPENDITURES	$ 57,916.91	$ 53,074.09	$ 59,998.85	$ 26,801.62
During—1933-1935	$ 56,182.79	.....	.....	.....
1935-1937	1,734.12	$ 52,630.52	.....	.....
1937-1939	.....	443.57	$ 59,596.30	.....
1939-1940	.....	.....	402.55	$ 26,751.47
Unpaid May 31, 1940	.....	.....	.....	50.15
APPROPRIATIONS—				
Establishment and Maintenance of Airports	$ 50,000.00	.....	.....	.....
Highway Purchasing	60,000.00	$ 60,000.00	$ 63,500.00	$ 63,500.00
TOTAL AVAILABLE FUNDS	$ 110,000.00	$ 60,000.00	$ 63,500.00	$ 63,500.00
BALANCES—				
Lapsed	$ 52,083.09	$ 6,925.91	$ 3,501.15	.....
To Continue	.....	.....	.....	$ 36,698.38

MOTOR LICENSE FUND
ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
WORLD'S FAIR COMMISSION	.....	.....	$ 302,277.87	.....
TOTAL EXPENDITURES	.....	.....	$ 302,277.87	.....
During—1937-1939	.....	.....	$ 143,509.15	.....
1939-1940	.....	.....	158,768.72	.....
APPROPRIATIONS—				
Commission to Study Highways	$ 10,000.00	.....	.....	.....
Commission to Acquire Bridge at Lackawaxen	.....	.....	$ 15,000.00	.....
Delaware River Joint Commission—Dingman's Ferry	.....	.....	50,000.00	.....
World's Fair Commission	.....	.....	#312,500.00	.....
TOTAL AVAILABLE FUNDS	$ 10,000.00	.....	$ 377,500.00	.....
BALANCES—				
Lapsed	$ 10,000.00	.....	.....	.....
To Continue	.....	.....	$ 75,222.13	.....

See also Administrative Miscellaneous and Commissions under General Fund.

MOTOR LICENSE FUND

DEPARTMENT OF STATE

	APPLICABLE TO			
	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
STATE ANNUITY RESERVE ACCOUNT NO. 2	$ 267,750.00	$ 197,600.00	#	$ 102,200.00
CONTINGENT RESERVE ACCOUNT	165,750.00	108,680.00	#	135,350.00
PENNSYLVANIA MOTOR POLICE—RETIREMENT	.....	.....	#	50,000.00
TOTAL EXPENDITURES	$ 433,500.00	$ 306,280.00	#	$ 287,550.00
During—1933-1935	$ 433,500.00	.....	.....	.....
1935-1937	.....	$ 306,280.00	.....	.....
1937-1939	.....	.....	.....	.....
1939-1940	.....	.....	.....	$ 287,550.00
BIENNIAL APPROPRIATIONS—				
State Annuity Account No. 2	$ 267,750.00	$ 197,600.00	#	$ 204,400.00
Contingent Reserve Account	165,750.00	108,650.00	#	270,700.00
Pennsylvania Motor Police—Retirement	.....	.....	#	100,000.00
TOTAL AVAILABLE FUNDS	$ 433,500.00	$ 306,280.00	#	$ 575,100.00
BALANCES—				
To Continue	.....	.....	.....	$ 287,550.00

Appropriated to Treasury Department—Motor License Fund—in 1937-1939. See that Department.

STATE FARM PRODUCTS SHOW FUND[1]

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
DEPARTMENT OF AGRICULTURE				
Salaries	$ 9,267.01	$ 10,578.76	$ 23,858.78	$ 14,012.68
Wages	35,853.68	41,140.41	44,345.15	22,368.62
Fees	1,900.00	2,475.00	3,158.50	2,487.75
Materials, Supplies and Printing	17,240.44	22,355.50	19,845.33	18,724.67
Transportation, Communication and Information	9,767.01	9,481.82	10,442.02	6,885.09
Maintenance Services and Expense	17,595.58	24,286.05	24,533.12	14,946.41
Construction, Equipment and Land	14,436.06	2,865.12	4,613.61	3,783.03
Subsidies, Indemnities and Other Items	17,993.99	18,866.16	10,865.75	8,427.00
Refunds and Repayments of Receipts	398.40	428.32	1,440.35	863.06
TOTAL EXPENDITURES	$ 124,452.17	$ 132,477.14	$ 143,102.61	$ 92,498.31
Applicable to—1931-1933	$ 747.76	.....	.....	.....
1933-1935	123,704.41	$ 450.53	.....	.....
1935-1937	.....	132,026.61	$ 1,488.48	.....
1937-1939	.....	.....	141,614.13	$ 11,031.65
1939-1940	.....	.....	.....	81,466.66
AVAILABLE FUNDS—				
Balance from Prior Period	$ 29,047.02	$ 13,624.60	$ 10,556.90	$ 32,743.50
Receipts to State Farm Products Show Fund	109,029.75	129,409.44	165,289.21	92,123.55
TOTAL AVAILABLE FUNDS	$ 138,076.77	$ 143,034.04	$ 175,846.11	$ 124,867.05
BALANCES—				
Balances Transferred	$ 13,624.60	$ 10,556.90	$ 32,743.50	$ 32,368.74

[1] See also General Fund Appropriation.

BANKING DEPARTMENT FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
DEPARTMENT OF BANKING				
Salaries	$ 1,097,677.47	$ 1,102,319.68	$ 1,140,692.59	$ 489,186.97
Wages	224.00	14,783.52	2,956.67	.....
Fees	18,331.60	2,882.42	285.73	157.30
Materials, Supplies and Printing	16,882.94	19,011.85	18,698.48	5,327.85
Transportation, Communication and Information	172,640.38	184,637.89	178,897.49	80,734.93
Maintenance Services and Expense	31,136.43	34,492.60	33,759.37	14,477.18
Construction, Equipment and Land	6,304.72	8,310.93	10,361.70	2,395.78
Refunds and Repayments of Receipts	.....	85.80	.....	.....
Reserve	.....	.....	.....	.....
Total	$ 1,343,197.54	$ 1,366,524.69	$ 1,385,652.03	$ 592,280.01
DEPARTMENT OF STATE (STATE RETIREMENT)				
Subsidies, Indemnities and Other Items	$ 45,050.00	$ 34,100.00	$ #40,950.00	$ 14,025.00
TOTAL EXPENDITURES	$ 1,388,247.54	$ 1,400,624.69	$ 1,426,602.03	$ 606,305.01
Applicable to—1931-1933	$ 11,147.13	.....	.....	.....
1933-1935	1,377,100.41	$ 10,927.15	.....	.....
1935-1937	.....	1,389,697.54	$ 10,997.30	.....
1937-1939	.....	.....	1,415,604.73	$ 8,792.86
1939-1940	.....	.....	.....	597,512.15
AVAILABLE FUNDS—				
Balance from Prior Periods	$ 14,946.77	$ 40,900.90	$ 39,820.27	$ 137,982.71
Receipts to Banking Department Fund	1,414,201.67	1,399,544.06	1,524,764.47	713,541.61
TOTAL AVAILABLE FUNDS	$ 1,429,148.44	$ 1,440,444.96	$ 1,564,584.74	$ 851,524.32
BALANCES—				
Balance Transferred	$ 40,900.90	$ 39,820.27	$ 137,982.71	$ 245,219.31

Expended by Treasury Department this period.

FISH FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	$ 237,102.34	$ 217,286.46	$ 208,864.84	$ 104,785.09
Wages	223,074.24	248,564.55	278,929.98	163,004.92
Fees	733.39	2,644.24	1,563.50	3,094.90
Materials, Supplies and Printing	165,593.51	192,028.44	249,328.87	196,640.28
Transportation, Communication and Information	146,135.19	161,873.61	167,126.37	87,196.64
Maintenance Services and Expense	45,441.99	35,518.98	32,865.88	23,222.79
Construction, Equipment and Land	23,577.65	17,546.23	30,288.80	47,141.18
Subsidies, Indemnities and Other Items	11,220.00	8,990.00	7,650.00	2,535.00
Refunds and Repayments of Receipts	20.00	.....	60.00	.....
Advance Requisitions	.....	750.00	*750.00	.....
TOTAL EXPENDITURES, BY CLASSIFICATION	$ 852,898.31	$ 885,202.51	$ 975,928.24	$ 627,620.80
Board of Fish Commissioners	$ 819,360.88	$ 857,587.93	$ 934,788.49	$ 607,830.10
Department of Revenue	22,317.43	18,624.58	33,489.75	17,255.70
State Retirement Board	11,220.00	8,990.00	7,650.00	2,535.00
TOTAL EXPENDITURES, BY DEPARTMENTS	$ 852,898.31	$ 885,202.51	$ 975,928.24	$ 627,620.80
Applicable to—1931-1933	$ 28,112.99	.....	.....	.....
1933-1935	824,785.32	$ 25,307.42	.....	.....
1935-1937	.....	859,895.09	$ 27,866.50	.....
1937-1939	.....	.....	948,061.74	$ 50,975.92
1939-1940	.....	.....	.....	576,644.88
AVAILABLE FUNDS—				
Balance from Prior Period	$ 410,908.37	$ 407,407.77	$ 461,072.72	$ 882,591.50
Receipts to Fish Fund	849,397.71	938,867.46	1,397,447.02	619,957.48
TOTAL AVAILABLE FUNDS	$ 1,260,306.08	$ 1,346,275.23	$ 1,858,519.74	$ 1,502,548.98
BALANCES—				
Balances Transferred	$ 407,407.77	$ 461,072.72	$ 882,591.50	$ 874,928.18

* Indicates Deduction.

GAME FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	$ 616,427.75	$ 672,712.94	$ 784,649.36	$ 408,566.74
Wages	225,461.91	263,094.33	351,045.34	198,202.15
Fees	10,206.79	9,641.38	8,636.31	2,049.91
Materials, Supplies and Printing	282,179.83	378,349.14	651,040.26	323,396.32
Transportation, Communication and Information	338,641.45	378,857.78	441,654.30	226,280.06
Maintenance Services and Expense	32,892.69	38,723.22	68,557.63	42,194.38
Construction, Equipment and Land	402,663.50	363,675.67	342,437.98	180,713.88
Subsidies, Indemnities and Other Items	324,402.67	326,288.63	227,433.82	101,460.90
Refunds and Repayments of Receipts	4,857.50	6,490.00	108,860.56	922.25
Advance Requisitions	.....	6,697.00	* 35.16	42,788.50
TOTAL EXPENDITURES, BY CLASSIFICATION	$ 2,237,734.09	$ 2,444,530.09	$ 2,984,280.40	$ 1,526,575.09
Board of Game Commissioners	$ 2,176,015.48	$ 2,379,604.20	$ 2,899,328.84	$ 1,479,582.80
Department of Revenue	36,898.61	44,620.89	59,451.56	37,442.29
State Retirement Board	24,820.00	20,305.00	25,500.00	9,550.00
TOTAL EXPENDITURES, BY DEPARTMENTS	$ 2,237,734.09	$ 2,444,530.09	$ 2,984,280.40	$ 1,526,575.09
Applicable to—1931-1933	$ 271,242.05	$ 35,581.13	.....	.....
1933-1935	1,966,492.04	178,959.75	.....	.....
1935-1937	.....	2,229,989.21	$ 212,167.18	.....
1937-1939	.....	.....	2,772,113.22	$ 244,567.76
1939-1940	.....	.....	.....	1,282,007.33
AVAILABLE FUNDS—				
Balance from Prior Period	$ 834,580.66	$ 967,407.35	$ 1,108,655.01	$ 1,088,829.41
Receipts to Game Fund	2,370,560.78	2,585,777.75	2,964,454.80	1,530,085.34
TOTAL AVAILABLE FUNDS	$ 3,205,141.44	$ 3,553,185.10	$ 4,073,109.81	$ 2,618,914.75
BALANCES—				
Balance Transferred	$ 967,407.35	$ 1,108,655.01	$ 1,088,829.41	$ 1,092,339.66

* Indicates Deduction.

BUREAU OF EMPLOYMENT FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

DEPARTMENT OF LABOR AND INDUSTRY

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	$ 105,060.75	$ 126,821.61	$ 8,895.40	.....
Wages	918.50	20,948.25	3,720.04	.....
Materials, Supplies and Printing	6,000.12	7,677.00	1,125.19	.....
Transportation, Communication and Information	7,440.01	10,749.42	2,498.01	.....
Maintenance Services and Expense	15,027.07	33,696.60	5,035.67	.....
Construction, Equipment and Land	11,094.20	19,629.52	5,223.64	.....
Subsidies, Indemnities and Other Items	17,671.83	65,190.77	2,377.63	.....
Refunds and Repayments of Receipts	.....	.....	118.35	.....
Transferred to General Fund	.....	.....	609.35	.....
TOTAL EXPENDITURES	$ 163,212.48	$ 284,713.17	$ 29,603.28	.....
AVAILABLE FUNDS—				
Balance from Prior Period	.....	$ 25,458.36	$ 29,535.76	.....
Contributions from Federal Government	$ 188,338.50	288,578.00	.....	.....
Interest on Deposits	332.34	212.57	67.52	.....
TOTAL AVAILABLE FUNDS	$ 188,670.84	$ 314,248.93	$ 29,603.28	.....
BALANCES—				
Balance Transferred	$ 25,458.36	$ 29,535.76	.....	.....

MILK CONTROL FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

MILK CONTROL COMMISSION

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	$ 43,658.23	$ 115,332.64	$ 144,551.36	$ 25,250.80
Wages	174.40	14,529.73	.....	1,467.42
Fees	440.92	1,312.65	740.84	343.90
Materials, Supplies and Printing	727.50	3,497.00	5,745.17	242.24
Transportation, Communication and Information	9,559.63	52,935.02	55,597.73	14,906.80
Maintenance Services and Expense	2,918.75	6,724.26	7,225.84	2,229.05
Construction, Equipment and Land	338.00	5,829.53	3,652.27	184.45
Subsidies, Indemnities and Other Items	.....	476.50	21,891.69	12,114.07
Refunds and Repayments of Receipts	.....	13,823.33	1,746.81	219.50
TOTAL EXPENDITURES	$ 57,817.43	$ 214,460.66	$ 241,151.71	$ 56,958.23
Applicable to—1933-1935	$ 57,817.43	$ 2,774.49	.....	.....
1935-1937	.....	211,686.17	$ 946.31	.....
1937-1939	.....	.....	240,205.40	6,374.72
1939-1940	.....	.....	.....	50,583.51
AVAILABLE FUNDS—				
Balance from Prior Period	.....	$ 7,875.32	$ 8,814.41	$ 102,287.95
Licenses, Fees and Fines	$ 65,326.79	199,601.47	307,989.95	109,050.78
Interest on Deposits	365.96	827.06	147.77	.....
Miscellaneous Revenue	.....	14,971.22	26,487.53	16,562.62
TOTAL AVAILABLE FUNDS	$ 65,692.75	$ 223,275.07	$ 343,439.66	$ 227,901.35
BALANCES—				
Balance Transferred	$ 7,875.32	$ 8,814.41	$ 102,287.95	$ 170,943.12

STATE FORESTS AND WATERS FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

DEPARTMENT OF FORESTS AND WATERS

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	.....	$ 6,733.33	$ 43,097.48	$ 13,349.67
Wages	.....	32,000.65	103,629.78	36,803.15
Fees	.....	38.50	139.00	1,029.75
Materials, Supplies and Printing	.....	44,295.29	81,813.66	32,385.04
Transportation, Communication and Information	.....	16,746.29	39,788.52	26,466.38
Maintenance Services and Expense	.....	5,323.48	10,119.85	6,285.03
Construction, Equipment and Land	.....	10,655.15	52,551.99	5,062.84
TOTAL EXPENDITURES	.....	$ 115,792.69	$ 331,140.28	$ 121,381.86
AVAILABLE FUNDS—				
Balance Transferred from Prior Periods	.....	.....	$ 104,924.71	$ 58,307.89
Receipts to State Forests and Waters Fund	.....	$ 220,717.40	284,523.46	162,770.26
TOTAL AVAILABLE FUNDS	.....	$ 220,717.40	$ 389,448.17	$ 221,078.15
BALANCES—				
Balance Transferred	.....	$ 104,924.71	$ 58,307.89	$ 99,696.29

TRUST ACCOUNT, NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

DEPARTMENT OF HIGHWAYS

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Construction of Highways	$ 19,590,272.44	$ 14,004,625.29	$ 11,930,781.80	$ 261,546.55
Maintenance of Highways	89,268.13	69,966.08	13,511.30	.....
Special Work	177,309.03	584,633.01	.....	2,852.69
Plant and Equipment	97,458.13	6,164.35	.....	.....
Stores	14,006.23	891.01	.....	.....
Flood Repairs	.....	1,050,129.34	2,547,136.18	18,223.20
Miscellaneous	75,910.53	234,821.65	530,486.66	48,595.11
Refund to Federal Government	1,507,426.53	510,181.03	1,502,063.78	1,550,000.00
TOTAL EXPENDITURES	$ 21,551,651.02	$ 16,461,411.76	$ 16,523,979.72	$ 1,881,217.55
AVAILABLE FUNDS—				
Balance from Prior Period	.....	$ 314,234.40	$ 346,143.12	$ 1,318,769.52
Contributions from Federal Government	$ 21,858,458.89	16,483,139.45	17,494,542.34	872,591.25
Interest on Deposits (Payable to Federal Government)	7,426.53	10,181.03	2,063.78	.....
TOTAL AVAILABLE FUNDS	$ 21,865,885.42	$ 16,807,554.88	$ 17,842,749.24	$ 2,191,360.77
BALANCES—				
Balances Transferred	$ 314,234.40	$ 346,143.12	$ 1,318,769.52	$ 310,143.22

STATE STORES FUND

STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
LIQUOR CONTROL BOARD				
Salaries	$ 2,927,039.04	$ 7,492,778.81	$ 10,780,723.53	$ 5,190,199.31
Wages	603.24	.....	.....	.....
Fees	5,484.00	76,255.31	39,657.80	17,446.05
Materials, Supplies and Printing	146,314.80	239,493.77	183,054.05	39,913.60
Transportation, Communication and Information	681,264.53	1,785,404.63	2,067,839.50	967,156.00
Maintenance Services and Expense	1,159,517.45	2,614,861.18	2,957,680.63	1,450,786.44
Construction, Equipment and Land	383,902.82	1,164,435.53	315,517.09	28,510.77
Refunds and Repayments of Receipts	1,442.92	8,124,883.21	607,078.99	88,887.66
Advance Requisitions	97,417.58	386,409.26	*156,017.41	105,000.00
Stores (Purchase of Liquor)	48,489,800.74	105,956,310.22	102,608,840.69	60,905,358.92
Total	$ 53,892,787.12	$ 127,840,831.92	$ 119,404,374.87	$ 68,793,258.75
DEPARTMENT OF WELFARE—PENSIONS FOR BLIND				
Subsidies, Indemnities and Other Items	$ 837,888.98	$ 474.91*	.....	.....
DEPARTMENT OF WELFARE—PENSIONS FOR BLIND—ADMINISTRATION				
Salaries	$ 13,898.75	.....	.....	.....
Wages	2,516.80	.....	.....	.....
Fees	33,589.00	$ 450.00	.....	.....
Materials, Supplies and Printing	1,025.86	27.46	.....	.....
Transportation, Communication and Information	1,386.01	63.02	.....	.....
Maintenance Services and Expense	16.92	.....	.....	.....
Construction, Equipment and Land	2,635.38	.....	.....	.....
Total	$ 55,068.72	$ 540.48	.....	.....
STATE EMERGENCY RELIEF BOARD—RELIEF				
Subsidies, Indemnities and Other Items	$ 5,422,911.06	$ 177,088.94	.....	.....
STATE EMERGENCY RELIEF BOARD—RELIEF—COMPENSATION INSURANCE				
Maintenance Services and Expense	.....	$ 216,269.25	$ 394.00	.....
DEPARTMENT OF PUBLIC INSTRUCTION—CONDUCTING EXAMINATIONS				
Salaries	.....	$ 14,074.67	$ 14,727.64	$ 1,380.00
Wages	.....	30,758.47	113.68	.....
Materials, Supplies and Printing	.....	1,491.22	230.45	.....
Transportation, Communication and Information	.....	3,803.34	89.90	.....
Maintenance Services and Expense	.....	797.43	39.92	1.45
Construction, Equipment and Land	.....	1,037.37	827.96	80.31
Reserve	.....	.....	.....	.....
Total	.....	$ 51,962.50	$ 16,029.55	$ 1,461.76
DEPARTMENT OF PROPERTY AND SUPPLIES				
Construction of Liquor Board Building	.....	.....	$ 178,185.00	$ 501,218.98
STATE EMPLOYES' RETIREMENT BOARD				
Subsidies, Indemnities and Other Items	.....	.....	$ 307,350.00	$ 116,250.00
PROFITS TRANSFERRED TO GENERAL FUND	.....	$ 24,000,000.00	$ 32,000,000.00	$ 16,000,000.00
10% LIQUOR TAX TRANSFERRED TO GENERAL FUND	.....	.....	$ 15,371,660.00	$ 7,093,054.44
LOANS TO GENERAL FUND	.....	$ 7,000,000.00	.....	.....
TOTAL EXPENDITURES	$ 60,208,655.88	$ 159,286,218.18	$ 167,277,993.42	$ 92,505,243.93

* Indicates Deduction.

STATE STORES FUND
STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
AVAILABLE FUNDS—				
Balance from Prior Period	.....	$ 1,866,763.97	$ 232,717.19	$ 1,106,940.33
Sales of Liquor	$ 61,640,765.04	147,915,901.77	164,372,932.45	85,751,064.53
Miscellaneous Revenue	434,654.81	2,136,269.63	3,779,284.11	1,937,565.20
Loans to General Fund Repaid	.....	7,000,000.00	.....	.....
Borrowed from General Fund	.....	.....	.....	5,000,000.00
TOTAL AVAILABLE FUNDS	$ 62,075,419.85	$ 159,518,935.37	$ 168,384,933.75	$ 93,795,570.06
BALANCES—				
Transferred	$ 1,866,763.97	$ 232,717.19	$ 1,106,940.33	$ 1,290,326.13

VETERANS' COMPENSATION FUND
STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Salaries	$ 15,445.00	$ 30,735.36	$ 43,326.20	$ 6,554.88
Wages	194,362.84	71,548.61	4,221.57	1,997.00
Materials, Supplies and Printing	9,161.20	1,245.71	671.64	61.41
Transportation, Communication and Information	26,298.28	2,783.08	2,175.91	821.86
Maintenance Services and Expense	1,407.83	4,499.24	3,238.72	455.94
Construction, Equipment and Land	11,429.66	1,089.46	199.59	.....
Subsidies, Indemnities and Other Items:				
Interest and Sinking Fund Requirements	3,725,096.25	.....	.....	.....
Compensation to Veterans	43,504,508.50	741,533.66	306,455.17	75,949.50
Repayment to General Fund (Transfer)	46,652.00	.....	.....	.....
TOTAL EXPENDITURES	$ 47,534,361.56	$ 853,435.12	$ 360,288.80	$ 85,840.59
AVAILABLE FUNDS—				
Balance from Prior Period	.....	$ 2,978,256.60	$ 2,189,652.08	$ 1,871,294.68
Proceeds from Bond Issue	$ 50,000,000.00	.....	.....	.....
Accrued Interest and Premium on Bonds Sold	480,724.70	.....	.....	.....
Interest on Deposits	31,893.46	64,830.60	41,931.40	16,252.59
TOTAL AVAILABLE FUNDS	$ 50,512,618.16	$ 3,043,087.20	$ 2,231,583.48	$ 1,887,547.27
BALANCES—				
Balance Transferred	$ 2,978,256.60	$ 2,189,652.08	$ 1,871,294.68	$ 1,801,706.68

FEDERAL UNEMPLOYMENT RELIEF FUND
STATEMENT OF ACTUAL CASH EXPENDITURES, RECEIPTS, AND BALANCES DURING THE PERIODS INDICATED

	Biennium 1933-1935	Biennium 1935-1937	Biennium 1937-1939	Year 1939-1940
EXPENDED FOR—				
Relief	$ 224,124,730.34	$ 81,058,210.16	$ 162,200.12	$ 19,827.58
AVAILABLE FUNDS—				
Balance at Beginning of Period	11,797,756.79	$ 6,770,459.58	$ 410,643.30	$ 265,995.74
Federal Aid for Unemployment Relief	218,829,354.00	74,263,381.00	.....	.....
Interest on Deposits	265,391.81	68,198.75	3,969.34	.....
Miscellaneous Revenue	2,687.32	366,814.13	14,583.22	32,901.69
TOTAL AVAILABLE FUNDS	$ 230,895,189.92	$ 81,468,853.46	$ 428,195.86	$ 298,897.43
BALANCES—				
Balance Transferred	$ 6,770,459.58	$ 410,643.30	$ 265,995.74	$ 279,069.85

BUDGET SUPPLEMENT

SECTION TWO

THE CUSTODIAL SPECIAL FUNDS EXCEPT THE SINKING FUNDS

Note: Statements of the Sinking Funds and the Public Debt will be found in the Budget.

CUSTODIAL SPECIAL FUNDS

SUMMARY STATEMENT OF BALANCES, RECEIPTS, AND EXPENDITURES JUNE 1, 1939 TO NOVEMBER 30, 1940

	Balance June 1, 1939		Receipts	Expenditures	Balance November 30, 1940	
	Cash	Investments Par Value			Cash	Investments Par Value
Sinking Fund	$ 2,504,828.80	$ 7,140,500.00	$ 19,417,494.36	$ 15,122,567.73	$ 6,799,755.43	$ 6,512,500.00
Veterans' Compensation Sinking Fund	3,072,830.03	4,662,500.00	7,771,053.76	2,373,772.32	8,470,111.47	4,672,500.00
Agricultural College Land Scrip Fund	284,911.61	227,500.00	41,340.16	12,400.00	313,851.77	205,000.00
State College Experimental Farm Fund	2,589.22	14,784.67	1,907.47	2,040.00	2,456.69	14,482.21
Stock Workmen's Compensation Security Fund	16,573.96	150,000.00	338,191.08	2,361.61	352,403.43	150,000.00
Mutual Workmen's Compensation Security Fund	7,406.89	50,000.00	255,691.14	.....	263,098.03	50,000.00
Fire Insurance Tax Fund	38,193.46	.....	2,439,912.17	2,424,825.90	53,279.73	.....
Liquid Fuels Tax Fund	545,688.03	.....	14,017,022.45	13,821,721.72	740,988.76	.....
State Workmen's Insurance Fund	4,160,484.36	11,441,609.77	7,233,905.97	7,438,948.69	3,955,441.64	11,124,748.43
State Insurance Fund	493,455.96	34,000.00	13,010.19	56,610.35	449,855.80	24,000.00
Federal Vocational Education Fund	1,244,830.56	.....	1,818,858.47	1,404,500.03	1,659,189.00	.....
Federal Rehabilitation Fund	40,534.83	.....	228,989.38	177,672.68	91,851.53	.....
State School Fund	1,974,156.36	161,100.00	1,898,012.88	3,345,687.14	526,482.10	1,700,000.00
School Employees Retirement Fund	4,047,805.59	161,862,551.00	52,675,449.77	48,417,270.56	8,305,984.80	174,527,601.00
State Employees Retirement Fund	877,944.03	19,920,800.00	10,338,833.39	7,241,665.41	3,975,112.01	21,513,200.00
Manufacturing Fund	467,536.69	.....	1,839,785.19	1,642,316.80	665,005.08	.....
State Work Relief Compensation Fund	198,994.01	.....	1,617.79	50,958.26	149,653.54	.....
Liquor License Fund	764,158.90	.....	12,818,138.52	12,968,154.45	614,142.97	.....
Historical Commission Trust Fund	4,288.32	30,000.00	1,687.50	4,485.43	1,490.39	30,000.00
Conrad Weiser Memorial Park Trust Fund	1,608.89	19,000.00	3,196.25	1,629.13	3,176.01	17,000.00
Administration Fund (Unemployment Compensation)	248,122.99	.....	9,398,964.53	8,757,905.27	889,182.25	.....
Unemployment Compensation Fund	1,330,734.09	.....	130,759,295.15	132,090,029.24	.....	.....
Unemployment Compensation Benefit Payment Fund	.....	.....	22,839,360.65	21,119,678.55	1,719,682.10	.....
Unemployment Compensation Contribution Fund	.....	.....	43,240,470.69	42,989,647.82	250,822.87	.....
Special Grade Crossing Fund	168,354.49	.....	249,267.91	387,263.73	30,358.67	.....
General Fund Tax Anticipation Note Sinking Fund—Series ET	.....	.....	4,000,000.00	1,300,000.00	2,700,000.00	.....
General Fund Tax Anticipation Note Sinking Fund—Series FT	.....	.....	30,000,000.00	30,000,000.00	.....	.....
TOTAL BALANCES—CUSTODIAL SPECIAL FUNDS	$ 22,496,032.07	$ 205,714,345.44	$ 373,641,456.82	$ 353,154,112.82	$ 42,983,376.07	$ 220,541,031.64

AGRICULTURAL COLLEGE LAND SCRIP FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Investments and Deposits	$ 49,855.70	$ 40,776.88	$ 26,186.66	$ 18,840.16
Premiums on Sale of Securities	.....	1.87	.....	.....
TOTAL RECEIPTS	$ 49,855.70	$ 40,778.75	$ 26,186.66	$ 18,840.16
EXPENDITURES—				
Interest Paid to Pennsylvania State College	$ 37,400.00	$ 37,500.00	$ 25,000.00	$ 12,400.00
Interest and Premium less Discounts on Investments Purchased	144.62	.....	.....	.....
TOTAL EXPENDITURES	$ 37,544.62	$ 37,500.00	$ 25,000.00	$ 12,400.00
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 12,311.08	$ 3,278.75	$ 1,186.66	$ 6,440.16
BALANCE AT BEGINNING	495,635.12	507,946.20	511,224.95	512,411.61
BALANCE AT END—				
Cash on Deposit	$ 40,446.20	$ 260,724.95	$ 284,911.61	$ 313,851.77
Investments	467,500.00	250,500.00	227,500.00	205,000.00
TOTAL BALANCE AT END	$ 507,946.20	$ 511,224.95	$ 512,411.61	$ 518,851.77
GUARANTEED PRINCIPAL	$ 500,000.00	$ 500,000.00	$ 500,000.00	$ 500,000.00
LESS CASH AND INVESTMENTS	507,946.20	511,224.95	512,411.61	518,851.77
EXCESS OF CASH AND INVESTMENTS OVER GUARANTEED PRINCIPAL	$ 7,946.20	$ 11,224.95	$ 12,411.61	$ 18,851.77

STATE COLLEGE EXPERIMENTAL FARM FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Securities	$ 1,845.36	$ 1,905.58	$ 1,531.50	$ 1,605.01
Interest on Deposits	16.49	14.89	6.88	.....
TOTAL RECEIPTS	$ 1,861.85	$ 1,920.47	$ 1,538.38	$ 1,605.01
EXPENDITURES	$ 2,040.00	$ 1,940.00	$ 1,530.00	$ 2,040.00
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *178.15	$ *19.53	$ 8.38	$ *434.99
BALANCE AT BEGINNING	17,563.19	17,385.04	17,365.51	17,373.89
BALANCE AT END—				
Cash on Deposit	$ 1,185.04	$ 1,973.26	$ 2,589.22	$ 2,456.69
Investments	16,200.00	15,392.25	14,784.67	14,482.21
TOTAL BALANCE AT END	$ 17,385.04	$ 17,365.51	$ 17,373.89	$ 16,938.90

* Excess of Expenditures over Receipts.

FIRE INSURANCE TAX FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Foreign Fire Insurance Premiums	$ 1,434,695.24	$ 1,524,336.66	$ 1,857,752.34	$ 939,912.17
Return of Loan by General Fund	.....	2,300,000.00	.....	1,500,000.00
Miscellaneous	.....	.....	780.93	.....
TOTAL RECEIPTS	$ 1,434,695.24	$ 3,824,336.66	$ 1,858,533.27	$ 2,439,912.17
EXPENDITURES AND TRANSFERS—				
Return to Cities, Boroughs and Townships	$ 813,419.08	$ 2,216,653.08	$ 1,960,527.37	$ 924,825.90
Transferred to General Fund	2,300,000.00	.....	1,500,000.00	1,500,000.00
TOTAL EXPENDITURES AND TRANSFERS	$ 3,113,419.08	$ 2,216,653.08	$ 3,460,527.37	$ 2,424,825.90
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *1,678,723.84	$ 1,607,683.58	$ *1,601,994.10	$ 15,086.27
BALANCE AT BEGINNING	1,711,227.82	32,503.98	1,640,187.56	38,193.46
BALANCE AT END (CASH)	$ 32,503.98	$ 1,640,187.56	$ 38,193.46	$ 53,279.73

* Excess of Expenditures over Receipts.

LIQUID FUELS TAX FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Liquid Fuels Tax (Portion Returnable to Counties)	$ 10,763,693.56	$ 12,619,647.97	$ 14,092,236.25	$ 11,067,026.21
Transferred from General Fund	.....	9,266,000.00	.....	2,950,000.00
Miscellaneous	.....	.....	31.43	.....
TOTAL RECEIPTS	$ 10,763,693.56	$ 21,885,647.97	$ 14,092,267.68	$ 14,017,026.21
EXPENDITURES—				
Returned to Counties	$ 7,606,400.92	$ 14,898,006.19	$ 13,787,652.94	$ 7,421,725.48
Transferred to General Fund	3,766,000.00	5,500,000.00	2,950,000.00	6,400,000.00
TOTAL EXPENDITUPES	$ 11,372,400.92	$ 20,398,006.19	$ 16,737,652.94	$ 13,821,725.48
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *608,707.36	$ 1,487,641.78	$ *2,645,385.26	$ 195,300.73
BALANCE AT BEGINNING	2,312,138.87	1,703,431.51	3,191,073.29	545,688.03
BALANCE AT END (CASH)	$ 1,703,431.51	$ 3,191,073.29	$ 545,688.03	$ 740,988.76

* Excess of Expenditures over Receipts.

STATE INSURANCE FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Transfer from General Fund	.....	.....	$ 500,000.00	.....
Interest on Securities	$ 89,848.60	$ 38,135.42	350.00	$ 700.00
Interest on Deposits	11,132.49	2,492.07	2,169.69	.....
Interest on Deposits—Fire Insurance Tax Fund	38,812.52	16,842.60	14,807.43	2,168.19
Recovered Damages	.....	.....	.....	.....
Dividends on Policies	142.00	284.00	284.00	142.00
Premiums on Sale of Securities	1,037.50	34,587.50	.....	.....
TOTAL RECEIPTS	$ 140,973.11	$ 92,341.59	$ 517,611.12	$ 3,010.19
EXPENDITURES—				
Fire Losses and Claims	$ 12,740.11	$ 10,831.98	$ 142,605.32	$ 56,610.35
Transfer to General Fund	548,000.00	1,000,000.00	.....	.....
TOTAL EXPENDITURES	$ 560,740.11	$ 1,010,831.98	$ 142,605.32	$ 56,610.35
EXCESS OF RECEIPTS OVER EXPENDITURES	$ †419,767.00	$ †918,490.39	$ 375,005.80	$ †53,600.16
BALANCE AT BEGINNING	1,490,707.55	1,070,940.55	152,450.16	527,455.96
BALANCE AT END—				
Cash on Deposit	$ 112,940.55	$ 114,450.16	$ 493,455.96	$ 449,855.80
Investment	958,000.00	38,000.00	34,000.00	24,000.00
TOTAL BALANCE AT END	$ 1,070,940.55	$ 152,450.16	$ 527,455.96	$ 473,855.80

† Excess of Expenditures Over Receipts.

FEDERAL VOCATIONAL EDUCATION FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Deposits	$ 6,050.59	$ 8,504.50	$ 3,130.63	.....
Federal Government Appropriations	1,206,274.72	1,175,250.29	2,693,767.86	$ 1,818,858.47
TOTAL RECEIPTS	$ 1,212,325.31	$ 1,183,754.79	$ 2,696,898.49	$ 1,818,858.47
EXPENDITURES—				
Interest Due Federal Government	$ 8,950.23	$ 7,607.77	$ 6,928.12	.....
Transferred to General Fund for use of Department of Public Instruction	1,018,264.92	1,351,610.29	1,914,873.58	$ 1,404,500.03
TOTAL EXPENDITURES	$ 1,027,215.15	$ 1,359,218.06	$ 1,921,801.70	$ 1,404,500.03
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 185,110.16	$ †175,463.27	$ 775,096.79	$ 414,358.44
BALANCES AT BEGINNING	460,086.88	645,197.04	469,733.77	1,244,830.56
BALANCE AT END	$ 645,197.04	$ 469,733.77	$ 1,244,830.56	$ 1,659,189.00

† Excess of Expenditures Over Receipts.

LIQUOR LICENSE FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Deposits	$ 5,748.01	$ 16,350.52	$ 14,468.51	$ 8,210.93
Hotel Liquor License Fees	843,175.00	927,885.85	847,600.00	629,175.00
Restaurant Liquor License Fees	4,928,687.50	7,293,040.34	8,941,746.18	7,266,000.00
Club Liquor License Fees	257,975.00	331,508.19	381,475.00	282,325.00
Importers Liquor License Fees	10,900.00	500.00	.....	.....
Sacramental Wine Permit Fees	2,000.00	.....	.....	.....
Hotel Beer License Fees	.....	.....	22,796.26	15,250.00
Restaurant Beer License Fees	.....	.....	803,792.75	539,344.67
Club Beer License Fees	.....	.....	23,233.71	17,832.92
Miscellaneous	.....	.....	620.84	.....
Transfer from General Fund	.....	4,137,000.00	.....	4,000,000.00
TOTAL RECEIPTS	$ 6,048,485.51	$ 12,706,284.90	$ 11,035,733.25	$ 12,818,138.52
EXPENDITURES—				
Returned to Political Subdivisions	$ 2,719,112.50	$ 10,533,751.05	$ 7,6..6,481.21	$ 8,868,154.45
Transferred to General Fund	2,637,000.00	1,500,000.00	4,000,000.00	4,100,000.00
TOTAL EXPENDITURES	$ 5,356,112.50	$ 12,033,751.05	$ 11,636,481.21	$ 12,968,154.45
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 92,373.01	$ 672,533.85	$ *600,747.96	$ *150,015.93
BALANCE AT BEGINNING	.....	692,373.01	1,364,906.86	764,158.90
BALANCE AT END	$ 692,373.01	$ 1,364,906.86	$ 764,158.90	$ 614,142.97

* Excess of Expenditures over Receipts.

HISTORICAL COMMISSION TRUST FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Deposits	.....	$ 115.49	$ 7.50	.....
Old Cornwall Furnace Receipts	.....	2,250.00	2,250.00	$ 1,687.50
TOTAL RECEIPTS	.....	2,365.49	$ 2,257.50	$ 1,687.50
EXPENDITURES—	.....	$ 4,805.66	$ 529.01	$ 4,485.43
EXCESS OF RECEIPTS OVER EXPENDITURES	.....	$ *2,440.17	$ 1,728.49	$ *2,797.93
BALANCE AT BEGINNING	.....	35,000.00	32,559.83	34,288.32
BALANCE AT END				
Cash	.....	$ 2,559.83	$ 4,288.32	$ 1,490.39
Investments	.....	30,000.00	30,000.00	30,000.00

* Indicates Excess of Expenditures over Receipts.

FEDERAL REHABILITATION FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Deposits	$ 959.95	$ 726.71	$ 268.20	.....
Federal Government Appropriations	126,175.89	240,040.80	330,635.33	$ 228,489.38
Workmen's Compensation Benefits	.....	.....	.....	500.00
TOTAL RECEIPTS	$ 127,135.84	$ 240,767.51	$ 330,903.53	$ 228,989.38
EXPENDITURES—				
Interest Due Federal Government	$ 845.26	$ 12,539.24	$ 15,439.54	$ 13,907.61
Transferred to General Fund for use of Departments of Labor and Industry and Public Instruction	138,513.39	203,127.52	334,536.15	163,765.07
TOTAL EXPENDITURES	$ 139,358.65	$ 215,666.76	$ 349,975.69	$ 177,672.68
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *12,222.81	$ 25,100.75	$ *19,072.16	$ 51,316.70
BALANCE AT BEGINNING	46,729.05	34,506.24	59,606.99	40,534.83
BALANCE AT END	$ 34,506.24	$ 59,606.99	$ 40,534.83	$ 91,851.53

* Excess of Expenditures over Receipts.

STATE SCHOOL FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Forestry	$ 99,694.25	.....	.....	.....
Escheats	20,663.16	$ 58,762.84	$ 52,479.23	$ 42,473.93
Interest on Investments and Deposits	192,695.41	42,694.48	115,625.57	80,651.53
Sale of Land	81.91	621.54	355.88	222.67
Rent of State Property	.....	.....	.....	$ 12,296.38
Premium on Sale of Securities	.....	22.50	205,240.38	43,769.07
Return of Loan by General Fund	.....	1,500,000.00	.....	.....
Store and Theatre Licenses	.....	.....	351,516.00	57,499.30
TOTAL RECEIPTS	$ 313,134.73	$ 1,602,101.36	$ 725,217.06	$ 236,912.88
EXPENDITURES—				
Aid to School Districts	$ 59,058.60	$ 51,850.00	$ 49,600.00	$ 38,500.00
Premiums and Interest on Securities Purchased	9,238.53	2,839.33	227,753.10	107,187.14
Transferred to General Fund	1,500,000.00	.....	.....	.....
TOTAL EXPENDITURES	$ 1,568,297.13	$ 54,689.33	$ 277,353.10	$ 145,687.14
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *1,255,162.40	$ 1,547,412.03	$ 447,863.96	$ 91,225.74
BALANCE AT BEGINNING	1,395,142.77	139,980.37	1,687,392.40	2,135,256.36
BALANCE AT END—				
Cash on Deposit	$ 114,250.37	$ 1,675,292.40	$ 1,974,156.36	$ 526,482.10
Investments	20,100.00	12,100.00	161,100.00	1,700,000.00
Loans to School Districts	5,630.00	.....	.....	.....
TOTAL BALANCE AT END	$ 139,980.37	$ 1,687,392.40	$ 2,135,256.36	$ 2,226,482.10

* Excess of Expenditures over Receipts.

STATE WORKMEN'S INSURANCE FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Premiums Collected	$ 8,530,457.71	$ 8,522,741.55	$ 11,696,643.89	$ 5,023,829.00
Interest on Overdue Accounts	14.37	.....	.....	.....
Miscellaneous Revenue	55.45	.....	26,307.22	152.99
Interest on Deposits	11,903.18	896,332.28	15,760.57	34,424.49
Premiums on Sale of Securities	7,125.00	237.50	1,200.00	24,546.00
Income from Real Estate	.....	4,473.98	48,106.20	33,042.50
Sale of Real Estate	.....	.....	2,310.00	5,869.82
Second Injury Reserve Account	.....	.....	100,000.00	26,563.70
Interest on Securities	800,032.83	19,383.07	941,664.47	688,373.51
TOTAL RECEIPTS	$ 9,349,588.54	$ 9,443,668.38	$ 12,831,992.35	$ 5,836,802.01
EXPENDITURES—				
General Expenses	$ 1,052,375.78	$ 1,628,149.62	$ 2,123,246.70	$ 1,694,060.78
Losses Paid, Reinsurance Premiums and Amounts Returned to Policy Holders	6,300,725.27	6,591,867.14	6,815,915.98	4,605,964.21
Net Premiums on Securities Purchased	40,516.33	**8,062.50	1,559.95	35,869.95
Accrued Interest on Investments Purchased	17,294.54	4,895.21	14,902.47	9,428.75
State Employes' Retirement Board	13,090.00	21,855.00	26,125.00	22,125.00
TOTAL EXPENDITURES	$ 7,424,001.92	$ 8,438,704.47	$ 8,981,750.10	$ 6,367,448.69
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 1,925,586.62	$ 1,004,963.91	$ 3,850,242.25	$ *530,646.68
BALANCE AT BEGINNING	9,054,218.40	10,979,805.02	11,842,901.88	15,602,094.13
BALANCE AT END				
Cash	$ 1,430,890.02	$ 1,143,528.79	$ 4,160,484.36	$ 3,955,441.64
Investments	9,548,915.00	†10,699,373.09	‡11,441,609.77	§11,124,748.43
TOTAL BALANCE AT END	$ 10,979,805.02	$ 11,842,901.88	$ 15,602,094.13	$ 15,080,190.07

† Does not include $141,867.05 representing value of mortgages foreclosed.
* Excess of expenditures over receipts.
** Indicates deduction.
‡ Does not include $91,050 representing value of mortgages foreclosed.
§ Includes $8,742.62 representing net amount of mortgages foreclosed.

SCHOOL EMPLOYES' RETIREMENT FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Appropriations from Commonwealth of Penna.	$ 4,139,626.02	$ 5,679,474.69	$ 8,011,722.30	$ 3,293,304.80
Contributions of School Districts	5,523,598.30	5,499,222.79	5,403,453.88	5,022,406.45
Contributions of School Employes	8,262,237.14	8,699,963.83	9,140,945.51	6,820,687.61
Interest on Securities and Deposits	9,502,018.25	11,401,329.80	12,125,477.79	10,661,911.37
Returned Contributions of School Employes	28,421.25	53,74[illegible].63	61,359.47	30,979.70
Premiums on Sale of Securities	53,248.58	349,703.68	2,121,781.89	825,235.29
Miscellaneous Revenue	.....	411.46	288.14	†25.45
TOTAL RECEIPTS	$ 27,564,149.54	$ 31,683,840.88	$ 36,865,028.98	$ 26,654,499.77
EXPENDITURES—				
Administration				
Salaries	$ 106,210.46	$ 109,064.36	$ 123,780.79	$ 94,500.22
Wages	.....	1,182.41	1,334.97	1,042.11
Fees	2,138.13	9,010.00	5,560.00	2,320.00
Materials, Supplies and Printing	2,912.40	3,792.05	4,203.39	2,832.57
Transportation, Communication and Information	9,408.12	7,920.81	7,949.65	7,790.86
Maintenance Services and Expenses	962.26	558.01	1,329.19	1,879.90
Equipment and Machinery	7,404.61	7,367.91	6,527.55	2,381.78
Replacement Checks	.....	31.35	.....	119.31
TOTAL ADMINISTRATION	$ 129,035.93	$ 138,926.90	$ [illegible]0,685.54	$ 113,366.75
Insurance on Shipment of Bonds	$ 4,309.03	.....	.....	$ 4,298.75
Retirement Annuities Return of Contributions	7,557,184.11	$ 9,077,089.47	$ 9,643,549.36	8,339,987.85
Premiums and Interest on Securities Purchased	1,064,318.32	1,496,031.91	1,038,141.11	1,223,617.21
TOTAL EXPENDITURES	$ 8,754,847.44	$ 10,712,048.28	$ 10,832,376.01	$ 9,731,270.56
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 18,809,302.10	$ 20,971,800.60	$ 26,0[illegible]2,652.97	$ 16,923,229.21
BALANCE AT BEGINNING	100,096,600.92	118,905,903.02	139,877,703.62	165,910,356.59
BALANCE AT END—				
Cash on Deposit	$ 1,155,036.41	$ 6,061,723.62	$ 4,047,805.59	$ 8,305,984.80
Investments	117,750,866.61	133,815,9[illegible].00	161,862,551.00	174,527,601.00
TOTAL BALANCE AT END	$ 118,905,903.02	$ 139,877,703.62	$ 165,910,356.59	$ 182,833,585.80

† Deduction.

STATE WORK RELIEF COMPENSATION FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Interest on Deposits	$ 2,212.54	$ 6,772.89	$ 3,957.21	$ 1,617.79
Contributions	508,195.83	70,005.00	.....	.....
TOTAL RECEIPTS	$ 510,408.37	$ 76,777.89	$ 3,957.21	$ 1,617.79
EXPENDITURES	$ 102,264.59	$ 193,637.33	$ 96,247.54	$ 50,958.26
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 408,143.78	$ *116,859.44	$ *92,290.33	$ *49,340.47
BALANCE AT BEGINNING	.....	408,143.78	291,284.34	198,994.01
BALANCE AT END	$ 408,143.78	$ 291,284.34	$ 198,994.01	$ 149,653.54

* Excess of Expenditures over Receipts.

STATE EMPLOYES' RETIREMENT FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Appropriations from Commonwealth of Pennsylvania	$ 1,700,000.00	$ 1,076,592.50	$ 2,073,407.50	$ 2,192,943.24
Contributions of State Employes	2,339,400.39	2,946,998.19	4,908,026.18	4,618,118.37
Interest on Securities and Deposits	1,123,066.22	1,299,934.88	1,359,136.07	1,369,879.17
Miscellaneous Revenue	24,147.41	3,373.86	460.81	†154.53
Returned Contributions of State Employes	4,356.58	3,749.92	.....	.....
Premiums on Sale of Securities	28,927.41	4,215.05	50,270.10	9,163.06
Income from Real Estate	.....	47,977.47	61,981.18	41,734.93
State Annuity Payments by Other Agencies	.....	.....	370,804.49	133,549.15
TOTAL RECEIPTS	$ 5,219,898.01	$ 5,382,841.87	$ 8,824,086.33	$ 8,365,233.39
EXPENDITURES—				
Retirement Annuities Return of Contributions	$ 2,021,558.69	$ 3,917,442.93	$ 4,004,404.32	$ 3,540,753.69
Premiums and Interest on Securities Purchased	145,009.25	20,101.09	105,175.18	127,632.58
Expense of Administering Real Estate	6,897.44	9,857.48	10,833.31	7,279.14
TOTAL EXPENDITURES	$ 2,173,465.38	$ 3,947,401.50	$ 4,120,412.81	$ 3,675,665.41
EXCESS OF RECEIPTS OVER EXPENDITURES	$ 3,046,432.63	$ 1,435,440.37	$ 4,703,673.52	$ 4,689,567.98
BALANCE AT BEGINNING	12,013,197.51	15,059,630.14	16,495,070.51	20,798,744.03
BALANCE AT END—				
Cash on Deposit	$ 819,930.14	$ 2,923,670.51	$ 877,944.03	$ 3,975,112.01
Investments	14,239,700.00	13,571,400.00	*19,920,800.00	21,513,200.00
TOTAL BALANCE AT END	$ 15,059,630.14	$ 16,495,070.51	$ 20,798,744.03	$ 25,488,312.01

* Does not include $400,000 representing value of mortgages foreclosed.
† Deduction.

MANUFACTURING FUND

STATEMENT OF ACTUAL CASH RECEIPTS, EXPENDITURES, AND BALANCES FOR PERIODS INDICATED

	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to Nov. 30, 1940
RECEIPTS—				
Sale of Manufactured Articles	$ 1,662,400.12	$ 1,723,176.26	$ 2,225,294.06	$ 1,589,804.66
Interest on Deposits	12,645.35	7,016.46	4,851.60	.....
General Maintenance—Wages	269,853.31	267,479.21	281,490.62	249,980.53
TOTAL RECEIPTS	$ 1,944,898.78	$ 1,997,671.93	$ 2,511,636.28	$ 1,839,785.19
EXPENDITURES AND TRANSFERS				
Salaries and Expenses	$ 1,866,646.93	$ 1,863,922.75	$ 2,494,750.97	$ 1,636,016.80
Transfer to General Fund	600,000.00	.....	.....	.....
State Employes' Retirement Board	8,840.00	7,440.00	9,000.00	6,300.00
TOTAL EXPENDITURES AND TRANSFERS	$ 2,475,486.93	$ 1,871,362.75	$ 2,503,750.97	$ 1,642,316.80
EXCESS OF RECEIPTS OVER EXPENDITURES	$ *530,588.15	$ 126,309.18	$ 7,885.31	$ 197,468.39
BALANCE AT BEGINNING	863,930.35	333,342.20	459,651.38	467,536.69
BALANCE AT END	$ 333,342.20	$ 459,651.38	$ 467,536.69	$ 665,005.08

* Indicates Excess of Expenditures over Receipts.

CUSTODIAL SPECIAL FUNDS

STATEMENT OF INVESTMENT—PAR VALUE

NOVEMBER 30, 1940

(For balance of this statement, see following page)

Obligations of	Total All Funds	Agricultural College Land Scrip Fund	State Insurance Fund	School Employes' Retirement Fund	Sinking Fund	State Employes' Retirement Fund	State School Fund
United States	$ 15,675,000.00	$ 32,500.00	.....	$ 3,372,500.00	$ 5,312,500.00	$ 15,000.00	.....
Pennsylvania	$ 5,145,000.00	.....	.....	$ 3,105,000.00	$ 1,165,000.00	.....	.....
Other States	$ 213,790.00	.....	.....	.....	.....	.....	.....
Sub-Divisions of Pennsylvania							
Counties	$ 9,273,500.00	.....	.....	$ 8,254,500.00	.....	$ 567,000.00	.....
Cities	22,696,900.00	$ 31,000.00	.....	20,094,400.00	.....	1,971,500.00	.....
Boroughs	16,958,400.00	39,000.00	$ 24,000.00	13,863,500.00	.....	2,225,500.00	.....
Townships	7,260,146.00	.....	.....	5,934,946.00	.....	980,200.00	.....
Schools Districts	61,170,755.00	77,500.00	.....	54,985,755.00	$ 35,000.00	4,275,000.00	.....
Poor Districts	366,000.00	.....	.....	366,000.00	.....	.....	.....
Delaware River Bridge Commission	11,840,000.00	25,000.00	.....	8,476,000.00	.....	2,276,000.00	.....
Total	$ 129,565,701.00	$ 172,500.00	$ 24,000.00	$ 111,975,101.00	$ 35,000.00	$ 12,295,200.00	.....
Sub-Divisions of Other States	$ 282,041.70	.....	.....	.....	.....	.....	.....
Farm Loan Bonds							
Federal Land Bank	$ 350,000.00	.....	.....	$ 100,000.00	.....	.....	.....
Total	$ 350,000.00	.....	.....	$ 100,000.00	.....	.....	.....
Pennsylvania Real Estate Liens							
Mortgage Bonds to Individuals	$ 433,482.21	.....	.....	.....	.....	$ 256,000.00	.....
Mortgage Loans to Individuals	1,710,316.73	.....	.....	.....	.....	.....	.....
Total	$ 2,143,798.94	.....	.....	.....	.....	$ 256,000.00	.....
Miscellaneous	$ 6,700.00	.....	.....	.....	.....	.....	.....
General State Authority	$ 47,835,000.00	.....	.....	$ 41,301,000.00	.....	$ 6,534,000.00	.....
Federal Savings and Loan Associations	$ 20,000.00	.....	.....	.....	.....	.....	.....
Philadelphia Gas Revenue Certificates	$ 19,287,000.00	.....	.....	$ 14,674,000.00	.....	$ 2,413,000.00	$ 1,700,000.00
GRAND TOTAL	$ 220,524,031.64	$ 205,000.00	$ 24,000.00	$ 174,527,601.00	$ 6,512,500.00	$ 21,513,200.00	$ 1,700,000.00

CUSTODIAL SPECIAL FUNDS

STATEMENT OF INVESTMENTS—PAR VALUE (Concluded)

November 30, 1940

Obligations of	State Workmen's Insurance Fund	State College Experimental Farm Fund	Historical Commission Trust Fund	Veterans Compensation Sinking Fund	Conrad Weiser Memorial Park Trust Fund	Mutual Workmen's Compensation Security Fund	Stock Workmen's Compensation Security Fund
United States	$ 2,080,000.00			$ 4,662,500.00		$ 50,000.00	$ 150,000.00
Pennsylvania	865,000.00			10,000.00			
Other States	213,790.00						
Sub-Divisions of Pennsylvania							
Counties	452,000.00				$ 13,000.00		
Cities	600,000.00						
Boroughs	776,400.00		$ 30,000.00				
Townships	345,000.00						
School Districts	1,797,500.00				4,000.00		
Poor Districts							
Delaware River Bridge Comm.	1,063,000.00						
Total	5,033,900.00						
Sub-Divisions of Other States	282,041.70						
Farm Loan Bonds							
Federal Land Bank	250,000.00						
Total	250,000.00						
Pennsylvania Real Estate Liens							
Mortgage Bonds to Individuals	163,000.00	$ 14,482.21					
Mortgage Loans to Individuals	1,710,316.73						
Total	1,873,316.73						
Miscellaneous	6,700.00						
General State Authority							
Federal Savings and Loan Associations	20,000.00						
Philadelphia Gas Revenue Certificates	500,000.00						
GRAND TOTAL	$ 11,124,748.43	$ 14,482.21	$ 30,000.00	$ 4,672,500.00	$ 17,000.00	$ 50,000.00	$ 150,000.00

ONE HUNDRED AND SEVENTY-FIRST SEMI-ANNUAL REPORT OF THE DOLLAR SAVINGS BANK

340 Fourth Avenue, Pittsburgh, Pa.

Chartered 1855

Statement, December 1, 1940

ASSETS

Cash on Hand and in Banks	$ 8,136,162.18
United States Government Securities	15,791,350.71
Municipal Bonds	11,549,028.12
Railroad Bonds	10,076,000.00
Public Utility Bonds	3,738,000.00
Industrial and Other Bonds	644,000.00
First Mortgage Loans on Real Estate	11,839,246.57
Loans to Depositors secured by their Deposits	156,828.06
Collateral Loans	6,000.00
Banking House	100,000.00
Other Real Estate	1,125,107.61
Other Assets	10,527.93
TOTAL ASSETS	$63,172,251.18

LIABILITIES

Savings Deposits	$57,091,514.90
Christmas Club Deposits	451,935.44
Other Liabilities	16,106.52
Reserves	843,000.00
Surplus	4,769,694.32
TOTAL LIABILITIES	$63,172,251.18

The undersigned Auditing Committee respectfully report that they have examined the assets of the Bank and find them to correspond with the foregoing report.

C. L. McCUNE
GEO. L. COLLORD
HENRY A. PHILLIPS
W. F. TRIMBLE, JR.
J. W. CREE, JR.
HARRY L. MITCHELL
ROBERT R. GORDON
C. H. CURRY
Auditing Committee

PITTSBURGH, PA., December 17, 1940

RECORD OF DEPOSITS FOR EIGHTY-FIVE YEARS

December 1, 1855	$7,627.28
December 1, 1865	1,774,425.94
December 1, 1875	4,185,326.35
December 1, 1885	9,433,662.01
December 1, 1895	14,871,537.53
December 1, 1905	22,881,443.87
December 1, 1915	33,866,689.01
December 1, 1925	38,240,665.81
December 1, 1935	49,027,415.04
December 1, 1940	57,543,450.34

Organized in 1855 for the purpose of encouraging thrift and the habit of saving, is a Mutual Savings Bank, operated solely for the benefit of its depositors. There are no stockholders. All profits, after payment of taxes and expenses, are distributed to depositors in dividends, or carried for their protection in the reserves and surplus of the Bank.

INFORMATION FOR DEPOSITORS

Put Your Savings in a Savings Bank

Deposits may be made:

In the name of one person.

In the names of husband and wife jointly, payable to either or the survivor.

In trust for a minor. Under absolute control of Trustee during his or her lifetime. In event of Trustee's death, payable to beneficiary on attaining the age of 21 years.

In trust, payable to one or more beneficiaries after the death of the Trustee or Trustees, without letters of administration.

In trust for Lodges, Societies or Associations.

Depositors should notify the Bank promptly in case of loss of pass book.

Banking by Mail

Accounts may be opened, deposits made and funds withdrawn by mail. The Pass Book must accompany every transaction and will be returned on the day it is received.

Loans to depositors on their pass books.

Dividends are credited semi-annually June 1st and December 1st.

Banking Hours: { Daily—9 A. M. to 3 P. M.
Saturdays—9 A. M. to 12 Noon.

PRESIDENT
Charles F. Chubb

SENIOR VICE-PRESIDENT
Wm. E. von Bonnhorst

VICE-PRESIDENTS

Hill Burgwin	Francis B. Nimick
Charles H. Curry	Howard A. Noble
William Frew	Henry A. Phillips
Robert R. Gordon	Alfred C. Pollock
Charles L. McCune	James C. Rea

TRUSTEES

Horace F. Baker	David W. McNaugher
A. Marshall Bell	H. Lee Mason, Jr.
George L. Collord	Harry L. Mitchell
G. Greer Coolidge	William L. Monro
James W. Cree, Jr.	George B. Oates
John C. Dilworth	Augustus K. Oliver
H. B. Higgins	George P. Rhodes
Franklin C. Irish	Elmer S. Stanier
Henry H. Latshaw	W. F. Trimble, Jr.
Clarence E. Lott	Frank R. Walton
C. McK. Lynch	William P. Witherow
Robert H. McClintic	C. Holmes Wolfe

Curtis M. Yohe

TREASURER
Elmer S. Stanier

SECRETARY
Alfred C. Pollock

ASS'T SEC'Y AND ASS'T TREAS.
Henry H. Latshaw

ASS'T TO THE PRESIDENT
George B. Oates

LIST OF DEPOSITORS OF THE DOLLAR SAVINGS BANK OF PITTSBURGH, PA., WHO HAVE NOT MADE A DEPOSIT WITHIN TWO YEARS, AND WHOSE DIVIDENDS, WHICH HAVE NOT BEEN ENTERED UPON THEIR PASS BOOKS, AMOUNT TO AT LEAST FIVE DOLLARS. THIS STATEMENT IS PUBLISHED ANNUALLY IN ACCORDANCE WITH THE CHARTER.

A

219947	Anderson, Chas. H.	290.22
251576	Allen, Geo. E., Jr.	720.35
451958	Abel, Theodore F.	350.71
209546	Arndt, Chas. L.	31.15
367498	Alter, George E.	327.71
371839	Augustine, Eliz.	56.40
398360	Anderson, Ralph S.	79.98
429941	Anderson, Gus E.	223.64
445234	Abels, Elsie	109.92
305769	Albright, Jennie S.	84.10
316401	Armor, Rev. Jas. B.	3,658.17
386302	Alpern, Adie	657.60
389329	Amen, Louisa	74.79
335313	Aleksindrwincs, P.	301.20
420566	Aalborg, H. A.	1,368.87
434546	Achtzehn, Paul	1,050.45
444129	Atkinson, H. R.	109.35

B

359942	Butkaite, Urszula	1,783.70
362224	Behen, Mary E.	1,318.27
370304	Baxter, Marg't J	19.31
375700	Beater, Eleanor S.	533.59
378435	Brahm, Albert L.	108.06
398351	Brown, Minnie	51.50
402349	Butler, Abe	36.65
404287	Bills, Elizabeth G.	1,354.09
294263	Bontempo, Tony	71.94
308499	Burrows, Frank	422.71
312464	Burnell, Tula L. T.	830.49
318761	Bigleman, Lewis C.	2,866.73
426037	Beam, Margaret	240.87
427736	Bietenduefel, Anna E.	85.39
441655	Blair, Mabel S.	837.67
44836	Bingham, Chas. G.	577.27
200906	Bowers, Geo.	2,386.84
209943	Bain, Lizzie	2,266.81
257278	Butterworth, Sarah	2,360.91
258279	Boyle, Kate	1,618.56
261747	Borman, Chas. T.	32.75
265583	Bachrach, Henry	1,111.65
417459	Benson, Hansine L.	3,704.18
417995	Bovard, J. J. or I. E.	371.39
344851	Beehe, Mary E.	154.30
346519	Bertrilacchi, Italia	29.56
349248	Brothers, F. A.	319.47
350480	Barks, Emma	77.76
354085	Becker, Frank C.	87.01
356557	Bowie, E. W.	95.52
425946	Butler, Julia	351.91
432388	Barton, Eva	360.37
433813	Brille, Anna	2,598.96
449528	Brennen, Margaret M.	5,375.77
450302	Becker, Joseph	811.76
450735	Bergwin, A. D. J.	1,102.87
384068	Barefoot, James	300.59
386731	Bartley, Ethel	6,472.18
387513	Bulmer, Elizabeth	269.69
395738	Barna, Metro	2,040.22
440227	Bell, Basil	240.92
440424	Bell, Amealia	79.75

C

76261	Cooper, Fred M.	251.40
112535	Clawson, Thos S.	455.39
124737	Cornman, Henry	98.28
130961	Carroll, Edward F.	167.12
138543	Cashdollar, Mary M.	2,234.06
142816	Church, William F. **	29.91
145282	Coyne, Martin, Extr.	5,599.82
160189	Cleary, Grace	209.93
160454	Conlon, Marcella Q.	1,285.58
247109	Crawford, Nora O.	494.18
250329	Crane, Joseph	22.06
267206	Crider, Georgia E.	658.63
416988	Carson, Margaret	74.67
419220	Conway, John	195.95
435586	Conley, Nellie G.	118.64
437181	Cooper, Milson K.	58.24
436731	Crothers, Frances L. (M.D.)	60.85
269747	Connolly Annie	4,173.20
311958	Clark, Nellie Davis	633.54
317359	Cole, Henry E.	131.80
407480	Coughlan, Eliz.	142.52
409443	Clinton, Mazie P.	1,644.71
410785	Coren, Morris	71.81
305018	Coleman, Tillie	4,385.03
360170	Cahill, Thomas E.	1,076.60
373424	Conley, Mary B.	128.73
379745	Coll, Bridget	2,584.99
402277	Cain, Thos. M., Extr.	81.27
403425	Cabaj, Maria	642.27
404261	Connolly, Margaret	475.41
430303	Cale, John R.	112.87
445390	Castelli, Vincent	1,099.86
446271	Crim, W. R.	407.27
365932	Clark, Mayme A.	45.97
382967	Caveney, Margaret A.	26.60
389450	Cronin, Margaret T.	126.86
394123	Campbell, Fred A.	198.99
395125	Court, Mary	42.48
411371	Cracnoff, Alek	448.91
414966	Coyle, John	887.61
439784	Coll, Mary M.	1,154.22
330647	Calhoun, John C.	1,630.56
330794	Clark, Margaret	50.44
342548	Curran, Mary	5,494.58
348765	Conley John J.	192.74
354423	Campbell, Eva	249.77
422178	Commons, Ernest M.	41.13
422727	Conley, Mary B.	75.07
424717	Cunningham, K.	34.68
425944	Cain, Mamie W.	36.97
434298	Conley, William P.	402.20
443849	Cole, Amy G.	4,309.50
450884	Cronin, John P.	220.37

D

338328	Davis, Margaret J.	149.04
351196	Deiss, Mary A.	27.88
351516	Dobencoff, Kate	25.78
355917	Delany, Allye A.	50.06
423270	Donahue, Helen I.	94.53
433639	Dunn, William J.	114.16
444358	Danahy, C. M.	255.16
420288	Doyle, Wm E.	28.63
362304	Duffett, Henry	758.56
374684	Darr, Edith M.	241.53
376618	Dodds, Nellie F.	18.18
396434	Donavon, Sicily	2,686.27
399369	Donahue, Martha J.	6,026.67
400087	Dean, Anna T.	3,826.51
402480	Davis, Steve	838.54
403402	Dressler, Philip W.	3,780.69
431193	Donehoo, Helen F.	123.89
431826	Drylie, Gertrude E. and David	454.55
379572	Dixon, Gertrude	1,471.30
57601	Davis, Hugh H.	82.24
139512	Davis, Annie M.	1,177.05
157171	Donaldson, Peter C.	50.46
182326	Dunn, Catherine	3,475.94
418530	Dorsey, J. F. and A. E.	338.34
291598	Di Renna, Angela M.	254.68
294660	Demut, Julie	481.35
302278	Drennan, Lillie	341.28
307400	Devine, Margaret	104.76
441214	Dorsey, Jacob F.	180.62
305170	Dougherty, Grace	552.12
320934	Downing, Francis	5,254.69
413909	Decker, D. Hatfield	129.40
440425	Durkin, Beasey	142.50

E

344982	Englert, Elizabeth M.	163.41
352407	Evans, Mary M.	438.43
423061	Eckert, Hannah	549.86
423327	Eberle, Atlee C.	1,783.49
434535	Ebert, Anna E.	35.46
326390	Ebbert, Elizabetha	86.89
426347	Erkel, Norman P.	195.93
442588	Erickson, Archie C.	55.61
221266	Engelhard, Elizabeth	3,053.07
417189	Edlis, Estelle E.	115.64
360222	Epstein, Burford B., Admr.	922.44
401139	Everman, Alfreda P.	819.43
388462	Ebert, Anna M.	2,768.44
439320	Egan, Rosina McC.	1,713.32

F

339111	Fried, W. F.	165.54
347243	Furich, Martin	630.47
420216	Fox, E. J.	96.23
421311	Fereday, Marie G.	28.87
432939	Friedlander, G.	632.91
432949	Fox, Edward J.	67.78
336090	Flinn, Eleanor A.	3,925.52
450416	Friesell, C. E.	106.80
450431	Fragale, Carlo	562.77
392894	Freund, Lillie M.	43.96
393372	Fisher, Margaret M.	111.84
395582	Fetter, Carrie, Extrx.	1,137.80
414576	Faherty, Margaret T.	1,390.40
414909	Formhals, Edwin B.	3,639.03
439063	Farmer, Florence M.	81.05
447366	Fried, Richard H.	286.21
412968	Farrell, Robt. A. Jr.	530.88
369460	Fitz, Arabella S.	143.40
396735	Fitch, Olive	843.82
398821	Fitzhenry, Stephen	143.96

397105	Flynn, Thos. J.	29.64
156226	Fleming, Richard K.	22.58
221051	Fry, Craig H.	21.41
228519	Fisher, William H.	28.62
418610	Fording, Arthur O.	77.07
436965	Fagan, Martha	325.49
451129	Fox, Robert V.	3,272.48
452506	Fulton, Anna M.	105.27
319711	Fisher, Nellie	1,363.26
322605	Ferguson, Sam J.	601.43
440918	Francolino, Josephine	1,072.84
427647	Fahey, Margaret	25.38

G

98128	Gamewell, Roland G.	31.92
163935	Glenn, Jos. E.	314.92
170522	Given, Anna	2,005.59
238144	Gauley, Lizzie M.	44.16
249028	Garrigan, Jos. E.	26.33
418031	Gilmore, John R.	72.31
437239	Gordon, R. G and E. M.	150.84
221600	Geiss, Chas.	22.36
260473	Gilfillan, Gertrude C.	34.86
365827	Geisler, Albert W.	911.90
388789	Gettman, Louise M.	255.37
378238	Grieve, John	5,711.74
398760	Goldenson, Dora B.	110.99
398832	Gardner, L. Olga	797.61
402011	Gustatin, John	3,605.68
430111	Guyton, Marie E.	269.44
430202	Gropper, Sara	1,192.33
430340	Grau, Harry S.	75.60
289284	Gerling, Josephine M.	871.61
389618	Gourley, Elizabeth B.	53.23
389730	Golden, Edward McKee	39.02
392114	Guest, Sidney	73.32
413577	Gruber, Martina	978.37
439579	Gorman, Bridget	1,151.84
394006	Gaub, Elmer E.	207.07
330700	Guthrie, John B.	871.64
344896	Grimm, Lawrence P.	1,114.59
345081	Glasman, Morris	8,407.40
356018	Guinn, Lynda L. R.	1,284.97
425714	Griggs, T. M.	48.12

H

275912	Harmon, Ruth E.	37.25
279968	Hill, Anna J.	17.22
298222	Hays, William E.	15.67
307654	Hermann, Wilhelmine	86.64
405487	Harrow, W. J.	17.22
409867	Hallisey, Mary	52.43
426432	Harris, Alice R.	7,151.61
328331	Hammerschmitt, L. M.	313.52
332614	Hunt, Mary E.	91.96
334481	Hingst, Tillie M.	2,166.12
337846	Haggerty, D. J., Extr.	2,020.64
350438	Higham, B. F. D., Extr.	411.02
352656	Haas, G. P.	83.73
424126	Hutchison, Mary W.	813.42
424560	Horgan, A. D.	60.64
424966	Harris, Dora	384.47
433183	Harris, Mary E.	314.01
433645	Holliday, A. D.	32.07
444345	Haas, G. P.	1,152.81
444749	Hunter, Margaret	450.74
449553	Havley, Albert F.	159.39
356513	Haggerty, D. J., Extr.	1,048.49
449411	Hartner, Jane	222.66
450454	Harper, Charles E.	1,403.54
370298	Halley, Jean	162.93
380811	Holman, Evelyn E.	119.99
296631	Hast, James	1,666.58
396981	Hosack, Elizabeth C.	580.12
398060	Hook, Fred L.	3,665.56
398709	Haley, Mary	3,217.89
401016	Hurbanek, Rozi	56.81
404481	Hook, Elsie M.	1,645.67
382576	Hanlin, Grace M.	756.25
384284	Hlavsa, Annie	1,631.79
390377	Haugh, Michael S.	26.38
415120	Hartman, Clayton V.	1,080.10
415463	Houseberg, John Wm.	8,887.76
390953	Herlehy, Allan R.	91.06
52833	Hussey, Clara E.	721.02
98819	Hay, Maggie	285.50
114232	Hamilton, Louis H.	188.72
184035	Hunter, Sarah J.	656.36
251983	Hagen, Ellen	22.13
264418	Hanselman, Janice	16.66
416598	Hanlon, C. J. or E. C.	721.63
436811	Hofbauer, Teresa	119.18
437298	Harrison, Nichols	719.75
451984	Hunter, Laura	322.86

J

139987	Jordan, Calvin B.	63.14
231793	Jaffe, Bertha	2,568.43
387984	Jones, Hannah E.	304.01
390263	Jones, Isabella A.	168.74
394071	Jones, Richard	68.27
279697	Johnson, Artcher A.	610.58
291057	Jackson, John W.	41.27
407452	Jalsh, August S	36.06
365400	Jochumsen, Oliver C.	6,058.87
371962	Johnson, LaForest	220.79
402141	Jacobs, Albert L.	74.18
403524	Joyce, Mary	33.42
420859	Joyce, Anna C.	64.61

K

389177	Kirby, Catherine M. A.	2,389.03
389272	Kornetz, Fred A.	33.58
411019	Kirby, Margaret	15.22
411049	Kehr, Christian	299.37
413973	Kramer, Etta	149.31
415686	Kilcullen, Patrick	166.56
440187	Kunkel, Martha	84.28
448343	Kelly, Walter W.	3,737.79
331638	Krumenacker, P. S.	113.62
343523	Kier, Mary M.	129.94
351377	Kerr, Clyde C.	270.74
420224	Kreines, M. S.	2,620.58
422093	King, Maggie S.	3,145.91
422348	Klingensmith, Alberta L.	31.78
434200	Kleinschmidt, H. P.	125.77
298632	Krimer, Morris	2,133.75
407552	Kascak, Mary	223.16
409441	Kuhns, Thos. R.	40.54
409790	Kranek, Eliz.	151.20
427082	Kent, Anna D.	611.81
282631	Kleppner, Regina	276.55
399646	Klein, Hanna D.	385.40
403860	Keil, Maria	790.41
429791	Keller, Ida	67.94
359386	Kelly, Cath. M. V.	58.40
134238	Kountz, Jos. L.	673.94
159030	Krider, Conrad	251.70
437268	Kilpatrick, Emma	1,189.78
451716	Krater, L. C. or A. E.	529.81

L

341596	Lewis, Wilhelmina	1,178.83
354454	Lees, Matthew	169.04
357161	Lewis, DeH. J.	37.81
423893	Lutz, Wilbert F.	3,069.49
432880	Linhart, S. B.	117.39
104302	Lanahan, Frank J.	155.03
117365	Lawson, Viola C.	3,739.86
145160	Lowry, Jennie	3,058.22
239798	Longmore, Mary	181.67
251135	Lawler, Rose A.	894.89
264576	Loughrey, Jno. E.	126.79
419873	Liebschner, Amelia M. E.	1,148.65
359020	Leslie, Rachel, DeH.	3,375.23
370228	Lewis, Annie	19.27
370663	Lee, Ivy M.	306.59
370859	Laurent, Louise K.	84.48
396097	Levine, Ray L.	81.00
396613	Lisifka, John	1,211.39
388177	Ley, Flora	151.67
391435	Lenzner, William	1,262.83
392446	Lentz, Catherine M.	1,510.17
415540	Linhart, Samuel B.	332.77
438462	Lang, Esdella U.	203.91
298240	Lott, George E.	481.15
410421	Leventon, Morris	561.60
426952	Leen, Michael A.	4,622.11
442837	Linn, Delmo K.	1,099.74
313713	Little, Edna P.	473.93

M

130741	Meade, Mary A.	418.85
131490	Metzler, Katie	543.27
150133	Mannion, John	409.13
179377	Macon, J. Conway	67.97
195143	Merriman, Jas. E.	1,073.60
202830	Monaghan, Bridget	137.18
227767	Minsky, Esther	88.93
235573	Mayer, Mary A.	216.78
243482	Miller, Waldo P.	519.31
252214	Meadwell, Ellen	3,008.93
417545	Marks, Cecil C.	17.69
418029	Mallory, Emma	532.00
418287	Majchrzack, Anna	1,803.58
436881	MacKellar, Agnes H.	113.56
451267	Miller, Eva B.	2,049.48
419763	Marshall, Rob't J.	40.08
275333	Machen, John W.	82.41
281247	Morrow, Wm. J.	8,980.98
281576	Martin, Hannarah	2,534.09
307016	Malatesta, Mary M.	4,864.69
311164	Moore, Katherine R.	1,189.00
426670	Moore, Wm. S.	185.56
427039	Miller, Edith A.	321.48
442887	Minsky, Liliane	12,489.57

442932	Millford, Marie A.	154.93
330286	Moore, Mary J.	50.55
334991	Mockus, Frank	72.47
328197	Marquis, Kathryn	515.78
354701	Mandelbaum, L.	277.96
356734	Mahoney, Margaret	1,117.48
421664	Mandel, Tillie	1,171.66
425615	Moss, Marie E.	219.39
450677	Masters, James	868.41
382500	Magnani, Lina	1,117.33
393306	Marshall, Lillian L.	105.40
394228	Myers, Angeline L.	1,558.47
411675	Manning, Julia H.	157.62
412449	Markowitz, Charles	61.59
412943	Montgomery, Margaret	80.84
414781	Michalik, Marie	209.05
438429	Morgan, Annie M.	151.58
439993	Merchant, Catherine M.	153.71
361197	Mullen, Mary E.	923.91
369281	Matthews Est., Martha F.	48.24
373198	Myers, Myrtle B.	4,334.62
404487	Morrow, Sara R.	713.81
431771	Metzger, Susie E.	102.26
363834	Moore, Clyde J.	317.44

Mc

383398	McComb, Tillie	130.16
386283	McDonnell, Mary	172.61
386569	McDonald, Isabel J.	250.15
388080	McCue, Mary M.	1,750.22
415002	McQuillan, Emily W.	15,479.19
415250	McAfee, Margaret C.	2,275.33
447261	McMillan, Sadie	120.80
447537	McKelvy, Anne D. S.	1,088.53
440426	McDermott, Mary	253.12
123938	McAllister, Sarah A.	355.14
162411	McKinney, Marie E., Extrx.	1,365.53
196154	McCall, Clinton W.	145.30
240596	McClure, Eleanor	158.48
214575	McQuaide, Joseph R.	25.43
268870	McKayney, John R., Extr.	268.53
317114	McQuillen, Clara	3,012.28
327381	McGuire, Bryan	492.91
298042	McKenna, Mary A.	9,319.30
341455	McGuire, Patrick	1,847.38
345695	McGill, David F., Extr.	514.49
433123	McCutcheon, L.	310.51
450327	MacPherson, M. C.	323.15
450457	McVay, W. M.	1,068.47
450860	McGovern, Jean	475.87
365007	McQuillen, Margaret	127.37
371199	McKinney, Emily M., Gdn.	2,379.59

N

363276	Newland, Mary	179.06
373558	Nicholson, Clarine	466.12
396631	Neubauer, Anna	300.34
431096	Neely, Margaret C.	1,506.25
446652	Newport, Virginia M.	70.15
450880	Nichol, Minnie	161.61
391532	Neff, Annie	154.06
412553	Newark, John W.	1,508.85
413651	Nelson, John O.	557.11
394486	Neumark, Oscar	5,361.29
212949	Nickel, Emma C.	129.61
405913	Newbrand, Jennie H.	232.52

O

356873	O'Donnell, Sara	86.51
420187	O'Donnell, Bridget	107.53
424400	O'Brien, Lecetta	65.94
424134	Osherer, Rose	1,097.81
417392	Orsi, Luigi	947.66
419166	O'Donnell, Cathryn	136.11
277536	O'Connor, Mary A.	255.18
298540	O'Malley, John T.	649.46
239940	Ogden, Mary	1,103.69
410339	Overman, Pearl E.	22.28
385620	O'Neil Patrick	2,902.14
383780	Offer, Celia	383.29
448184	Otto Wm.	81.13
366110	Osburn, Nora B.	240.22
373259	Owens, Howard G.	432.45

P

432480	Painter, Maggie B.	6,318.33
443560	Prenovitz, Sam	277.22
352079	Peplowski W.	30.57
450254	Petrikas, Stella	851.91
450260	Paounoff, Emanuel	318.30
360494	Park, Annie	4,581.22
366959	Pisano, Angelamaria	104.86
397031	Pfannkuck, Fred C.	124.10
400971	Page, Mary H.	255.40
400993	Pecinkas, Jonas	94.99
404664	Perritt, Eleanor H.	2,653.19
430107	Parker, George W.	1,961.07
359038	Pemberton, Anna B.	59.61
360565	Powers, Richard C.	59.58
230970	Pearce Tillie	47.43
265158	Philips, Eliz. I.	163.98
451759	Phillips, Maggie	221.19
383375	Portman, Agnes C.	39.65
413458	Plati, Sara	1,920.07
271379	Plender, Martha B.	32.82
301065	Pringle, Allison A.	942.02
407050	Pecinkas, Tadausz	1,104.42
408949	Petvini, Marya	1,434.69

R

329994	Rosner, Karl	147.20
335300	Russell, Josephine	221.66
355783	Robinson, M. A.	899.01
423544	Repetty, Theresa	5,740.19
425489	Radbord, Lena	225.92
443364	Richardson, R. F.	5,563.78
423699	Rivat, Antoine	725.18
450347	Rider, Howard L.	970.57
180793	Ramsay, Erskine	12,804.79
196111	Reese, Josiah L.	126.29
418428	Reed, S. Clark, Jr.	67.66
281796	Riggs, E. H.	92.73
409999	Rhea, Velma	409.80
426195	Rogers, John E.	50.96
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359846	Rinker, Austin J.	3,572.46
379333	Rosenberger, Walburga	126.51
399379	Rinker, Minnie D.	2,410.35
446084	Rudolph, Nellie T.	1,143.94
42998	Rooney, Helen C.	1,338.47
445640	Rosswog, Margt. M.	183.56
411133	Runsky, Zuzanna	385.12
415456	Reich, Sarah	1,276.68
415818	Rossman, Rena	129.08
438702	Renison, George S., Gdn.	346.09
439113	Roney, Katherine M.	2,162.48

S

382080	Scott, Jean M.	20.21
383153	Schessler, Catherine G.	24.81
385303	Seymour, Lansing S.	76.92
386471	Schwitzer, Alice	241.45
388381	Sharrer, Lewis A.	337.31
388640	Semple, Richard H.	700.26
389962	Sack, Anna	364.24
392337	Smith, Kate	60.58
394510	Speer, Stella	51.33
413312	Schultz, Edward W.	139.16
414276	Sands, William B.	937.72
439116	Stein, Tillie	872.18
448437	Schmid, Elizabeth F.	714.26
393613	Steeb, Willamae	138.39
41904	Saling, Philipp	543.79
53637	Schussler, Ludwika	1,228.70
95565	Schrader, Florence	145.50
143575	Sullivan, Katie	41.81
163399	Sutter, Geo. S.	778.63
174674	Schafer, Adam	9,821.78
178651	Smith, Annie	744.88
193186	Scott, Lizzie F.	482.02
244563	Siebert, Teressa	1,043.16
256952	Swenson, John F.	42.18
418367	Steffan, Henry	132.71
419581	Sacks, William	138.51
435648	Seymour, Frederick T.	210.16
437010	Smith, Jas. P.	281.49
437510	Smith, A. L.	685.85
452111	Skillen, Edith	1,493.40
286246	Silliman, Marie A.	1,506.16
296879	Sloan, Clara V.	323.15
327598	Schiefer George	69.02
405331	Sperow, Laura F.	106.44
406732	Seperka, Elizabeth	6,122.92
407317	Stover, Gillow	1,687.83
407805	Schwalm, Bridget	175.89
410955	Schroedel, Edith F.	65.87
427941	Smith, Mary J.	271.06
428172	Sefton, Ross K.	182.76
428715	Schuck, Susan M.	130.06
373619	Simkunas, Zuozopos	53.79
377860	Smith Alfred F.	29.54
398045	Simon, Belle	3,950.19
398077	Sneathen, John B.	34.75
399291	Sullivan, Nellie	170.68
399373	Schlagel, Mildred H.	437.37
400270	Sacher, Flora M.	457.83
401176	Swelbar, Anna	156.87
402095	Sauers, George, Jr.	35.93
403330	Schmoker, Marie	283.88
403778	Sugarmann, Marie	120.01
334356	Szimanski, K.	902.79
347325	Snyder, May	82.44
350668	Suttin, Harry	324.44

357637	Soisson, A. E.	19.37
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T

374617	Thomas, Lewis P.	19.35
379457	Tunney, Catherine	27.94
403067	Turner, George W.	192.89
431548	Tamers, Sam	30.53
362892	Thompson, Annie B.	73.33
394148	Taylor, Mary V. B.	1,008.91
394896	Turich, Josephine	796.16
415777	Timmins, Margaret	277.32
438847	Thomas, Harold F., Trustee	52.70
440427	Tomasso, Joseph	51.18
420571	Taylor, Bessie Mae	580.84
424974	Titley, Pearl E.	231.54
425017	Teplitz, B. H.	25.64
433445	Turnblacer, M. E.	2,074.48
275443	Thames, Wielliam	29.50
316623	Thompson, Annie	129.41
402950	Teplitz, Rosa	28.30
273341	Thornton, Mary	105.06
46228	Theis, Matilda	128.21
226028	Thomas, Susie	81.33

V

84588	Vincent, Mary E.	29.47
437351	Veeder, Vardi M.	155.95
341988	Vento, Domenic A.	3,715.17
382442	Van Horn, Laura E.	108.33
393659	Volbrecht, William J.	206.92
272345	Vause, Rachel	827.36
427563	Vassilarou, Froso	655.46

W

354917	Walsh, John J.	76.00
421024	Warden, Ruth H.	178.89
421801	Walence, Mary	22.61
423339	Wilson, Margaret L.	642.91
423777	Werner, Gustave E.	129.17
450420	Walker, Dorothy F.	106.80
226548	Woodson, Geo. F.	1,217.95
248875	Winklevass, Robert	141.11
418426	Weigold, Marie	29.07
435874	Wilkinson, M. L. or J. N.	105.86
451403	Wald, R. S. or M. V.	555.57
451609	Winter Margaret	153.28
121402	Wilson, Sarah A.	24.10
386130	Wiggins, Elijah	1,389.81
389440	Walsh, Marie	1,123.52
390817	Walsh, John A.	96.96
391245	Wendell, Hilda	203.51
412304	White, Sarah C.	19.01
414415	Wittenberg, Elizabeth L.	3,989.29
415683	Wilbert, Ivins L.	319.45
448585	Weigand, Eva G.	108.12
394657	Wright, Johanna	2,191.25
399552	Woods, Jessie L.	1,873.42
402436	Wootton, Grace E.	44.39
402720	Williams, Clarissa C.	454.35
404547	Wasilewska, Amelia	364.44
404659	Whitman, Hinda	117.13
429414	Weinman, Mary C.	276.05
430012	Wasko, May	1,162.46
430158	Wagner, John or T. A.	401.85
431821	Weiner, Blanche L.	149.95
297146	Wormald, Alice	3,064.21
297770	Waide, Annie	2,050.32
309250	Ward, Frank	225.92
325236	Westerman, M. W.	29.17
405625	Walsh, Mary	1,230.11
405599	Walter, Katie	1,314.31
406234	Worgan, Henry H.	13.26
410354	Wood, Clara H.	3,851.00
426024	Wilson, Sam W., II.	59.33
427509	Wirtz, Catherine E.	61.94
442761	Winters, L. Crosby	167.64

Z

435351	Zaske, Wm. C.	1,583.78
443569	Zaske, Fred W.	1,052.85
391252	Zimmer, Louisa	30.94
440835	Zug, Willa F.	1,344.95

ELMER S. STANIER, Treasurer, Pittsburgh, Pa., January 1st, 1941

REPORT OF THE SECRETARY OF PUBLIC ASSISTANCE TO MEMBERS OF THE HOUSE OF REPRESENTATIVES IN ACCORDANCE WITH HOUSE RESOLUTION NO. 2, ADOPTED FEBRUARY 4, 1941

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC ASSISTANCE

Harrisburg, February 10, 1941.

The Honorable Thomas J. Callahan
Chief Clerk
House of Representatives
Harrisburg, Pennsylvania

Dear Mr. Callahan:

I have the honor to submit, herewith, for the information of members of the House of Representatives, copies of a "Report on the Property Liability Provision of the Support Law and Methods of Obtaining Reimbursement of Assistance Granted to Property Owners."

This report, which was submitted to the Senate February 3, 1941, in accordance with resolutions adopted in the Senate May 16, 1940, and January 27, 1941, covers the general subject on which the House of Representatives requested information in Resolution No. 2, adopted February 4, 1941. It is, therefore, submitted in partial compliance with House Resolution No. 2.

In further compliance, the following statement furnishes information on the six specific points enumerated in House Resolution No. 2 with respect to bonds or reimbursement agreements signed by assistance recipients acknowledging the liability of their property for repayment of assistance:

"(a) The number of bonds on which judgment has been entered"

As of December 31, 1940, reimbursement agreements (and equivalent documents) filed as judgments against real property of assistance recipients totaled 56,762. (See page 6436 in attached report for discussion of legal basis of current reimbursement regulations and page 6439 for estimate of extent of real property ownership by assistance recipients.)

"(b) The total cost of entry of such bonds"

Analysis of Department records indicates that costs totaling $75,532 were incurred in connection with the filing of the 56,762 reimbursement agreements (and equivalent documents) recorded up to December 31, 1940, or an average of $1.33 per agreement.

"(c) The total amount collected on such bonds"

As of December 31, 1940, payments totaling approximately $217,500 had been paid to the Commonwealth as reimbursement of assistance in connection with 1,323 individual judgment liens obtained by agreement. (See page 6440 in attached report for discussion of comparative legal costs of different methods of establishing claims and probable eventual collections on reimbursement agreements now filed.)

"(d) The total cost expended in order to effectuate such collections"

Estimated legal costs in connection with filing the

reimbursement agreements (or equivalent documents) on which payments had been made up to December 31, 1940 totaled $1,760. No estimate is possible of the pro rata share of general administrative costs of the Department which might be chargeable to the handling of these collections, since most of the work is done by employes principally occupied with other duties.

"(e) The number of bonds and judgments necessary to be revived within the next year"

There will be no need to revive any judgments secured under the reimbursement agreement procedure until 1944.

"(f) The cost necessary to revive such judgments"

On the basis of present statutory provisions, it is estimated that legal cost will average about $6.00 for each judgment lien revived. This necessary cost could be eliminated by legislation permitting Executive Directors of County Boards of Assistance to file a "suggestion of non-payment" as a means of reviving the judgment lien.

Sincerely yours,
HOWARD L. RUSSELL,
Secretary.

REPORT ON THE PROPERTY LIABILITY PROVISION OF THE SUPPORT LAW AND METHODS OF OBTAINING REIMBURSEMENT OF ASSISTANCE GRANTED TO PROPERTY OWNERS

Submitted by the Secretary of Public Assistance to members of the Senate in accordance with Senate Concurrent Resolution, Adopted in the Senate May 16, 1940, and Senate Resolution Adopted January 27, 1941.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC ASSISTANCE

Harrisburg, February 3, 1941.

The Honorable George Holmes
Secretary of the Senate
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Mr. Holmes:

I have the honor to present, herewith, for the information of the members of the Senate, a "Report on the Property Liability Provision of the Support Law and Methods of Obtaining Reimbursement of Assistance Granted to Property Owners."

This report is based on a study and investigation undertaken last year in accordance with the request contained in Senate Concurrent Resolution No. 104, adopted in the Senate May 16, 1940. The report complies with that resolution, which was not concurred in by the House, and also with the resolution adopted by the Senate January 27, 1941.

Sincerely yours,
HOWARD L. RUSSELL,
Secretary.

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PREFACE

On May 16, 1940, the Senate adopted Senate Concurrent Resolution No. 104, as amended, which read as follows:

"Whereas, The rule or regulation of the Department of Public Assistance requiring relief recipients to execute a bond as a condition precedent to receiving relief has been a source of controversy; and

"Whereas, The General Assembly regards home ownership as one of the highest forms of good citizenship and wishes to encourage it in every conceivable manner; therefore be it

"Resolved (if the House of Representatives concur), That the Secretary of Public Assistance is hereby directed to make a study and investigation of:

"(1) The relative advantages and disadvantages to all concerned of the present rule or regulation requiring relief recipients to execute a reimbursement agreement as a condition precedent to qualifying for relief.

"Resolved, That the Secretary of Public Assistance shall make a report of such study and investigation to the General Assembly at its next regular session, together with his recommendation, for its guidance on this subject."

This resolution was not concurred in by the House of Representatives. Following adjournment of the Legislature, however, the Department of Public Assistance instituted the requested study and investigation, the principal findings of which are contained in the present report.

The report is divided into three parts. The first summarizes the history of the legal liability of property owned by persons receiving public support and the background of the Reimbursement Agreement currently required of property owners. The second deals with alternative

methods of obtaining reimbursement of assistance and findings of the Department's study of such methods. The third reviews briefly the extent to which the reimbursement principle is applied in other comparable states.

For reasons of space, much documentary material used in the preparation of this report has not been reproduced but is available in the files of the Department.

PART I

HISTORY OF LEGAL LIABILITY OF PROPERTY AND BACKGROUND OF CURRENT REIMBURSEMENT REGULATIONS

LEGISLATION PRIOR TO SUPPORT LAW OF 1937

The first Act requiring reimbursement from the property of persons receiving public aid was the Act of March 29, 1819, which provided, in part:

"That whenever any person is chargeable on any township, county or city, the overseers of the poor, or directors of the poor house, in any county, as the case may be, shall, and they respectively are hereby authorized to sue for, recover and collect, any money due, or property belonging to such person, to be applied in defraying the expenses of keeping such pauper";

Subsequent acts dealing with the same subject were adopted in 1836, 1877, 1889 and 1913. The Act of June 25, 1913, stated the principle of property liability later incorporated in the Support Law of 1937, in the words:

"The real estate of any pauper shall be liable for the expense of his support, maintenance and burial incurred by any poor district, whether owned at the time such expenses were incurred or acquired thereafter."

This was followed by the General Poor Relief Act of May 14, 1925, which made liable the "personal estate" (as well as the real estate) "of any pauper" and codified various previous statutes on the subject.

All of the above acts concerned poor relief, as distinguished from unemployment relief, aid to dependent children and old age assistance, which were administered prior to the Public Assistance Law of 1937 by the State Emergency Relief Board and Mothers Assistance Fund or Old Age Assistance Fund Boards. The various acts relating to unemployment relief and aid to dependent children before 1937 did not contain any provision making property of recipients liable for reimbursement.

The first provision of this nature in old age assistance legislation was included in the Act of June 25, 1936. The Department of Welfare, which was responsible for supervising administration of this Act at that time, established a procedure for collection of claims against former old age assistance recipients who owned property and received assistance after the effective date of the Act. This procedure was based upon advice given by former Deputy Attorney General Adrian Bonelly. With the passage of the Public Assistance Law of 1937, responsibility for the collection of such claims was assumed by the Department of Public Assistance. In December, 1937, the Secretary of the Department wrote former Deputy Attorney General John P. Wanner asking for confirmation of the advice given by Mr. Bonelly and received a reply stating, "Whenever a beneficiary received assistance under the Act in effect prior to June 25, 1936, and continued to receive assistance subsequent to June 25, 1936, it was the clear purpose and intention of the Assembly to make the estate of such beneficiary liable for repayment of such assistance grants."

Supreme Court Ruling

It is noteworthy that efforts made by the Department to establish claims against property of former old age assistance recipients in accordance with Deputy Attorney General Wanner's ruling led eventually to a legal challenge of the State's right to secure reimbursement of assistance granted before passage of the Act of June 25, 1936, which contained the first mention of reimbursement of old age assistance, As a result, an appeal was taken to the Supreme Court in the case of William Waits, 336 Pa. 151 (1939), and the Court held in its opinion, written by the late Justice Barnes, that the retroactive application of the Act was constitutional, and that "at common law there is an implied duty on the part of a recipient of public assistance, or his estate, to make reimbursement." Further, "it seems to us that although the Act of 1934 (the first old age assistance law) made no express provision for reimbursement, there is an implied condition attached to every payment of assistance funds, that the recipient would repay the Commonwealth when able to do so, and that his estate should be subject to the same liability."

SUPPORT LAW OF 1937

Liability of property for repayment of public aid, regardless of type, was first enunciated in the Support Law, Act of June 24, 1937, Section 4 of which read, in part:

"Section 4. Property of Indigent Persons Liable for Expenses Incurred for Support and Assistance.—(a) The real and personal property of any indigent person shall be liable for the expenses of his support, maintenance, assistance and burial, incurred by any public body or public agency, whether owned at the time such expenses were incurred or acquired thereafter. Any public body or public agency may sue for moneys so expended, and any judgment obtained shall be a lien upon the real estate of such indigent person, and be collected as other judgments";

As first enacted, the Support Law followed the provisions of the earlier poor laws in making property liable, even though acquired after a person ceased to receive assistance. While forced sale of property to provide for immediate reimbursement was not mandated, there was, at the same time, no assurance to a home owner that his home would not be sold to effect reimbursement while he and his family needed it. The Department and the State Board of Public Assistance at first took the position that the law was discretionary and no effort was made to apply it to recipients of general assistance and aid to dependent children, although claims continued to be set up against the property of old age assistance recipients who died or who were removed from the assistance rolls for any other reason.

In January, 1938, the Secretary of the Department asked the Attorney General whether, under the recently enacted Support Law, reimbursement was required for blind pensions, aid to dependent children and general assistance and, further, whether it should be required for assistance granted prior to passage of the Support Law as had been ruled in the instance of old age assistance paid before the Act of 1936. An affirmative reply from former Deputy Attorney General Wanner stated, "Whenever assistance grants are made to relief beneficiaries who are property owners, the claim should be immediately established." The Department questioned Mr. Wanner's decision with

respect to reimbursement from blind pensioners and it was later ruled that the Support Law referred only to assistance and not to pensions.

During 1938 the State Board of Public Assistance devoted considerable attention to possible administrative measures to comply with the Support Law. In July of that year the State Board approved the use of a judgment bond as the only practicable method of compliance and accordingly the necessary administrative procedures and forms were prepared by the Department. However, on December 1, 1938, actual institution of a bond requirement was postponed at the direction of the State Board which asked that additional and final interpretation be requested from the Attorney General as to whether the Support Law was mandatory or discretionary with respect to aid to dependent children and general assistance and as to whether a judgment bond should be used to make the law effective.

Attorney General's Opinion

In January, 1939, just before leaving office, the former Attorney General Guy K. Bard rendered an opinion stating that administrative measures to enforce the reimbursement provision of the Suport Law were mandatory with respect to all types of assistance and that the State Board might lay itself open to charges of nonfeasance if not malfeasance if some action were not taken. The opinion approved the proposed use of a bond in the words, "It seems to be highly important that the Department of Public Assistance should expedite collections from relief recipients by requiring them to furnish bonds containing a clause for the confession of judgment, thereby eliminating the necessity of bringing suit against relief recipients." In March, 1939, the Secretary of Public Assistance requested Attorney General Claude T. Reno to review the opinion previously rendered and to advise whether he concurred in its findings. The Attorney General referred the request to Deputy Attorney General M. Louise Rutherford who wrote the Secretary March 28, 1939, that the Department of Justice concurred in the findings of the earlier opinion. Accordingly, effective April 1, 1939, a regulation, approved by the State Board of Public Assistance, went into effect requiring all assistance recipients and applicants to sign a form of bond in the amount of $5,000 to insure repayment of assistance from property which might be owned or acquired.

In conjunction with initiation of this bond requirement, the Department recommended to the legislature, which was then in session, that the Support Law of 1937 be modified. In anticipation of such modification plans were developed for institution of a simplified reimbursement agreement procedure.

SENATE CONCURRENT RESOLUTION

On May 16, 1939, the Department suspended use of the $5,000 bond in accordance with the request contained in Senate Concurrent Resolution No. 4, which read as follows:

"Whereas During the last Administration Act No. 397 was passed which provides in Section 4 as follows:

'Section 4. Property of Indigent Persons Liable for Expenses Incurred for Support and Assistance. (a) The real and personal property of any indigent person shall be liable for the expenses of his support, maintenance, assistance and burial incurred by any public body or public agency, whether owned at the time such expenses were incurred or acquired thereafter. Any public body or public agency may sue for moneys so expended and any judgment obtained shall be a lien upon the real estate of such indigent person and be collected as other judgments'; and

"Whereas, The State Board of Public Assistance, on April 6, 1938, submitted to the Attorney General for approval a procedure for the enforcement of the act above quoted and on July 7, 1938, by resolution adopted a form of bond to be filed as a lien against the real property and

"Whereas, The use of said bond was thereafter temporarily suspended; and

"Whereas, The former Attorney General suggested that the Department of Public Assistance should expedite collections from relief recipients by requiring them to furnish bonds containing a clause for the confession of judgment, thereby eliminating the necessity of bringing suit against relief recipients and bringing about the saving of large sums of money, which opinion was concurred in on March 28, 1939, by the present Attorney General; and

"Whereas, Pursuant to the suggestion of the former Attorney General, the Department of Public Assistance, effective April 1, 1939, issued instructions that applicants for all forms of assistance, excepting blind pensioners, be required to file bonds, which procedure is now in effect; and

"Whereas, The present Department of Public Assistance has recommended and, pursuant to said recommendations, a bill has been introduced to amend the Act of 1937 so that only the real and personal property of recipients owned at the time relief is granted, or acquired during the period of said grants, is liable for such repayment, and providing also that any judgment obtained for the repayment of relief shall not be enforced against the real and personal property of the recipient comprising his home and furnishings during the lifetime of such recipient; and

"Whereas, The Department of Public Assistance proposes, upon the enactment of said act, to abandon the use of said bond and to substitute in lieu thereof an agreement carrying out the provisions of said proposed amended act; now therefore be it

"Resolved (if the House of Representatives concur), That the Secretary of Public Assistance, in view of the above facts, be directed to immediately discontinue the use of said bond."

It will be noted that this resolution makes specific reference both to the anticipated changes in law and to the proposed use of "an agreement carrying out the provisions" of the amended law.

Act 168, approved June 9, 1939, amended Section 4 (a) of the Support Law so as to (1) exempt from liability any property acquired after a person ceased to receive assistance, and (2) protect the home owner by privading that no judgment against a recipient's property comprising his home and furnishings could be executed to effect reimbursement during his lifetime or the lifetime of his surviving spouse or dependent children.

In September, 1939, with the approval of the State Board of Public Assistance and the Attorney General, the Department put into effect the present reimbursement agree-

ment procedure, requiring adult owners of real property to sign an agreement form acknowledging eventual liability of their property and authorizing the entering of a judgment for the amount of assistance received up to a maximum of $2,000. A copy of the Reimbursement Agreement form is attached.

PART II

ADVANTAGES AND DISADVANTAGES OF ALTERNATIVE METHODS OF OBTAINING REIMBURSEMENT

From the foregoing, it seems clear that the liability of property owned by indigent persons receiving any form of public aid is a matter of law; that measures of some kind to make the law effective are mandatory and not discretionary and that the reimbursement obligation in the law has been emphasized by the Supreme Court in the Waits decision regarding old age assistance, as well as by rulings and advice given the Department of Public ssistance by the Attorney General.

Therefore, if the reimbursement principle and its effects are questioned, the proper remedy appears to lie in further amendment of the Support Law.

It is recognized, however, that alternative administrative methods of making the existing law effective are possible. In the paragraphs following, the major findings of the Department's study of these methods as they apply to real property are presented, together with certain observations which seem pertinent.

In general, the measures which can be adopted to bring about reimbursement of assistance granted to real property owners fall in one of two broad classifications:

(1) Agreements signed at the time assistance is granted, required as a condition of eligibility, and filed as a lien against the property.

(2) Court actions entered at the time assistance is discontinued in order to obtain a judgment against property (automatically constituting a lien); or claims filed against the estate of a property owner who dies while receiving assistance, thereby establishing the Commonwealth as a creditor of the estate.

The methods included under the second classification are mentioned in Section 4 of the Support Law in the following terms:

". . . Any public body or public agency may sue for moneys so expended, and any judgment obtained shall be a lien upon the real estate of such indigent person, and be collected as other judgments, except as to the real and personal property comprising the home and furnishings of such indigent persons, which home shall be subject to the lien of such judgment but shall not be subject to execution on such judgment during the lifetime of the indigent person, surviving spouse, or dependent children.

"(6) Any claim for the expenses of support, maintenance, assistance and burial of an indigent person, held by any public body or public agency, shall have the same force and effect against the real estate of a deceased indigent person as other debts of a decedent, and shall be ascertained and recovered in the same manner."

Although the law does not refer to the first classification, namely, the obtaining of an agreement (with the same force as a lien), this method was adopted by the Department of Public Assistance in accordance with specific advice of both the present and former Attorney General, as previously noted.

AGREEMENT METHOD

The term "agreement," as used here, is to be understood as including any equivalent documents obtained for the same purpose as the printed Reimbursement Agreement form attached to this report.[1]

Under current regulations of the Department of Public Assistance, adult owners of real property are required to sign a Reimbursement Agreement as a condition of eligibility for assistance.

Points of particular importance in evaluating the agreement method, as compared with the alternative of taking some form of legal action, include the following:

1. The Reimbursement Agreement in no way creates a new or additional liability against the signer's property. It is limited to an acknowledgment of the liability already specified in the law.

2. The judgment provided for in the Agreement gives the Commonwealth no rights or claims which would not be equally obtainable through court suit. For example, the statutory privilege of a "debtor's exemption" is unimpaired.

3. Although the Agreement specifies the sum of $2,000 (since the naming of a definite figure is necessary), the actual liability, or amount for which judgment may be executed, is limited to the amount of assistance received. Whenever assistance is discontinued, the Department agrees to furnish a stipulation to be filed with the Prothonotary, setting forth the amount of assistance for which the property is liable, if this amount is less than $2,000. Thus, the encumbrance represented by the Agreement and stipulation may never exceed the encumbrance which would be created if a court suit were entered to obtain judgment at the time of discontinuing assistance.

4. So long as liability of property is mandated by law, the required signing of an agreement is advantageous in that it insures that all property owners and their interested relatives will realize in advance that receipt of public assistance creates a statutory liability against property. Prior to adoption of the agreement regulation, many property owners were apparently completely unaware of this liability. In this connection it is noteworthy that, following passage of the Old Age Assistance Act of 1936 which contained a reimbursement clause, the Department of Welfare for a short time required applicants and recipients to sign a form acknowledging their understanding of the liability of property. This requirement not only caused some recipients voluntarily to leave the rolls but resulted in a number of applicants' withdrawing from the old age assistance "waiting lists." Presumably in these cases, as in more recent analogous cases associated with initiation of the present Reimbursement

[1] An example of an equivalent document is the $5,000 bond required for a short period after April 1, 1939. Where such bonds had already been filed, the signers were informed in writing that only those provisions which were contained in the modified Reimbursement Agreement would be applicable.

Agreement, the individuals concerned and their relatives found some means (possibly with considerable sacrifice) of avoiding resort to public aid and thereby keeping property clear to be passed on through inheritance.

3. The agreement method appears to be more equitable than other procedures since, without an agreement, there is nothing to prevent a property owner from receiving assistance for a period of time and then selling, transferring or encumbering his property before any effective steps can be taken to secure recognition of a reimbursement claim. In this manner, one person could evade, intentionally or otherwise, a statutory provision which would have to be enforced in the case of another person whose circumstances might be identical, except for the fact he retained rather than disposed of his property.

COURT ACTIONS AND CLAIMS AGAINST DECEDENTS ESTATES

Methods coming within the above classification are alike in that the action involved cannot be taken before or during the time a property owner receives assistance but must necessarily be taken when the grant has been discontinued and the total amount of assistance reimburseable has been determined. (Although it would theoretically be possible to institute periodic civil suits against persons still receiving assistance in order to obtain successive judgments for aid granted during a preceding period, the impracticability of such a procedure from the standpoint of expense alone requires no comment.)

Court Actions

In any appraisal of the use of court action as a means of making the property liability provision of the Support Law effective, the following points demand consideration:

1. The legal cost of a court action is invariably added by the court to the amount of the reimbursement claim, increasing the judgment against the property accordingly. Thus (if the equity in the property is sufficient) eventual settlement of the claim requires a substantially larger payment than would have been necessary if the liability had been acknowledged by agreement. The actual extent of these added costs for a group of representative cases is shown on page 6440.

2. Because of the mandatory nature of the reimbursement principle as interpreted by both the Attorney General and the Supreme Court, a decision to substitute court action for the agreement method would necessitate civil suit each time a property owner ceased to receive assistance. Statistical studies of the Department have repeatedly confirmed the fact that the assistance population, particularly the group receiving general assistance, is subject to constant turnover. Intermittent employment and intermittent ability of relatives to aid in support result in the discontinuance and resumption of grants in large numbers of cases.[2] The administrative burden imposed upon the Department by abandonment of the agreement method would thus involve considerably more than institution of a single suit to obtain a judgment in each case where assistance is discontinued. In a number of cases, it is probable that even before judgment against property for past assistance could be obtained the individual concerned might again require aid. In other cases alternating self-support and assistance over a period of years might result in several successive court actions, each adding legal costs as well as additional reimbursement liability to the claim against property. It is impossible to estimate the increase in personnel and administrative costs which would result under these circumstances. It seems clear, however, that the Claim Settlement Division of the Department would have to be greatly expanded to handle the work of preparing and following up claims, maintaining records and referring cases to the Department of Justice for suit. Additional investigation and referral duties would also be placed on the staffs of the County Boards of Assistance.

[2] A study of general assistance in 1939 showed that 85% of the different cases during the year were added to or removed from the rolls one or more times. Only 15% remained on the rolls continuously.

Claims Against Estates

The filing of a claim against the estate of a deceased assistance recipient does not of itself entail legal costs such as are incurred in court actions. This method of assuring reimbursement from property is, however, limited in its application to cases in which the property owner dies while receiving assistance. (Not only would it be administratively impossible to keep track of property owners who have left assistance rolls in order to file claims against their estates at time of death, but there would be every incentive for the owner to dispose of his property during his lifetime, knowing that otherwise it would become liable for reimbursement.)

Other points requiring consideration in connection with the claims-against-estates method include:

1. As in the instance of court actions when assistance is discontinued, the filing of a claim at the time of an assistance recipient's death does not eliminate the possibility that a property subject to reimbursement will not have been previously sold, transferred or encumbered.

2. Frequently, when an assistance recipient dies, leaving only a home which is willed to his spouse or children, the heirs do not wish to go to the expense of taking out letters of administration. Yet, unless an administrator has been appointed, it is not possible for the Department to file a claim. Insistence on settlement of the estate may work definite hardships on the family.

3. Wherever it is not possible to file a claim against a decedent's estate or where such a claim, though filed, has not been settled within a year, court action to obtain a judgment becomes necessary as the only remaining recourse.

FINDINGS OF SPECIAL ADMINISTRATIVE STUDY

In order to obtain specific facts on the operation of the Reimbursement Agreement procedure and alternative methods, the Department conducted a special administrative study during the three-month period August 1-October 31, 1940.

This study and later supplementary surveys provided information on the extent of real property ownership among assistance recipients; the extent to which property owners refused to sign agreements; amounts of assistance reimbursable and collected in a group of 424 reimbursement claims which were settled in full during the three months; comparative legal costs of collections by various methods; and probable eventual collections on all reimbursement agreements now filed.

Extent of Real Property Ownership

In the period April 1, 1939, when the first bond requirement became effective, through December 31, 1940, reimbursement agreements (and equivalent documents) filed against real property of assistance recipients totaled 56,762.

On the basis of this figure and data available on turnover in assistance rolls and number of different cases aided at one time or another, it is estimated that slightly more than 7 per cent, or roughly 1 in 14, of all cases receiving general assistance, old age assistance and aid to dependent children involve ownership of real property subject to reimbursement. Stated differently, for every case affected by the law and regulations relating to reimbursement, there are 13 cases not affected because no real property is owned.

In relatively few instances, assistance recipients own non-resident real property which has been offered for sale and cannot be sold at a fair approximation of its value. Such non-resident real property does not prevent eligibility for assistance if its liability has been acknowledged by agreement. In the great majority of instances real property owned consists of a home.

Extent of Refusals to Sign Agreements

During the period August 1-October 31, 1940, County Boards of Assistance offices maintained a record of all refusals to sign Reimbursement Agreements. In these three months, 10,028 assistance applicants and recipients were asked to sign agreements. Of the total, approximately 6 per cent, or 638, refused to sign. This group consisted of 462 applicants and 176 recipients, the latter being persons who had received assistance since before the initiation of the agreement regulation[a] or who had been granted assistance provisionally pending clearance of questions of property titles, etc.

Since information is not available on the number of persons who refused to sign (and were therefore denied assistance) but who subsequently changed their minds, it is not possible to estimate accurately, the so-called deterrent effect" of the existing law and regulations in causing persons to find some means of support other than public aid, rather than encumber their property. It must be recognized also that in some instances applicants refusing to sign agreements might subsequently have been found ineligible on some other grounds.

[a] It was not possible for county staffs to contact all recipients owning property immediately after the regulation went into effect. When such persons were contacted, particularly in the case of old age assistance recipients, considerable time was allowed for "Thinking the matter over" and consulting friends or relatives before actual signing was required.

Collection Experience in a Representative Group of Reimbursement Claims

As previously noted, regulations requiring Reimbursement Agreements (or equivalent documents) as a means of making the Support Law effective date back to April 1, 1939. However, there have been a number of instances during the subsequent period in which assistance recipients owning property have died or have had their assistance terminated for other reasons before an agreement acknowledging property liability could be secured. Such cases are referred to the Department's Division of Claim Settlements for filing of claims against decedents' estates or court actions to obtain judgments, under procedures similar to those followed in old age assistance cases after 1936.

It thus happens that the Department is able to present a comparative analysis of cost and other factors in connection with each of the alternative methods of effecting reimbursement from real property discussed on previous pages. Since such an analysis, to be significant, must be based on reimbursement claims which have been finally settled by payment, regardless of the method originally used to establish liability, the Department undertook a study, between August 1 and October 31, 1940, of all cases in which payments were made on reimbursement claims and then segregated those in which the payment had been accepted in final settlement. During the three months, claims falling in the latter category totaled 424, of which 345 had originally been established by agreement, 65 by court action and 14 by filing with the administrator of an estate.

The total group of 424 claims studied represented an aggregate of $131,359.49 in assistance grants subject to reimbursement because of property ownership. As would be expected, the amount of payments accepted in full settlement fell considerably short of this figure, totaling $89,575.45, or 68.2 per cent, the unpaid balance reflecting instances in which the unencumbered value of property was less than the amount reimbursable.

The tabulation below shows findings of the study with respect to average amounts reimbursable and paid, classified according to method of establishing claim.

Method of Establishing Claim	Number of Claims	Average Amount of Assistance Reimbursable	Average Amount Paid in Full Settlement	Amount Paid as Per Cent of Amount Reimbursable
Agreement	345	$274.22	$194.12	70.8%
Court Action	65	456.69	286.04	62.6%
Filed with Administrator of Estate	14	505.00	286.64	56.8%
Total	424	$309.81	$211.26	68.2%

The fact that the highest percentage collection occurred in the group of claims established by agreement is probably traceable primarily to the smaller average amount reimbursable in this group, although in the long run this

finding would be expected regardless, since the other methods provide no safeguards against encumbrance of property subsequent to receipt of assistance.

A more detailed analysis of collection experience with the entire group of claims, regardless of the method of establishment, follows:

Classified Amount Reimbursable	Number of Claims	Average Amount Reimbursable	Average Amount Paid in Full Settlement	Amount Paid as Per Cent of Amount Reimbursable
All Claims	424	$309.81	$211.26	68.2%
Under $100	169	42.60	42.19	99.0
100-199	69	145.35	134.71	92.7
200-299	38	249.14	218.95	87.9
300-399	28	349.80	250.06	71.5
400-499	23	451.29	317.73	70.4
500-599	21	544.36	433.52	79.6
600-699	12	653.76	406.43	62.2
700-799	17	749.56	458.25	61.1
800-899	15	841.01	571.55	68.0
900-999	9	942.53	570.61	60.5
1000-1199	10	1,107.74	847.34	76.5
1200-1399	5	1,252.94	655.41	52.3
1400-1599	3	1,500.47	586.48	39.1
1600-1799	2	1,606.65	559.66	34.8
1800-1999	2	1,842.00	192.48	10.4
2000 and over	1	2,630.52	25.00	1.0

Examination of the above table reveals that the great majority of claims settled during the period studied involved reimbursable amounts of less than $500, with more than half under $200. It may be assumed, however, that as time goes on, there will be a tendency toward more relatively large claims, representing longer cumulative periods of receiving assistance.

Of considerably greater significance than the finding concerning amounts reimbursable is the fact that a fairly low "ceiling" seems to exist with respect to amounts which can be paid under any circumstances. The two right-hand columns of the tabulation would appear to show that the unencumbered value of real properties of assistance recipients may not be expected to exceed a few hundreds of dollars and that payments in full are not to be expected where amounts reimbursable rise higher.

Comparative Legal Costs

Legal costs (i. e., prothonotary, court and attorney fees) involved in establishing liability of property were reported in connection with each of the 424 claims studied. The 14 claims established by filing a claim with the administrator of a decedent's estate required no expense of this type. Findings with respect to the other 410 claims revealed:

In the 345 cases where the agreement method had been used, legal costs incurred came to $258, or $.75 per claim. The legal cost for each $100 collected in payments on claims was $.38.

In the 65 cases in which court action was taken, legal costs amounted to $3,307, or $50.87 per claim. The legal cost for each $100 collected in payments on claims was $17.79.

A recapitulation of these findings follows:

Method of Establishing Claim	Number of Claims	Amount of Legal Costs Incurred	Legal Costs Per Claim	Legal Costs Per $100 Collected
Agreement	345	$258	$.75	$.38
Court Action	65	3,307	50.87	17.79
Claim filed with Administrator of Decedent's Estate	14	0	0	0
Total	424	$3,565	$8.41	$3.98

As pointed out on page 6438, legal costs of court actions are invariably added by the court to the amount of assistance to be repaid, increasing the judgment accordingly. These added costs must, therefore, eventually be paid by the former assistance recipient or his estate, if the unencumbered value of property is sufficient to permit.

Probable Eventual Collections on Agreements Now Filed

As previously noted, 56,762 Reimbursement Agreements (or equivalent documents) were recorded against the real property of former or current assistance recipients in the period April 1, 1939-December 31, 1940. To date, payments totaling $217,500 have been collected in connection with 1323 of these liens. On the basis of this figure and the findings of the Department's three-months' study of reimbursement collections, it is estimated that somewhat more than $12,000,000 may eventually be collected from the aggregate of 56,762 agreements.

CONCLUSION AND RECOMMENDATION

In view of all available experience and evidence with respect to alternative methods of giving effect to the mandatory principle of reimbursement as now contained in the law, there seems little room to question that the present method of obtaining advance agreements is the most practical, economical and advantageous to all concerned.

It is, therefore, the considered judgment of the Department of Public Assistance that no change should be made in the policy of requiring reimbursement agreements from owners of real property as a condition of eligibility for assistance. It is the recommendation of the Department that, if the reimbursement principle and its effects are questioned, consideration should be given, as suggested earlier in this report, to some further amendment of the Support Law.

PART III

LAWS AND PRACTICES IN OTHER STATES

In any consideration of the law and practices with respect to property owned by assistance recipients in Pennsylvania, interest naturally attaches to the measures in effect in other states.

As part of its general investigation, the Department of Public Assistance last summer directed inquiries to relief agencies in seventeen other states selected because of comparability to Pennsylvania in one or more respects. The states included were: California, Connecticut, Illinois, Iowa, Indiana, Louisiana, Maryland, Massachusetts,

Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Washington, West Virginia and Wisconsin. The following is a summary of the findings of this survey.

In all but two (Michigan and Missouri) of the seventeen states, statutory provisions exist for reimbursement from property in the instance of one or more of the four main types of public assistance (general relief, old age assistance, aid to dependent children and to the blind). New York, however, is the only state having statutory provision for reimbursement of all four types of public assistance.

Among the fifteen states with statutory provisions, reimbursement of general assistance is required in seven states besides New York (California, Connecticut, Iowa, Massachusetts, New Jersey, Washington, and Wisconsin); reimbursement of old age assistance is required in twelve states besides New York (Connecticut, Illinois, Iowa, Indiana, Louisiana, Maryland, Minnesota, New Jersey, Ohio, Washington, West Virginia and Wisconsin); reimbursement of blind assistance is required in seven states besides New York (Connecticut, Iowa, Indiana, Louisiana, Maryland, Washington and West Virginia). New York is the only state reporting a reimbursement requirement in connection with aid to dependent children.

Methods of effecting reimbursement from property varied considerably in detail. However, in twelve (California, Connecticut, Iowa, Indiana, Maryland, Massachusetts, Minnesota, New Jersey, New York, Ohio, West Virginia, Wisconsin) of the fifteen states with statutory provisions for reimbursement from property, the law also provides for the use of an advance judgment form which can be filed as a lien to assure reimbursement. In eight of the states of this group, the method provided for by law and used in administration involves obtaining the property owner's signature to the form as a condition of eligibility. In Iowa, Indiana, Minnesota and Wisconsin, the administrative agency is empowered to file a certificate of lien against the assistance recipient's property without obtaining his signature.

The three states (Illinois, Louisiana and Washington) which have a provision for reimbursement in their laws but no statutory provision for obtaining advance judgments as a condition of eligibility have not adopted such a measure by administrative regulation. These three states apparently obtain reimbursement only when it is possible to do so by filing claims against the estates of recipients who have died. It should be noted, however, that the laws of Illinois and Louisiana require no reimbursement from general assistance and none of the three states has a reimbursement provision affecting aid to dependent children.

Considerable variations appear to exist in the extent to which the measures cited above apply to different types of assistance in the same state. There are also variations in the discretionary authority left to the administrative agency in applying provisions of law.

Although the Department's survey covered only such information as could be encompassed in a fairly simple questionnaire, it is possible on the basis of the facts gathered to conclude the following:

1. Pennsylvania is by no means unique with respect to requiring reimbursement from property owners receiving assistance.

2. More states require reimbursement of old age assistance than of any other type of aid.

3. New York, most nearly comparable to Pennsylvania in terms of scope and adequacy of assistance services, is the only state besides Pennsylvania requiring reimbursement of all types of assistance.

4. Most of the state laws dealing with reimbursement also provide in the statute itself for a procedure similar in its effect to the reimbursement agreement procedure in Pennsylvania.

5. The states without statutory provision for advance filing of judgments have property liability laws which are much more limited in their scope and effect than Pennsylvania's.

Commonwealth of Pennsylvania . Record No. .....
Department of Public Assistance Name .....
DPA Form 9—Rev. 8-40—30M—11-40 Address .....

REIMBURSEMENT AGREEMENT

I, ... of .....County, Pennsylvania, acknowledge that my real and personal property is liable for the repayment of public assistance which has been, or will be, granted and paid to or for me and for those persons, included in the same grant, for whom I am legally responsible under the Support Law of Pennsylvania; except the assistance for which service is rendered in the Relief-Work Program of the Department of Public Assistance by me or by any person while included in the same grant with me, and except any State Unemployment Relief or Mothers' Assistance received by me or my legal dependents prior to June 25, 1937. The purpose of this agreement is to give the Department of Public Assistance a lien on any property owned by me at the time of my application for assistance, or in which I acquire a property interest while I am receiving assistance.

In the absence of any fraud on my part, it is further understood that this agreement in no way gives the Department of Public Assistance of the Commonwealth of Pennsylvania a lien on real or personal property which is acquired by me subsequently to the last date on which I received public assistance, nor shall any salary or wages due me be subject to this obligation at any time.

In order to carry out the purpose of this agreement, I do hereby authorize the Prothonotary, or any Attorney, of any Court of Record of Pennsylvania, or elsewhere, to appear and to enter judgment against me for the sum of Two Thousand Dollars ($2,000.00), plus costs. This judgment shall be a lien upon my real property, and be collected as other judgments, except as to the real and personal property comprising my home and furnishings, which home shall be subject to the lien of such judgment, but shall not be subject to execution on such judgment during my lifetime, or the lifetime of my spouse or dependent children. It is further agreed that in the event the sum of Two Thousand Dollars ($2,000.00) exceeds the amount required for repayment of assistance as set forth above, my real property shall not be liable for any greater paymen than the amount of assistance received, plus costs.

Moreover, it is agreed that at any time after I have ceased to receive assistance, the Department of Public Assistance will, at my written request, furnish me with a stipulation to be filed with the Prothonotary of the court

having record of this judgment, setting forth the exact amount of assistance received for which my real property is liable, if such amount is less than the sum of Two Thousand Dollars ($2,000.00).

Signed, sealed and delivered in the present of

.....

..... [SEAL]

Dated.....

.....

..... [SEAL]

Dated.....

HOW PROPERTY RESOURCES AFFECT ELIGIBILITY FOR PUBLIC ASSISTANCE IN PENNSYLVANIA

Public Assistance in Pennsylvania is provided for those individuals and families who do not have sufficient resources to take care of their essential needs, and who meet other specified conditions of eligibility.

In determining need for assistance, consideration is given to resources which are immediately available for support, such as cash on hand or in the bank, or income from earnings, pensions, compensation, trust funds, court orders, Railroad Retirement Benefits, Federal Old-Age and Survivors' Insurance Benefits, etc. Real and personal property is also considered a resource where it can and should be utilized for maintenance.

This pamphlet describes how ownership of real and personal property affects eligibility for public assistance, (General Assistance, Old-Age Assistance, or Aid to Dependent Children) and summarizes State regulations with respect to such ownership. Different regulations govern eligibility for Blind-Pensions.

Most people support themselves through their own independent efforts and when necessary use their personal and real property resources to meet their needs. It is only aftr they have exhausted all their own resources that they seek help from public funds.

Following this general practice, State regulations provide that a person who owns real or personal property which can and should be used for immediate needs is not eligible for public assistance.

However, certain kinds of property need not be converted into cash or used for credit to meet immediate needs. If property is used as a home, or if it could be sold only at a considerable loss to the property owner, it is not considered a resource to meet immediate needs, but is considered a resource to be used for eventual repayment of the assistance granted an individual and his family.

Accordingly, possession of the following types of property does not affect eligibility for assistance if the owner acknowledges liability of such property for eventual repayment of assistance received:

Resident Property and any land attached thereto;

Non-Resident Property, if an active effort is being made to sell the property and a fair price cannot be obtained; or

Personal Property, such as stocks, bonds, mortgages, judgments, money in a closed bank or Building and Loan Association, on which no cash can be raised or which cannot be sold for a fair value.

In addition, certain property is neither considered a resource to meet immediate needs, nor considered liable for eventual repayment of assistance received. Possession of such property, listed below, does not affect eligibility for assistance in any way:

Household Goods and personal belongings not of unusual value;

Automobile, if not of unusual value, and if it is needed for employment purposes or for transportation of food, etc.;

Trust Funds, if the terms of the trust prevent use of the principal;

Compensation or Damages received in a lump sum to be used for medical care;

Life Insurance not exceeding $500 for an adult or $300 for a child;

Veterans' Bonus Money or property which was purchased entirely from such money;

House Built on Leased Land; or a Cemetery Lot.

Likewise, possession of a small amount of cash sufficient only to cover needs until the first assistance check can be received does not make a person ineligible for assistance.

Liability of certain property for eventual repayment of assistance is based upon a provision of the Support Law of 1937, amended in 1939, which states that real and personal property owned or acquired by a recipient of public assistance is "liable for the expenses of his support."

In order to carry out this provision of the law, State assistance regulations require that liability of real property be acknowledged by signing a Reimbursement Agreemen and that personal property be assigned to the Department of Public Assistance.

REIMBURSEMENT AGREEMENT

An adult owner of real property applying for assistance must sign a Reimbursement Agreement acknowledging liability of the property for all assistance granted to him and to members of his family included in the same assistance grant. This Agreement, however, gives the State no claim against property which could not be obtained by law through the more expensive and less desirable method of a suit in court.

While the Agreement provides a judgment in the maximum amount of $2,000, the liability it acknowledges against property is only for the actual amount of General Assistance or Aid to Dependent Children received since June 25, 1937 (when the Suport Law was first enacted) or of Old-Age Assistance, since December 1, 1934. The provision with respect to OAA is in accordance with a decision of the State Supreme Court.

No repayment is required for General Assistance for which service has been rendered in the Relief-Work Program of the Department by the property owner or a member of his family.

When assistance is discontinued, the $2,000 maximum liability of property may, at the property owner's request, be reduced to a judgment for the actual amount of assistance received.

Any person applying for assistance who signs a Reimbursement Agreement may have this Agreement returned to him if his application is rejected.

The Reimbursement Agreement is filed with the County Prothonotary and acts as a lien against the property. However, the Support Law, supplemented by departmental regulations, gives protection to the home owner (and, in the event of his death, to his surviving family) by providing that the sale of a home and furnishings will never be forced by the State for repayment of assistance. The

lien against such property will be satisfied only when repayment is made voluntarily, or when ownership of the property changes, and the new owner wishes to obtain a clear title. No home owner or his family need fear the loss of their home at any time because of signing a Reimbursement Agreement.

ASSIGNMENT OF PERSONAL PROPERTY

Personal property such as stocks, bonds, mortgages, judgments, money in a closed bank or Building and Loan Association, may be retained while assistance is received if no cash can be realized on it or if it cannot be sold for a fair price, and if it is assigned to the Department of Public Assistance to provide for eventual repayment of assistance.

Property thus assigned, however, will not be sold by the Department without the recipient's knowledge, or without giving him an opportunity to offer other suggestions for its disposition. Any proceeds of such a sale in excess of the amount of assistance granted will be returned to the recipient or his heirs.

ACQUISITION OF PROPERTY WHILE RECEIVING ASSISTANCE

In general, if a lump sum of money, or a property resource which can be converted into money is acquired while receiving assistance, such resource is expected to be used for maintenance, and assistance is discontinued.

An exception may be made by the County Board, however, to permit expenditure of the resource to pay for a needed surgical operation or appliance. In addition, assistance may be continued under certain circumstances if the resource is used to repay assistance previously received or if the property resource is made liable for repayment of assistance at a later date.

Additional information on this subject or other phases of the assistance program is avaiable at County Assistance Offices.

PRELIMINARY REPORT OF THE SPECIAL COMMITTEE NAMED TO INVESTIGATE SEWING PROJECTS DISPUTE

Mr. Speaker and Members of the House:

The Committee named 7 January 1941 to investigate the dispute between the Governor and the Work Projects Administration in Pennsylvania submits the following report and recommendations;

In assuming the duties imposed upon it under the House Resolution of 7 January 1941 the Committee felt that its first action should be to prevent the demonstrations scheduled for 9 January in Philadelphia and 13 January in Harrisburg. Pursuant to this decision your Committee met in Hotel Adelphia on 9 January with the WPA officials of the Philadelphia district to learn of the conditions prevalent on the three Sewing Projects there.

We then visited these projects, located at 26th & Reed Streets and at Kinsey & Hedge Streets. At both places we talked with the Committees representing those employed on the projects. After explaining to these committees the concern felt by all Members of this House in the effort to have these projects continued and our desire to reach a sensible settlement of the trouble your Committee was assured that the proposed demonstrations would be abandoned. In return the Chairman of your Committee assured these employes that when your Committee submitted what it believed to be a fair, reasonable plan for settling the dispute, he would, if such plan was rejected by either party engaged in the dispute, return and personally place the blame where it belonged.

On 10 January the Philadelphia officials of WPA again met with your Committee and submitted the data we had requested of them regarding articles produced, the quantities so produced, hours, wages, etc.

The Committee felt that its next step should be to learn, if possible, the reasons underlying this dispute, and arrange to meet with the State Administrator of WPA and the Budget Secretary on 13 January in Harrisburg. The Chairman was instructed to confer with the Washington officials of WPA.

To visualize properly the entire matter it is necessary to know the restrictions imposed by Congress in the operations of WPA under the existing Federal law WPA may spend not in excess of 75% of the cost on any project approved on and after 1 January 1940. This restriction prevents the Commonwealth from receiving credit due to any excess contribution which it may be making or may have made on any project approved before 1 January 1940. The Highway Master Project which was approved in 1939 is illustrative of the disadvantage imposed upon the Commonwealth by this restriction which is, apparently NOT specified in the law but is merely a ruling by the WPA. Every effort should be made by the General Assembly to secure a modification of this ruling.

The Sewing Project, approved in 1939 and under which the Commonwealth has been contributing $2.50 per woman per month for the purchase of materials, etc., is a case in point. Had the WPA ruling noted above not been in effect and had the Commonwealth been allowed to compute its contributions on an "over-all" basis the result probably would have shown that the Commonwealth was and is meeting the requirements of the law. The WPA gave to the Committee information to the effect that, on all projects approved on and after 1 January 1940, the Commonwealth's contributions are averaging 25.66%.

The history of the Sewing Project shows that the monies ($19,000,000.00) allocated at its inception in 1939 were fully exhausted by October 1940, at which time WPA applied to the Acting Commissioner of WPA for more funds in order to continue operations. Funds sufficient for operating until 20 February 1941 were granted.

Your Committee has found it impossible to isolate data of the Sewing Project since, of necessity, all WPA projects in the Commonwealth are to some extent interrelated. This being the case, and in order properly to ascertain the roots of the Sewing Project dispute, a great deal of time and effort has had to be expended in going over other phases of WPA activities in the Commonwealth.

Your Committee found that apparently not sufficient effort has been made by either WPA officials or by the Commonwealth to reach amicable agreements under which projects could operate properly and, by so doing be of benefit to the citizens of the Commonwealth. Apparently there has been no semblance of attempts until recently by officials on either side to reach a common

understanding as to the system to be used in determining what percentage of the cost of the projects is being borne by the Commonwealth.

The Committee feels that both the Commonwealth and the WPA should at all times conduct their negotiations in a spirit of cooperation; and they should bear in mind only the fact in the future that these projects should be so operated as to ensure that the Commonwealth should secure a fair return for monies expended, and that those employed on such projects and for whose benefit both financially and socially the entire WPA idea was devised are receiving all benefits possible.

Your Committee is continuing its efforts, both through personal contacts and through our representatives in the Congress, to achieve a settlement under which the Sewing Projects may continue and, further, to ensure that no further disruption of these projects shall occur.

At a meeting to be held Wednesday in Washington your Committee will endeavor to have the project continued during the next two weeks pending final and satisfactory determination of this matter.

Respectfully,

WILLIAM A. SHAW
ALBERT S. READINGER
JOSEPH A. SCANLON
ARTHUR P. BRETHERICK

FIRST REPORT ON THE TAX AND FINANCIAL PROBLEMS OF THE COMMONWEALTH OF PENNSYLVANIA TO THE GENERAL ASSEMBLY

By

The Joint State Government Commission of The General Assembly, January, 1941

Capitol Building, Harrisburg, Pa.

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939 P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Department and Agencies of the State Government."

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FINANCE COMMITTEE OF THE JOINT STATE GOVERNMENT COMMISSION

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LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

In pursuance of House Resolution, Serial No. 133 of the Regular Session of 1939, and under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating Joint State Government Commission), we submit herewith the First Report on the Tax and Financial Problems of the Commonwealth of Pennsylvania and Recommendations.

ELLWOOD J. TURNER, Chairman,
Joint State Government Commission.

January, 1941.

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INTRODUCTION

The present Report represents an attempt to facilitate a bird's eye view of the vast domain of public expenditures and taxes and the effect of both upon the welfare of the citizens of the Commonwealth of Pennsylvania.

Throughout the Report the members of the Joint State Government Commission have endeavored to avoid the introduction of details which might obscure the view of the fiscal picture as a whole. This approach has been

chosen because it was felt that wise and prudent legislation with regard to any specific detail presupposes knowledge of the interrelationships which bind all the details together. It is the considered judgment of all the members of the Joint State Government Commission that unless every member of the General Assembly has a realistic conception of how the specific legislation in which he may be interested is likely to fit into the general institutional framework of the Commonwealth, specific legislative measures, excellent as they may appear when considered in isolation, are likely to be productive of unnecessary friction.

Though limited as to time and funds, the Joint State Government Commission has attempted to compare Pennsylvania trends and Pennsylvania procedures with those of other states whose products may be presumed to compete with those of the Commonwealth. Perhaps the most significant among the comparisons in question are those relating to changes in population, changes in the output of manufactured products, changes in the value of Pennsylvania's mineral production, changes in the gross income of the Pennsylvania farmer, changes in Pennsylvania farmer, changes in Pennsylvania's per capita income, differences in major taxes in various states, differences in taxes imposed upon manufacturing enterprise in different states, and differences in the taxes payable by families in different income groups if resident in different states.

Some of the data presented in subsequent chapters represent actual count numbers, some are estimates. Some estimates are considered reasonably reliable, others are tentative and preliminary. Whenever the members of the Commission felt that a set of data presented must be considered as tentative and preliminary that fact is clearly indicated when the data in question are shown or discussed.

The members of the Commission are of the opinion that it should be one of the future tasks of the Commission to factually strengthen the materials and to undertake intense and comprehensive studies of such consequential matters as school and other subsidy procedures, and investigate further the effects of different types of taxes upon business, and the taxes which are now payable by different types of families resident in the Commonwealth. It is only after such intensive analytical studies have been made that the members of the General Assembly can be definitely assured that their legislative acts will produce the effects they contemplate.

It is the considered judgment of the members of the Joint State Government Commission that the rapid economic and fiscal changes require continuous study, study which aims at the ascertainment of all facts pertinent to well designed legislation. Such study calls for time, resources, and great patience, for in the realm of social and economic phenomena one of the most difficult things to get at is a reliable and significant fact.

Throughout the Report the members of the Joint State Government Commission have consciously abstained from making any controversial policy recommendations whatever. Their one and only objective have been to gather, organize, analyze, and present in convenient form pertinent data bearing upon public expenditures and taxes. Though devoid of controversial recommendations, this Report was not designed to eliminate policy controversy, but to make such controversy more meaningful by supplying the contestants with the pertinent facts.

In preparing the present Report the Joint State Government Commission has been generously aided by many citizens and groups of citizens. The members of the Commission wish to take this opportunity to acknowledge the valuable services rendered by staff members of Lehigh University, The Pennsylvania State College, Temple University, and The University of Pittsburgh.[1]

In addition, the members of the Joint State Government Commission wish to take advantage of this opportunity to express their appreciation of the aid freely and gratuitously given by the Pennsylvania Economy League. The League has made available to the Joint State Government Commission two studies dealing with property taxes and state taxes, respectively. It is believed that the facts presented throughout these studies are of considerable legislative interest and it has been arranged to make them available to anyone who may care to ask for them.

Thanks are due William J. Hamilton, Jr., Secretary of Revenue of the Commonwealth of Pennsylvania, Richard P. Brown, Secretary of Commerce, Dr. Edward B. Logan, Budget Secretary, Dr. Francis B. Haas, Superintendent of Public Instruction of the Commonwealth of Pennsylvania and William S. Livengood, Jr., Secretary of Internal Affairs of the Commonwealth of Pennsylvania for numerous courtesies extended.

Among the many private citizens who have aided the Commission in one way or another acknowledgment is due Dr. Paul H. Wueller of State College, who assisted in the preparation of technical materials.

A. ALFRED WASSERMAN,
Director.

Harrisburg, Pennsylvania.

SUMMARIES OF CHAPTERS

Chapter I

In the last analysis, levels of public as well as private expenditures are conditioned by levels of productive economic activities. In Pennsylvania more than 50% of all production is concentrated in factories, mines, and farms. Both the absolute and relative position of Pennsylvania factories and mines has changed for the worse during the last decade. This unfavorable change is reflected in declining income levels and increased public expenditures.

The percentage of total United States population residing in Pennsylvania has slowly decreased ever since 1890. This sagging of the relative population position of Pennsylvania suggests that the economic opportunities offered by the Commonwealth, when compared to those of the nation as a whole, have undergone a change for the worse, because as a general rule people are alert to move from declining areas to those which hold a brighter promise.

The importance of manufacturing in Pennsylvania is considerably greater than the importance of the same branch of economic activity for the nation as a whole. In Pennsylvania manufacturing accounted for 38.1% of all

[1] See, Wasserman, A. Alfred, History, Purposes and Activities of the Joint State Government Commission of the General Assembly of Pennsylvania, Harrisburg, April 1, 1940, p. 19 and following.

gainful workers in 1930. In the Nation as a whole it accounted for but 28.9%. In fact, there is reason to believe that future levels of welfare in the Commonwealth depend largely upon the expansion of manufacturing activities.

Any State fiscal policies which place Pennsylvania factories, mines, and farms at a competitive disadvantage as compared with other states seriously jeopardize the levels of living of all Pennsylvanians, including those businessmen whose prosperity depends upon high levels of productivity of the primary producers.

Though the position of Pennsylvania manfacturing enterprise is far from encouraging, the plight of Pennsylvania mines is far more discouraging.

During recent years, the extractive industries of Pennsylvania have encountered serious economic difficulties and though they still provide a substantial portion of the income of the residents of the State, they have also contributed heavily to relief and related problems.

Pennsylvania's mineral production has declined in value from approximately $936,000,000 in 1927 to $472,000,000 in 1938.

The unfavorable changes in Pennsylvania's economic position are strikingly reflected in changes in Pennsylvania's per capita income, which dropped from $758 to $412 in 1933. Per capita income increased however from $543 in 1938 and to $576 in 1939.

Chapter II

Though Pennsylvania's per capita income—the basic measure of economic welfare—has been declining total State government expenditures have more than doubled during the last decade.

In 1929-31, total State government expenditures approximated 1% of the income of Pennsylvanians. In 1939, State government expenditures approximated 5% of the income payments in Pennsylvania.

By far the largest increase in State expenditures is accounted for by public assistance disbursements which will amount to a minimum of $208,000,000 for the biennium 1939-41. This total accounts for more than one-half of all general fund disbursements exclusive of Federal funds for specific purposes.

Among the various public assistance functions, general assistance or direct relief, which, contrary to the practice in all other states, is financed exclusively by the State government in Pennsylvania, accounted for the bulk of public assistance disbursements. In 1939-41 general assistance or direct relief disbursements will amount to approximately $132,000.000

Though relief was Public Finance Problem No. 1 during the decade 1930-40, public education presented serious financial difficulties. Among the financial problems of public education, that of the distressed school districts is the most serious one. In fact, the distressed school district problem has been sufficiently serious to induce the General Assembly to provide for special appropriations varying from $1,250,000 to $5,000,000 per biennium.

Chapter III

Faced with mounting public expenditures, the General Assembly has increased State taxes considerably.

In 1929, State tax collections per capita amounted to $13.20. In 1933, State per capita taxes had risen to $14.60 and in 1938 to $26.90. In 1939 State taxes per capita had dropped to $23.80.

The general increase in State tax effort has been brought about primarily by increases in business tax rates, new business taxes, and miscellaneous excises upon selected articles of consumption.

Expressed as percentages of income payments, Pennsylvania state plus local tax collections have risen from 6.5% in 1929 to 10.5 in 1933, to 10.6 in 1938 and dropped to 9.3 in 1939.

However, in spite of increased State tax effort, it appears at this time that the Commonwealth will be faced with an estimated accumulated operating deficit of $74,000,000, less any lapsed appropriations and increases in estimated revenue.

Chapter IV

Pennsylvania's new and increased business taxes have resulted in business tax "burdens," which on the whole are decidedly heavier than tax "burdens" upon business in the states whose products compete with products manufactured in the Commonwealth.

State differences in business tax "burdens" vary with the type of business enterprise considered.

As regards one important type of enterprise, its taxes, if located in Pennsylvania, would seem to be between 10% and 70% higher than the taxes to which it would be subject if located in seven competing states. Another type of enterprise, it would seem, could reduce its taxes from between 30% and 60% by locating in a state other than Pennsylvania.

Chapter V

Though business is taxed severely in Pennsylvania, natural persons and families, too, are called upon to contribute a goodly share of their income toward the financing of public functions.

At present, a Pennsylvania family residing in an urban area other than Philadelphia and having an annual income of $1,250 pays an estimated 7.1% of its income in Pennsylvania State and local taxes, if the locality in which it resides levies both occupation and per capita taxes. If the locality in which the family resides does not levy either per capita or occupation taxes, the family under consideration pays an estimated 6.1% of its income in Pennsylvania State and local taxes. These two percentages are increased to 12.7% and 11.7% respectively if Federal taxes are added to Pennsylvania taxes.

A Pennsylvania family residing in an urban area other than Philadelphia and having an annual income of $17,500 pays an estimated 11.3% of its income in Pennsylvania State and local taxes, if the locality in which it resides levies both occupation and per capita taxes. If the locality does not levy either one of these taxes, the family in question pays an estimated 11.1% of its income in Pennsylvania State and local taxes. These two percentages are increased to 21% and 20.8% respectively if Federal taxes are added to Pennsylvania taxes.

As regards the low income family, it may be observed that it is taxed at about the same effective rate if located in the State of New York instead of the Commonwealth of

Pennsylvania. As regards the higher income family, it should be noted that it is taxed considerably heavier in Pennsylvania than it would be taxed if located in New York.

Chapter VI

In view of the accumulated operating deficit and a desire for a revision of the tax structure, numerous bills providing for additional taxes have been introduced in the General Assembly.

Though some of the bills introduced provide for additional business taxes, the bulk of the bills contemplates the taxation of natural persons by means of consumption excises, amusement taxes, sales taxes, and income taxes of one type or another.

From point of view of revenue possibilities, sales taxes and income taxes are more promising than selected consumption excises and amusement taxes.

For instance, a retail sales tax levied at the rate of 2% and exempting food, gasoline, and beverage sold at State Liquor Stores would have produced about $28,000,000 if levied in 1940. A 1% income tax upon all income would have produced an estimated $47,000,000 if levied in 1940. A 2% "clear" income tax would have produced an estimated $40,000,000 if levied in 1940, and a 1% tax upon all non-investment income would have produced an estimated $27,000,000.

Needless to say, the introduction of any of these taxes would have increased the percentages of income which Pennsylvania families now pay toward the support of government. However, different taxes affect differently circumstanced families quite differently.

Chapter VII

With a view of (1) improving the financial position of the Commonwealth, and (2) eliminating some acutely felt problems, groups of citizens have suggested changes in the procedures now employed in connection with the financing of relief and public education.

In substance, the proposals relating to relief financing suggest that some fraction of the cost of general assistance or direct relief be assumed by the local units of government.

These changes in Pennsylvania's per capita income are reflected in Pennsylvania's relative income position among the states. In 1929, Pennsylvania's per capita income was 11% higher than national per capita, by 1933 it was but 10% higher. In 1938 it was 6% above the national average, but in 1939 it had recovered somewhat and risen to 8% above the national average.

Had the counties been required to assume 10% of the cost of the estimated 1939-41 relief load, they would have had to levy effective real estate relief tax rates ranging from 2.36 mills in Snyder County to .14 mils in Montgomery County.

The proposals relating to the financing of public education, in essence, suggest that the general fund of the Commonwealth assume a larger share of the cost of education with a view of equalizing educational opportunities throughout the Commonwealth. Though these proposals differ in detail, they all call for additional tax effort on the part of the State government, the amount of additional tax money to be raised ranging from $35,500,000 to approximately $50,000,000 per year.

RECOMMENDATIONS

The Joint State Government Commission wishes to make two sets of Recommendations to the General Assembly. The first set of Recommendations is concerned primarily with matters of tax administrations which, in the main, are believed to be noncontroversial. The second set of Recommendations concerns important matters which, in the judgment of the members of the Joint State Government Commission, call for intensive further studies.

Recommendations I to X, inclusive listed below and considered in Chapter VII, Section III deal with what appear to be desirable administrative changes, and Recommendations XI to XVI suggest problems calling for further investigation.

I. The General Assembly should seriously consider the advisability of establishing an independent tax appeal body; such appeal body to consist of three members to be appointed by the Governor for overlapping terms and removable for cause only. Any decisions rendered by this body should be incorporated into memoranda and said memoranda should be open for taxpayers' inspection at the office of the appeal body. The Attorney-General should represent the Commonwealth in all cases before this agency and the agency should be allowed an appropriation sufficiently adequate to secure the services of a competent staff.

II. Refunds should be paid in cash or in the form of a credit to be applied against future taxes, and such credits may be assigned to other Pennsylvania taxpayers. Before cash refunds are made available, a certificate should be required indicating that no other taxes or moneys are owing to the Commonwealth.

III. Interest at the rate of 2% should be paid on all refunds from the date of overpayment to the date of refund.

IV. An appeal should be allowed to the courts from the decision of the Board of Finance and Revenue, or tax appeal body should it be created, in all refund cases.

V. The Department of Revenue should be required to settle all corporate tax returns within ninety days from the date when the request for resettlement is made, but the exercise of this right shall not be effective prior to ninety days before the end of the year following the year for which the report was made or became due. Otherwise, the tax report should become conclusive.

VI. The Department of Revenue should be required to dispose of a petition for resettlement within six months from the date of filing the petition, unless the petitioner in question agrees to file a waiver or causes delay by his own action. Interest liability should cease upon the expiration of the six month period if the Department fails to act unless the failure to act is due to any action of the petitioner.

VII. Petitions for resettlement should be required to be filed on or before ninety days from the date of the notice of mailing of the certified copy of the settlement.

VIII. The sixty day period for the filing of an appeal from a decision of the Board of Finance and Revenue, or the tax appeal body should it be created, should begin

with the date of mailing of the formal notice of resettlement by the Department of Revenue where a resettlement is granted, or the date of mailing of the notice of refusal by the Board of Finance and Revenue where no resettlement is allowed.

IX. An appeal from the decision of the Board of Finance and Revenue, or appeal body should it be created, should be filed with the court and the appeal petition served upon the Attorney-General and a copy left with him. The necessary bond should be filed currently with the appeal, instead of within ten days from the lodging of the appeal with the prothonotary by the Attorney- General as at present.

X. An additional extension of time beyond the sixty day period now granted for the filing of corporate net income tax returns should be permitted in cases where the Federal Income Tax Authorities have granted a longer extension.

In addition to these administrative changes, the Joint State Government Commission recommends that further studies be made of the following problems:

XI. Assessment procedures employed by local assessors.

XII. The effect of contemporary Pennsylvania state and local taxes upon:

A. Families in different income groups, and

B. Individuals following different occupations.

These studies should be supplemented by investigations of the effects of proposed taxes upon both families in different income groups and upon persons following different occupations.

XIII. Subsidy procedures now used or proposed by citizens groups in connection with the financing of:

1. Public Education (Vocational and General)

Such studies to give special attention to the problem presented by distressed school districts and the proposals relating to increased teachers' minimum salaries.

2. Public Assistance

Such studies to consider:

A. Possible future participation of the Federal Government as regards the financing of General Assistance or direct relief;

B. Possible future participation of the localities as regards the financing of General Assistance or direct relief.

3. Welfare Institutions

4. Public Works Programs

It is believed that the information called for above is essential if:

A. The financial position of the Commonwealth is to be improved, and

B. Subsidy procedures are to take cognizance of both local need for selective public services and local capacity to finance such services.

XIV. The members of the Joint State Government Commission recommend further intensive study of business tax impact differentials and that the allocation fraction currently used to determine the tax liability of foreign corporations be carefully reexamined from point of view of:

A. The revenue interests of the General Fund, and

B. Its effect upon industrial migration from and to Pennsylvania.

XV. In addition, the Joint State Government suggests that the collection cost of all contemporary Pennsylvania taxes (state and local) be studied further and that a survey be made of the cost of collection of similar taxes in other states.

XVI. In conclusion the Joint State Government Commission suggests that present tax exemption practices be re-examined with a view of determining:

A. The equity of contemporary arrangements, and

B. The revenue loss occasioned by these arrangements.

Chapter I

Economic and Population Characteristics of the Commonwealth of Pennsylvania: Past Trends and Present Structure

Section I

Introductory: Fiscal Policy and Economic and Population Trends

Preliminary to presentation and detailed discussion of Pennsylvania public expenditure and public revenue data, the Joint State Government Commission wishes to call the attention of the members of the Senate and the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania to selected population and economic trends which are deemed to have a significant bearing upon the fiscal operations of the Commonwealth and its subordinate jurisdictions.

It is the judgment of the members of the Joint State Government Commission that inspection of population trends is helpful to both the legislator and the public spirited citizen interested in appraising the casual factors partially responsible for the present financial plight of state and local governments.

To the careful observer, changes in the rate of population growth are meaningful indices of changes in economic opportunity and changes in economic opportunity, as a rule, are sooner or later reflected in changes in the aggregate value of tax bases.

Study of the occupational distribution of the population yields helpful clues to the legislator and citizen interested in public revenue and expenditure patterns. Typically, a change in the occupational distribution of the population is accompanied by at least a temporary decline in the value of selected tax bases and in increase in the pressure for selected public services such as general assistance and categorical relief. If the declining tax bases are highly concentrated in specific localities such as the mining section of the Commonwealth, the problems of state-local fiscal interrelationships are brought into high relief. Similarly, changes in the age composition of the population tend to rudely disrupt fiscal institutions which for generations past have operated adequately and equitably. In addition, changes in population composition provide a clue—not always reliable to be sure—as regards probable future expenditure trends. An increase, for instance, in the relative number of the aged is likely to eventuate in considerably increased demands upon public treasuries for old-age assistance of one form or another. Sometimes these demands are out of proportion to the increase in the

relative number of the aged, because as the relative number of the aged increases the political effectiveness of the group as a whole tends to increase as well, and public assistance offerings formerly accepted as reasonable are not longer considered adequate.

The members of the Joint State Government Commission are of the opinion that the significance of population trends is considerably enhanced if these trends are studied in conjunction with selected economic data.

Generally speaking, population and population trend data afford the legislator a first proximate measure of the needs and the probable changes in need of groups within the community. A study of economic data facilitates judgment as to the probable political pressure that will be brought to bear upon the General Assembly to satisfy these needs by means of public services. For instance, if the economic fortunes of a given group in the community are declining, the group in question is most likely to insist that some of the services which its members formerly bought in the markets of the Commonwealth be supplied now by public agencies of one type or another. When faced with these insistent demands for additional public services, which usually require increases in current tax rates, the imposition of new and additional taxes, or both; legislators can save themselves political grief and their constituents serious economic difficulties if they have at least a speaking acquaintance with the relative national market position of the economic activities which they propose to saddle with new or additional taxes.

It is with a view of facilitating the type of legislative judgment indicated above that the Joint State Government Commission presents population and economic data.

Section II

The Population of Pennsylvania: Size, Occupational and Age Distribution

According to preliminary United States census estimates, a population of approximately 9,900,000 persons lived within Pennsylvania's 45,000 square miles of area in 1940.

It is the public services which these ten million people demand and their willingness and collective capacity to pay for these services which constitute the sum and substance of the public expenditure-revenue problem with which legislators are faced.

Though the size of the population as at present is of importance, changes in population size which have taken place in time are likewise instructive.

The changes which have taken place in the size of Pennsylvania's population over the last half century are shown in Table I.[1]

Inspection of Table I, Cols. 2 and 3 indicates that though in terms of absolute numbers Pennsylvania's population has been increasing over the last half century, the rate of population growth has shown a consistently decreasing tendency. As regards the changing relationship between rural and urban population, Cols. 4 and 5 show that the relative number of Pennsylvanians residing in urban areas has steadily increased.

As regards changes in total population and changes in the value of the ratio urban-to-rural population Pennsylvania's pattern is rather similar to that for the nation as a whole. However, as Col. 6 indicates the percentages of total United States population residing in Pennsylvania has slowly decreased ever since 1890. This sagging of the relative population position of Pennsylvania suggests that the economic opportunities offered by Pennsylvania when compared with those of the nation as a whole have undergone a change for the worse, because as a general rule, people are alert to move from declining areas to those which hold a brighter promise.[2]

TABLE I

Population of Pennsylvania, 1890-1940

Year	Total* (000)	Percent increase from previous census	Percent urban of total population*	Percent rural of total population*	Percent of U. S. population
(1)	(2)	(3)	(4)	(5)	(6)
1890	5,258	22.8%	48.6%	51.4%	8.4%
1900	6,302	19.9	54.7	45.3	8.3
1910	7,665	21.6	60.4	39.6	8.3
1920	8,720	13.8	64.3	35.7	8.2
1930	9,631	10.4	67.8	32.2	7.8
1931	9,658				
1932	9,685				
1933	9,712				
1934	9,739				
1935	9,766				
1936	9,793				
1937	9,820				
1938	9,846				
1939	9,873				
1940	9,900	2.8			7.5

* U. S. Department of Commerce, Fifteenth Census of the United States, 1930; Population, Vol. III, part 2, p. 651. The figure for 1940 is obtained from the release of December 20, 1940; the years 1931 to 1939 inclusive are interpolations.

Changes in the year by year percentage ratios of urban to rural population are reflected in changes in the occupational adjustments of the gainful-worker segment of the population.

By 1930[3] the persistent migration from rural to urban areas was mirrored by the fact that approximately thirty-eight per cent of the gainful workers of Pennsylvania were employed by manufacturing enterprise.

Table II, shows the distribution of gainful workers in Pennsylvania by general occupational divisions.

TABLE II

Gainful Workers 10 Years Old and Over in Pennsylvania and the United States, 1930 By general divisions of occupations)

General Division of Occupations	Pennsylvania		United States	
	Number*	Percent of Total	Number*	Percent of Total
All	3,722,103	100.0	48,829,920	100.0
Manufacturing	1,416,590	38.1	14,110,652	28.9
Extraction of minerals	299,151	8.0	984,323	2.0
Agriculture	250,925	6.7	10,471,998	21.4
Trade	459,579	12.3	6,081,467	12.5
Transportation and communication	321,122	8.6	3,843,147	7.9
All other	974,736	26.3	13,338,333	27.3

* U. S. Department of Commerce, Fifteenth Census, Population, Vol. IV.

[1] For a recent discussion of Pennsylvania's population and population trends, see: Watson, J. P., "Comparative Growth of Population in Pennsylvania, 1790-1930", Pittsburgh Business Review, University of Pittsburgh, Bureau of Business Research, Vol. X, No. 7, p. 17 and following.

[2] Compare e.g., population extrapolation of the Census Bureau as published in the Statistical Abstract (Statistical Abstract of the United States, Washington, 1938, p. 10) for the period 1910 to 1937 with the population data as given by the preliminary Census releases for 1940. See also, Appendix C, p. 6563 for population changes in Pennsylvania and competitive states.

[3] The occupational breakdown of 1940 Census data is not yet available.

Inspection of Table II, Col. 3 indicates that manufacturing accounted for 38.1% of all gainful workers in 1930. Trade with 12.3% was a distant second, transportation and communication, extraction of minerals and agriculture with 8.6%, 8.0% and 6.7% of gainful workers, ranked third, fourth and fifth, respectively.

If the data for 1940 were available, they would probably show a decline of the relative number of gainful workers in the extractive industries[4] and a slight relative improvement of the positions of manufacturing and farming.

Regardless, however, of minor changes in the relative position as regards gainful employment which Pennsylvania's major industrial divisions offer, there is no question that manufcaturing continues to dominate the scene. Comparison of Cols. 3 and 5 show that the importance of manufacturing in Pennsylvania is considerably greater than the importance of the same branch of economic activity for the nation as a whole. In fact, there is reason to believe that future levels of welfare in the Commonwealth depend largely upon the expansion of manufacturing activities.[5]

Whereas the occupational distribution of the population facilities informed judgment regarding types and probable volume of production and the likely behavior of present and possible future tax bases, the age distribution of the population is of significance to the legislator because it indicates in a general and over-all fashion the expectable fiscal load that will have to be carried by the tax machinery of the Commonwealth.

Apart from the costs of the general departments of government and the relatively heavy expense of unemployment relief in one form or another, the principal items in the cost of government arise from the necessity of caring for the young and for the aged. The members of these two groups in the main are not engaged in gainful pursuits themselves from which they can derive an income and, accordingly, if they are to be maintained at all, they must have some type of access to the incomes of those who are engaged in productive pursuits. Increasingly, by means of taxation and public expenditure, such access is being facilitated.

According to the estimates of the Bureau of Research and Statistics of the Social Security Board[6] (made by the Division of Public Assistance Research with the advice of the U. S. Bureau of the Census), 32.5% of Pennsylvania's population was under 18 years of age as of July 1, 1937, while 6.0% was 65 years and over, and 61.5% was between the ages of 18 and 64. Or, putting the matter somewhat differently, children and aged together accounted for 62.6% of the estimated population between the ages of 18 and 64. The corresponding percentages for the nation as a whole were as follows: under 18, 31.9%; 65 and over, 6.1%; 18-64, 62.0%; and the ratio of children-plus-aged to the intermediate age group, 61.3%

Section III

Basic Production Activities in Pennsylvania

With the intent of making possible a more detailed view of the basic economic activities carried forward in the Commonwealth of Pennsylvania, the Joint State Government Commission submits below a set of tables relating to manufacturing, mining and farming.

These three economic pursuits, which account for more than fifty percent of the gainfully employed in Pennsylvania[1] were selected because of their strategic importance.

The members of the Joint State Government Commission consider Pennsylvania manufacturing, mining and farming of strategic importance, because employment in other economic divisions such as trade, banking, insurance, transportation, communication, amusement, etc., depends in large measure upon the level of activity that prevails in factories, in mines and on farms. These 'other' economic divisions, though of considerable importance, are typically activated by the 'primary' producers. In addition, the competitive position of the 'primary' producers is somewhat more precarious than the position of the so-called service divisions. By and large Pennsylvania manufacturers, Pennsylvania mine operators and Pennsylvania farmers have to compete in the national market. Any state fiscal policies that place Pennsylvania factories[2] mines and farms at a competitive disadvantage as compared with other states seriously jeopardize the levels of living of all Pennsylvanians, including those business men whose prosperity depends upon high levels of

[4] Parker, G. L., The Coal Industry, Washington, 1940, Chapters VI and VII, pp. 105 and 115.
[5] See, Section IV, p. 6454 and following.
[6] Courtesy Social Security Board, Washington, D. C.

[1] See, Table II, p. 6452.
[2] In this connection it should be observed that some states have developed fiscal policies which are frankly designed to attract enterprise. (Cf. Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee and Virginia. Laws and description of laws listed in Prentice-Hall, "State and Local Tax Service, Ala.-Wyo.") Though the members of the Joint State Government Commission are not persuaded that such policies are sound, they should be taken into account by members of the General Assembly when formulating tax measures.

TABLE III

Selected Data for Manufacturing in Pennsylvania, 1927-37*

Year	Value added by manufacture			Value of Product			Wages				Establishments		Wage Earners	
	Amount (000)	Percent of U. S. Total	Index (1927-100)	Amount (000)	Percent of U. S. Total	Index (1927-100)	Amount (000)	Percent of U. S. Total	Index (1927-100)	Percentage ratio of wages to value added	Number	Percent of U. S. Total	Number	Percent of U. S. Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1927	$2,987,502	10.8	100.0	$6,715,563	10.7	100.0	$1,315,993	12.1	100.0	44.0	17,314	9.0	987,414	11.8
1929	3,426,354	10.8	114.7	7,419,197	10.6	110.5	1,378,690	11.9	104.8	40.2	16,881	8.0	1,013,557	11.5
1931	1,982,419	10.2	66.4	4,090,548	10.0	60.9	845,045	11.6	64.2	42.6	14,711	8.4	778,227	12.0
1933	1,454,489	10.0	48.7	3,051,579	9.7	45.4	599,591	11.4	45.6	41.2	12,093	8.5	716,598	11.8
1935	1,960,950	10.1	65.6	4,291,848	9.4	63.9	848,837	11.2	64.5	43.3	13,050	7.7	841,234	11.4
1937†	2,664,410	10.6	89.2	6,032,083	9.9	89.8	1,176,957	11.6	89.4	44.2	13,084	7.8	954,340	11.1

productivity of the 'primary' producers. The service divisions are in a somewhat happier position. They can, within limits, recoup taxes from their customers. Though any such attempt on the part of a 'service' industry has adverse profit repercussions, the attempts, as a rule, do not endanger the very existence of 'service' enterprise as a whole, though specific firms in the service group may find their existence endangered.

Section IV

The Importance of Manufacturing in Pennsylvania

Summary data descriptive of manufacturing operations in Pennsylvania for the period from 1927 to 1937, the last year for which such data are available, are presented in Table III, below:

Extent and changes in manufacturing operations may be conveniently measured in terms of: 1) value added by manufacture, 2) value of products, 3) wages paid, 4) number of establishments, and 5) number of wage earners.

Application of these different measures sheds light upon different aspects of the same problem. 'Value added,' which is the difference between the cost of raw materials and the price of the finished product, is particularly useful when attempting appraisal of the welfare significance of a given industry in a given state. 'Value of product,' which is the product of average selling price multiplied by the number of units produced is particularly useful for interstate comparison. 'Wages paid' indicates the importance of manufacturing in general or of a specific group of manufacturing establishments as an employer. 'Number of establishments,' when taken in connection with either 'value added' or 'value of product' furnishes proximate measurement of concentration tendencies. 'Number of wage earners,' when taken in conjunction with 'wages paid,' facilitate judgment regarding changes in wage levels.

Inspection of Table III, Col. 5 indicates that in terms of 'value of product' Pennsylvania had about regained in 1937 the position which it occupied in 1927, though it had registered an extraordinary severe decline for the period from 1927 to 1933. Similar patterns are discernible when the year by year data for 'value added' and 'wages paid' are compared. Though 'value of product,' 'value added' and 'wages paid' showed pronounced recoveries after 1933, the 'number of establishments' showed a marked decline from which it never recovered to the same extent as the other series.

Though Pennsylvania's manufacturing rapidly regained its 1927 position after 1934, it never quite regained its pre-depression prominence as a member of the community of American states. Inspection of Cols. 3, 6, and 9 which represent year by year ratios for: 1) Pennsylvania value added to United States total value added, 2) Pennsylvania value of product to United States total value of products, and 3) Pennsylvania wages paid to total United States wages paid, show clearly that the relative position of the Commonwealth, like its relative population position, has changed for the worse. As yet the change in the relative position of Pennsylvania is not alarming, but inasmuch as economic trends tend to become cumulative, the change would seem to warrant the painstaking attention of the General Assembly.

It is also instructive to compare the changes in the values of the percentage ratios 'value added' in 'competitive states'[1] to 'total United States value added by manufacturers.' Table IV[2] shows these ratios for the period from 1927 to 1937 for states making products which are identical with or similar to those manufactured in Pennsylvania.

TABLE IV

Value Added by Manufacture as Per Cent of U. S. Total in Fourteen 'Competitive States,' 1927-1937[a]

State	1927	1929	1931	1933	1935	1937
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Pennsylvania	10.8	10.8	10.2	10.0	10.1	10.6
California	4.0	4.2	3.9	4.2	4.2	4.3
Connecticut	2.5	2.5	2.4	2.5	2.6	2.7
Illinois	8.9	9.2	8.9	8.3	8.7	9.2
Indiana	3.4	3.6	3.3	3.2	3.7	4.0
Massachusetts	5.9	5.4	5.9	6.0	5.2	5.0
Michigan	6.9	6.5	6.5	6.5	8.1	8.3
New Jersey	5.3	5.6	5.9	5.6	5.5	5.4
New York	16.7	15.6	17.6	16.5	15.4	13.2
North Carolina	2.2	2.2	2.0	2.2	1.9	1.9
Ohio	8.5	9.1	8.1	7.8	8.6	9.2
Tennessee	1.0	1.0	1.1	1.2	1.2	1.2
West Virginia	.7	.8	.8	.9	.9	.9
Wisconsin	3.0	3.0	2.7	2.5	2.8	2.8

[a] For underlying dollar amounts and sources, see Appendix C.

Inspection of Table IV, indicates that of the thirteen states whose products may be presumed to compete with goods manufactured in the Commonwealth, only four—Massachusetts, New York, North Carolina, Wisconsin—experienced a relative decline of position. Among these four states the most pronounced decline occurred in the State of New York, which in 1927 had contributed 16.7% of total value added by manufactures in the United States, a percentage contribution which by 1937 had dropped to 13.2%. In passing, it should be observed that New York's relative decline in manufacturing position was considerably more marked than that of the Commonwealth of Pennsylvania.

For the purpose of facilitating a close-up view of the structure of Pennsylvania's manufacturing economy, the Joint State Government Commission submits below a table which shows in terms of: 1) value added, 2) value of product, 3) wages paid and 4) number of wage earners, the absolute and relative importance of different types of manufacturing enterprise located in Pennsylvania.

Inspection of Table V shows that among the principal manufactures in Pennsylvania, steel works and rolling mills products rank decidedly first no matter how their relative importance is measured.

In terms of 'value added,' steel works and rolling mills accounted for $510,023,000, or 19.1% of total 'value added' in Pennsylvania. In terms of 'value of product,' steel works and rolling mills in 1937 produced an output valued at $1,109,843,000, which accounted for 18.4% of the value of all manufactured products produced in Pennsylvania. Steel works and rolling mills paid 23.2% of all manufacturing wages in Pennsylvania and employed 17.4% of all Pennsylvania wage earners. The group of firms loosely referred to as the 'steel industry'—that is, steel works, rolling mills, blast furnaces, machine shops, machinery producers not elsewhere classified, coke ovens, structural and ornamental metal works—accounted for 26.8% of total value of Pennsylvania's manufactured product, for

[1] For a detailed definition of the term 'competitive state' see, Appendix B, p. 6551.

[2] For dollar amounts underlying the percentages shown in Table IV, see, Appendix C, p. 6563.

28.6% of 'value added' by Pennsylvania manufactures; 30.4% of all manufacturing wages paid in Pennsylvania, and 23.1% of all industrial wage earners employed in Pennsylvania.

Cursory inspection of Table V indicates that no other industry or group of related industries approaches steel in importance, no matter which of the enumerated measures of importance one chooses to apply.

Though detailed manufacturing data for the period after 1937 are not yet available, it is possible to appraise subsequent developments by reference to factory employment and factory payroll indices.

The table below shows both of these indices for the period from 1927 to 1939 inclusive.

TABLE V

Selected Data for Principal Manufactures in Pennsylvania, 1937*

Manufactures	Value Added			Value of Product		Wages			Wage earners	
	Amount (000)	Percent of State total	Percent of U. S.	Amount (000)	Percent of State total	Amount (000)	Percent of State total	Percentage ratio of wages to value added	Number	Percent of State total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Al manufactures	$2,664,410	100.0	10.6	$6,032,083	100.0	$1,176,957	100.0	44.2	954,340	100.0
Steel works and rolling mills products	510,023	19.1	34.1	1,109,843	18.4	272,637	23.2	53.5	165,592	17.4
Electrical machinery, apparatus and supplies	131,908	5.0	13.5	207,506	3.4	53,670	4.6	40.7	33,792	3.5
Printing and publishing newspaper and periodical	93,273	3.5	9.3	135,696	2.2	22,860	1.9	24.5	13,733	1.4
Bread and other bakery products	74,368	2.8	10.6	149,544	2.5	33,229	2.8	44.7	27,978	2.9
Hosiery	67,570	2.5	46.3	116,119	1.9	50,097	4.3	74.1	46,444	4.9
Machine shop products	63,151	2.4	16.2	102,453	1.7	24,794	2.1	39.3	16,442	1.7
Machinery†	56,625	2.1	9.6	94,189	1.6	21,754	1.8	38.4	14,769	1.5
Glass	52,517	2.0	21.3	79,579	1.3	22,119	1.9	42.1	17,728	1.9
Blast-furnace products	40,336	1.5	31.6	229,076	3.8	12,058	1.0	29.9	7,524	0.8
Petroleum refining	39,417	1.5	8.2	259,697	4.3	15,994	1.4	40.6	9,390	1.0
Printing and publishing, book, job, and music	37,610	1.4	7.1	56,749	0.9	15,653	1.3	41.6	12,180	1.3
Malt liquors	37,131	1.4	11.1	57,728	0.9	9,746	0.8	26.2	5,452	0.6
Paper	34,480	1.3	8.8	77,060	1.3	11,227	1.0	32.6	8,523	0.9
Chemicals†	33,123	1.2	6.9	76,894	1.3	6,690	0.6	20.2	4,691	0.5
Cigars	28,870	1.1	35.3	60,005	1.0	11,240	1.0	38.9	17,571	1.8
Men's, youths' and boys' clothing†	26,389	1.0	12.9	79,256	1.3	13,675	1.2	51.8	13,187	1.4

* U. S. Department of Commerce, Biennial Census of Manufactures, 1937, Part I, pp. 22-33 and 1403-1409.
† Not elsewhere classified.

TABLE VI

Pennsylvania Factory Employment and Payrolls, 1927-1939
(Index: 1923-1925 = 100)

Year	Employment		Payrolls	
	Pennsylvania	United States	Pennsylvania	United States
(1)	(2)	(3)	(4)	(5)
1927	95.7	99.5	97.0	102.4
1928	92.7	99.7	93.1	103.5
1929	98.4	106.0	102.1	110.4
1930	89.5	92.4	85.6	89.4
1931	74.6	78.1	61.3	67.8
1932	64.3	66.3	40.8	46.7
1933	68.8	73.4	43.5	50.1
1934	77.0	85.7	55.4	64.5
1935	80.8	91.3	61.5	74.1
1936	88.9	99.0	73.4	85.8
1937	94.6	108.6	88.6	102.5
1938	76.9	89.7	61.9	77.9
1939	83.1	96.8	75.1	90.8

Legend:

Columns (2) and (4) Federal Reserve Bank of Philadelphia release of December 1939 and other mimeographed releases; columns (3) and (5) U. S. Department of Labor, Bureau of Labor Statistics, "Employment and Payrolls, August 1939", p. 20 (for years prior to 1939) and successive issues for 1939.

Inspection of Table V, Col. 2 shows that measured in terms of employment, the manufacturing situation in Pennsylvania in 1938 was considerably worse than it had been in 1937—the employment index dropping from 94.6 to 76.9. Again in 1939, the manufacturing situation improved somewhat with the employment index rising from 76.9 to 83.1.

Measured in terms of payrolls (Col. 4), Pennsylvania manufacturing activities registered a drop from 88.6 to 61.9, but improved again in 1939 when the payroll index rose from 61.9 to 75.1.

Section V

The Decline of Pennsylvania's Mines

Though the position of Pennsylvania manufacturing enterprise is far from encouraging, the plight of Pennsylvania's mines is far more discouraging.

Though of lesser importance than manufacturing activities, mining operations occupy an important place in the Commonwealth's economy.

Traditionally, mining operations have made a substantial contribution to the economic welfare of the Commonwealth through the employment which they have given, the profits which they have yielded, and the taxes which they have paid. During recent years, however, the extroactive industries of Pennsylvania have encountered serious economic difficulties and, although they still provide a substantial portion of the income of the residents of the state, they have also contributed heavily to relief and related social problems.

Significant indexes indicative of the contemporary importance of the extractive industries in Pennsylvania and the changes which they have undergone are presented in Table VII.

Inspection of Table VII, Col. 2 indicates that the value of Pennsylvania mineral production has declined from $936,773,000 in 1927 to $472,000,000 in 1938. In terms of an index number (Col. 3) this drop presents a decline of approximately fifty percent. Though the value of United States mineral production has also fallen over the period under consideration (Cols. 4 and 5), the Pennsylvania

TABLE VII

Mineral Production in Pennsylvania and the United States, 1927-38*

Year	Value of Pennsylvania Production		Value of total United States production		Percentage ratio of Pennsylvania to United States value
	Amount (000)	Index (1927=100)	Amount (000)	Index (1927=100)	
(1)	(2)	(3)	(4)	(5)	(6)
1927	$936,773	100.0	$5,530,000	100.0	16.9
1928	881,490	94.1	5,385,200	97.4	16.4
1929	892,914	95.3	5,887,600	106.5	15.2
1930	778,523	83.1	4,764,800	86.2	16.3
1931	594,643	63.5	3,166,600	57.3	18.8
1932	424,734	45.3	2,461,700	44.5	17.3
1933	421,847	45.0	2,555,100	46.2	16.5
1934	546,933	58.4	3,325,400	60.1	16.4
1935	520,576	55.6	3,650,000	66.0	14.3
1936	599,457	64.0	4,556,800	82.4	13.2
1937	599,817	64.0	5,413,600	97.9	11.1
1938†	472,000	50.4	4,354,000	78.7	10.8

* U. S. Bureau of Mines, Mineral Resources of the United States and Minerals Yearbook, and unpublished tabulations.
† Preliminary.

decline was decidedly more pronounced than that registered by the nation as a whole. Col. 6 shows the year by year percentage ratios of value of Pennsylvania mineral production to value of United States mineral production. Inspection of this column indicates that Pennsylvania's share of value of mineral production has declined from 16.9% in 1927 to 10.8% in 1938.

It has been suggested in public from time to time that Pennsylvania's decline as a mineral producer is due to the partial replacement of coal by fuel oil. Though the increased use of fuel oils is probably one of the factors contributing to the plight of Pennsylvania's mines, it is not the only one.

The table below was designed to show that Pennsylvania has not only lost ground as a mineral producer but has also suffered an adverse change as a coal producer.

TABLE VIII

Pennsylvania Bituminous and Anthracite Coal Production and Pennsylvania Coal Production as Percent of United States Coal Production*

Year	Pennsylvania Coal Production			Pennsylvania as Percent of U. S. Total
	Bituminous (000 tons)	Anthracite (000 tons)	Total (000 tons)	
(1)	(2)	(3)	(4)	(5)
1927	132,965	80,096	212,061	35.5%
1928	131,202	75,348	206,550	35.9
1929	143,516	73,828	217,344	35.7
1930	124,463	69,385	193,848	36.1
1931	97,659	59,646	157,305	35.6
1932	74,776	49,855	124,631	34.6
1933	79,296	49,541	128,837	33.6
1934	89,826	57,168	146,994	35.3
1935	91,405	52,159	143,564	33.8
1936	109,887	54,580	164,467	33.3
1937	111,002	51,856	162,858	32.7
1938	77,040	46,099	123,139	31.7
1939†	90,436	50,808	141,244	31.9

* U. S. Bureau of Mines, Mineral Resources of the United States and Minerals Yearbook, and unpublished tabulations.
† Preliminary.

Inspection of Table VIII, Col. 5, indicates that the value of Pennsylvania's coal production (anthracite plus bituminous) expressed as a percentage of the value of total United States coal production has declined from 35.5% in 1927 to 31.9% in 1939. In other words, the traditional markets of Pennsylvania mines have not only been invaded by fuel oil, but whatever coal market remains is being increasingly supplied by other than Pennsylvania mines.

Section VI

The Place of the Farmer in Pennsylvania's Economy

Farming in Pennsylvania has weathered the recent crucial years better than either manufacturing or mining.

One of the more convenient over-all measures of the position of farming is gross income from farm production. The table below shows gross income from farm production by principal sources as well as government payments to farmers for Pennsylvania and the United States as a whole.

Table IX, Col. 2 shows that the Pennsylvania farmers' gross income from crops decreased from $123,327,000 in 1927 to $91,013,000 in 1939. However, this decline in gross income from crops was partially compensated for by an increase in gross income from livestock. Gross income from livestock increased from $207,553,000 in 1927 to $212,468,000 in 1939. In further compensation for the loss of gross income from crops were government payments to farmers, which began in 1933 (Col. 6). Adding gross income from crops, live stock and government payments (Col. 7), it appears that total gross income of farmers declined but approximately seven percent between 1927 and 1939.

The relative position of Pennsylvania farming is indicated by Cols. 10 and 11.

Inspection of Col. 10 indicates that United States farming suffered a more severe decline than Pennsylvania farming (Col. 8), the index for the United States dropping from 100 to 83 over the period under consideration whereas the index for Pennsylvania dropped from 100 to but 93. Likewise the percentage ratios, Pennsylvania farm gross income to United States farm gross income show that while in 1927 Pennsylvania accounted for but 2.8% of total United States farm income, in 1939 Pennsylvania accounted for 3.2% of total United States farm income.

With a view of ascertaining the specific crops and type of livestock responsible for the improvement of the relative farming position of the Commonwealth, Table X was prepared.

Inspection of the crop blank of Table X indicates that among principal Pennsylvania crops, only corn and apples have held their own over the period from 1927 to 1938. Per contra, the livestock bank indicates that though hogs and chickens have lost ground, eggs have held their own and the position of milk, cattle and calves has actually shown some improvement.

Section VII

Pennsylvania's Income Stream: Changes in Size and Sources

The results of the productive efforts of men and machines are measured in terms of income. Income, or 'income payments to individuals,' as the technical phrase has it, is the most comprehensive measure of a group of individuals such as is presented by the residents of the Commonwealth of Pennsylvania. "Income payments to individuals, or income is the sum total of wages and salaries earned, including work project wages and unemployment insurance payments, monies withdrawn from business tills by single proprietors and partners, the dollar equivalent

TABLE IX

Gross Income From Farm Production in Pennsylvania and the United States, 1927-39*

	Pennsylvania							United States		
	Gross income from crops		Gross income from livestock and livestock products			Total gross income and government payments		Total gross income and government payments		
Year	Amount (000)	Index (1927-100)	Amount (000)	Index (1927-100)	Government payments (000)	Amount (000)	Index (1927-100)	Amount (000)	Index (1927-100)	Percentage ratio of Pennsylvania to United States
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1927	$123,327	100.0	$207,553	100.0	....	$330,880	100.0	$11,717,297	100.0	2.8
1928	112,791	91.5	217,724	104.9	....	330,515	99.9	11,827,709	100.9	2.8
1929	129,555	105.0	234,939	113.2	....	364,494	110.2	11,923,801	101.8	3.1
1930	106,276	86.2	213,918	103.1	....	320,194	96.8	9,401,939	80.2	3.4
1931	75,856	61.5	174,966	84.3	....	250,822	75.8	6,958,967	59.4	3.6
1932	55,719	45.2	135,826	65.4	....	191,545	57.9	5,323,294	45.4	3.6
1933	78,907	64.0	135,278	65.2	$ 817	215,002	65.0	6,393,251	54.6	3.4
1934	70,365	57.1	159,039	76.6	1,848	231,252	69.9	7,271,665	62.1	3.2
1935	82,817	67.2	192,953	93.0	1,390	277,160	83.8	8,506,937	72.6	3.3
1936	88,365	71.7	198,172	95.5	2,425	288,962	87.3	9,316,531	79.5	3.1
1937	102,797	83.4	229,870	110.8	2,443	335,110	101.3	10,424,624	89.0	3.2
1938	82,187	67.2	218,237	105.1	2,757	303,181	91.6	9,362,195	82.2	3.2
1939†	91,013	73.8	212,468	102.4	5,723	309,204	93.4	9,768,950	83.4	3.2

* U. S. Department of Agriculture, "Agricultural Yearbook," and releases of Bureau of Agricultural Economics. The figures through 1935 are on a crop-year basis and for subsequent years on a calendar-year basis.
† Preliminary.

TABLE X

Gross Income From Principal Crops and Livestock Products in Pennsylvania, 1927, 1931, 1935, 1938*

	1927		1931		1935†		1938**	
Products	Gross income (000)	Percent of total	Gross income (000)	Percent of total	Gross income (000)	Percent of total	Gross income (000)	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total gross income from crops	$123,334	100.0	$75,856	100.0	$84,068	100.0	$84,713	100.0
Potatoes	26,626	21.6	11,523	15.2	14,564	17.3	11,772	13.9
Wheat	17,058	13.8	6,696	8.8	10,071	12.0	9,464	11.2
Hay	8,793	7.1	6,529	8.6	5,950	7.1	2,241	2.6
Corn	4,956	4.0	1,692	2.2	3,550	4.2	4,545	5.4
Apples	8,922	7.2	8,278	10.9	8,580	10.2	7,984	9.4
Tobacco	6,011	4.9	4,279	5.6	4,176	5.0	3,016	3.6
Total gross income from livestock and livestock products ..	$207,553	100.0	$174,966	100.0	$193,092	100.0	$218,887	100.0
Milk	96,946	46.7	101,934	58.3	105,799	54.8	110,642	50.5
Eggs	41,822	20.2	28,557	16.3	34,342	17.8	41,160	18.8
Hogs	26,182	12.6	11,301	6.5	12,229	6.3	14,710	6.7
Cattle and calves .	17,190	8.3	14,242	8.1	20,964	10.9	31,390	14.3
Chickens	22,084	10.6	16,996	9.7	17,397	9.0	19,172	8.8

* U. S. Department of Agriculture, "Crops and Markets" and releases on farm income. The data for 1927, 1931, and 1935 are on a crop-year basis, while those for 1938 are on a calendar-year basis.
† Includes benefit payments.
** Preliminary.

of the produce which the farmer serves at his own table, interest and dividends earned by the investments of lenders or owners, net rents and royalties received by landlords and others, as well as all income derived from all other sources whatever, as long as it has found its way into the pockets or bank accounts of individuals.

Manifestly, changes in 'income payments or income tell a revealing tale of changes in the degree of success with which men have applied their energies, efforts and ingenuity to available resources regardless of whether those resources be assembled in factories, in mines, on farms, in the vaults of banks, in the generating stations of utilities, on the rights of way of railroads, or behind the trading counters of retailers and wholesalers.

Table XI, tells, in terms of dollars totals, the story of ten millions of Pennsylvanians working and struggling to secure a living.

TABLE XI

Income Payments in Pennsylvania, 1929-39

Year	Total income payments		Per capita income payments	
	Amount* (000,000)	Percent of U. S.	Amount†	Percent of national average
(1)	(2)	(3)	(4)	(5)
1929	$7,230	8.8	$758	111
1930	6,653	8.9	691	114
1931	5,631	8.9	583	114
1932	4,253	8.6	439	111
1933	4,002	8.5	412	110
1934	4,595	8.5	472	110
1935	4,947	8.4	506	109
1936	5,698	8.4	582	110
1937	6,038	8.4	615	110
1938	5,347	8.1	543	106
1939	5,678	8.1	576	108

* Martin, John L., "Income Payments to Individuals, by States, 1929-39," Survey of Current Business, October, 1940, pp. 8-12.
† Adapted from "Income Payments to Individuals, by States," op. cit., pp. 8-12 and United States population interpolations. For population sources see, Table I, Chapter I, footnote 1, p. 6452.

Col. 2 of Table XI tells the story at a glance. It shows that the total income of Pennsylvania dropped from $7,230,000,000 in 1929 to $5,678,000,000 in 1939, striking a depression low of $4,002,000,000 in 1933. Because of the increase in population which took place in spite of economic adversity[1] this substantially decreased total income had to feed, clothe and shelter an increasing number of Pennsylvanians. Income and population are related to each other in Col. 4, which shows that the per capita income of Pennsylvania decreased from $758 in 1929 to $576 in 1939 with a depression low of $412 in 1933.

Col. 3 and Col. 5 relate total Pennsylvania income payments and Pennsylvania per capita income, respectively, to the corresponding national figures. Col. 3 shows that whereas in 1929, 8.8% of the total United States income was received by Pennsylvanians, in 1939 only 8.1% of the national total trickled through the Commonwealth which compares unfavorably with Pennsylvania's relative position in 1932 when Pennsylvania income payments amounted to 8.5% of the national total. Again, Col. 5 indicates that while Pennsylvania's per capita income was 11% above the national average in 1929, the same per capita income was closer to national per capita income in 1939 although it had improved somewhat as compared with 1938. In other words, the relative decline in the manufacturing,[2] mining,[3] and farming[4] position of the Commonwealth as well as the concurrent decline in other fields of economic endeavor, is reflected in the relative decline of the income position of Pennsylvania and Pennsylvanians.

It is likewise instructive to compare Pennsylvania's year by year per capita incomes when expressed as percentages of national per capita income with the comparable series for states whose products are similar to or identical with those manufactured in the Commonwealth.

Table XII, shows the per capita incomes of competitive states[5] as percentages of United States per capita income.

Inspection of Table XII, Cols. 2 to 10, inclusive, indicates that out of the fourteen competitive states, but five, including Pennsylvania, registered declines in relative income position. It should be noted that among the states registering relative declines of varying magnitude (Pennsylvania, Illinois, Massachusetts, New Jersey, New York) only three—Pennsylvania, Massachusetts, and New York—have registered relative declines in their value added positions.[6] It should likewise be noted that among the states whose relative manufacturing position is measured by value added has declined—Pennsylvania, Massachusetts, New York, North Carolina, Wisconsin—only Pennsylvania, Massachusetts, and New York experienced a corresponding decline in relative income position. In the case of North Carolina and Wisconsin, whose relative importance as manufacturing states has also declined over the period under consideration, the loss of manufacturing activities has apparently been compensated for by the development of other types of economic endeavor. North Carolina's relative income position actually improved in spite of the relative decline in value added. Wisconsin, though it too lost as a manufacturing state, occupied the same relative income position in 1937 it has enjoyed in 1929.

It is exceedingly instructive for fiscal purposes to ascertain the specific sources from which the income of Pennsylvanians was derived over the period under observation.

Regardless of the type of product or service that is being made available, effective production in a society characterized by private property and private enterprise requires the collaboration of men with skills, men with money to risk and men with funds to lend. The income of men who furnish skills is technically referred to as 'wages and salaries,' the income of the men taking risks on their own account (such as single proprietors or partners) is labelled 'entrepreneurial withdrawals,' the men who risk their money in corporate enterprises receive

[1] See Table I, p. 6452.
[2] See Section IV, p. 6454 and following.
[3] See Section V, p. 6455 and following.
[4] See Section VI, p. 6456 and following.
[5] See, Table XII, p. 6458.
[6] See, Table IV, p. 6454.

Chapter I

TABLE XII

Income Payments in Fourteen 'Competitive States' as a Percentage of United States Totals (1929-1939)*

State	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	8.8	8.9	8.9	8.6	8.5	8.5	8.4	8.4	8.4	8.1	8.1
California	6.6	6.8	6.9	7.0	7.0	6.8	6.8	7.1	7.2	7.3	7.3
Connecticut	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.9
Illinois	8.2	7.9	7.5	7.2	7.1	7.0	7.0	7.1	7.2	7.1	7.2
Indiana	2.3	2.2	2.2	2.1	2.2	2.3	2.3	2.4	2.4	2.5	2.4
Massachusetts	4.5	4.7	5.0	5.2	5.1	4.8	4.7	4.5	4.3	4.3	4.3
Michigan	4.4	4.1	3.9	3.8	3.6	4.0	4.2	4.3	4.6	4.2	4.5
New Jersey	3.9	4.1	4.3	4.5	4.2	4.0	3.9	3.9	3.8	3.9	3.8
New York	17.1	17.9	18.2	18.5	18.0	17.2	16.7	16.1	15.7	16.0	15.7
North Carolina	1.2	1.1	1.1	1.2	1.4	1.5	1.5	1.5	1.5	1.5	1.5
Ohio	6.0	5.8	5.7	5.5	5.6	5.7	5.9	6.0	6.1	5.8	6.0
Tennessee	1.1	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2
West Virginia	1.0	.9	1.0	1.0	1.0	1.1	1.0	1.1	1.2	1.0	1.0
Wisconsin	2.3	2.2	2.2	2.1	2.1	2.1	2.2	2.3	2.3	2.3	2.2

* For underlying absolute amounts, see, Appendix C, p. 6563.

TABLE XIII

Component Parts of Income Payments in Pennsylvania and United States, 1929-39

Year	Total income payments (000,000)	Wages and salaries		Other labor income		Entrepreneurial withdrawals		Dividends, interest, net rents and royalties	
		Amount (000)	Percent of total	Amount (000,000)	Percent of total	Amount (000,000)	Percent of total	Amount (000,000)	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pennsylvania *									
1929	$7,230	$4,941	68.3	81	1.1	$ 763	10.6	$1,445	20.0
1930	6,653	4,492	67.5	86	1.3	678	10.2	1,397	21.0
1931	5,631	3,674	65.2	164	2.9	569	10.1	1,224	21.7
1932	4,253	2,751	64.7	113	2.7	452	10.6	937	22.0
1933	4,002	2,569	64.2	194	4.8	418	10.4	821	20.5
1934	4,595	2,979	64.8	266	5.8	483	10.5	867	18.9
1935	4,947	3,174	64.2	336	6.8	545	11.0	892	18.0
1936	5,698	3,570	62.7	467	8.2	609	10.7	1,052	18.5
1937	6,038	3,972	65.8	344	5.7	674	11.2	1,048	17.4
1938	5,347	3,352	62.7	483	9.0	613	11.5	899	16.8
1939	5,678	3,636	64.0	445	7.8	636	11.2	961	16.9
United States †									
1929	82,268	52,200	63.5	1,027	1.2	13,851	16.8	15,190	18.5
1930	74,566	47,318	63.5	1,124	1.5	11,758	15.8	14,366	19.3
1931	63,459	39,689	62.5	2,240	3.5	9,243	14.6	12,287	19.4
1932	49,275	30,801	62.5	1,737	3.5	7,136	14.5	9,601	19.5
1933	46,878	28,383	60.5	2,304	4.9	7,653	16.3	8,538	18.2
1934	54,138	32,227	59.5	3,207	5.9	9,334	17.2	9,370	17.3
1935	58,882	35,224	59.8	3,491	5.9	10,448	17.7	9,719	16.5
1936	68,051	39,298	57.7	5,204	7.6	11,951	17.6	11,598	17.0
1937	71,960	43,620	60.6	3,712	5.2	12,749	17.7	11,879	16.5
1938	66,259	39,781	60.0	4,761	7.2	11,509	17.4	10,208	15.4
1939	69,999	42,367	60.5	4,683	6.7	11,969	17.1	10,980	15.7

* Dollar figures from Martin, John L., "Income Payments to Individuals, by States 1929-1939," Survey of Current Business, October, 1940, pp. 8-12.

† Adapted from "Income Payments to Individuals," op. cit., pp. 8-12.

income which is referred to as 'dividends,' the lenders' income is known as 'interest,' and the owners of special types of property receive either 'net rents' or 'royalties.' Men, temporarily out of work and men permanently withdrawn from private productive activities are said to receive 'other labor income' which consists of such items as unemployment insurance benefit payments, work project wages, and general or categorical relief.

The table following shows the above enumerated component parts of income payments in Pennsylvania and the United States.

Inspection of Table XIII, Col. 4 shows that wages and salaries, as percentages of total income payments have decreased from 68.3% in 1929 to 64.0% in 1939. This percentage decrease in salaries and wages was more than compensated for by a percentage increase in 'other labor income' (Col. 6) which consists largely of unemployment insurance benefits, work project wages, and general and categorical assistance. Adding the percentages in Col. 4 to those in Col. 6 'salaries and wages' plus 'other labor income' increased slightly from 69.5% in 1929 to 71.8% in 1939. 'Entrepreneurial withdrawals' likewise increased slightly from 10.6% in 1929 to 11.2% in 1939, whereas dividends, interest, net rents, and royalties decreased from 20.0% to 16.9% during the same period.[7]

In view of the great importance of salaries and wages as component parts of total income payments the table below has been prepared.

[7] In interpreting these data, it should be remembered that all personal taxes, that is, taxes assessed against natural persons, must be liquidated out of income payments. These personal taxes, however, have not been deducted from income payments as shown in Table XIII, p. 6459.

TABLE XIV

Percentage Ratios of Wages and Salaries Paid out in Major Industries to Total Wages and Salaries in Pennsylvania, 1938*

Industry	Percent
(1)	(2)
Total	100
Manufacturing	34
Trade	14
Government	12
Service	11
Transportation	8
Mining	7
Finance	4
Construction	3
Electricity and gas	2
Communication	1
Agriculture	1
Miscellaneous	3

* Computed from unpublished estimates furnished by the National Income Division of the Department of Commerce.

Inspection of Table XIV shows that manufacturing enterprise, of which steel is the most important single industry group,[8] accounts for thirty-four per cent of all wages and salaries paid in Pennsylvania. The percentage contribution of manufacturing is more than twice as large as the wage and salary contribution made by trade, more than three times as large as the wage and salary contribution of the service enterprises, and 34 times as large as the wages and salary contribution of agriculture.

In the light of the outstanding importance of Pennsylvania manufactures as a source of wages and salaries, the fiscal policies affecting manufacturers are of special significance.

Concluding its survey of population and economic trends in Pennsylvania the members of the Joint State Govern-

[8] See, Section IV, p. 6454.

ment Commission wish to note that manufacturing in the Commonwealth has shown some improvement in 1939 and 1940.[9] Unfortunately, at least part of some very recent improvement is not due to peacetime expansion of the American economy in general and the Pennsylvania economy in particular, but is caused by serious international strife and the stimulation given to heavy industry by the National Defense program. In the nature of the case, neither cause is likely to have any degree of permanency. On the contrary, there is every good reason to believe that history will repeat itself. If such should be the case, present industrial activities will cease abruptly and underlying tendencies will again reassert themselves.

It is the considered judgment of the members of the Joint State Government Commission that the interests of all the people constituting the Commonwealth of Pennsylvania will be better served in the end if legislators will heed the trends which have emerged over the last decade and a half rather than be comforted by the feeling that "things are looking up and looking better". As a matter of statistical fact, things industrial in Pennsylvania are looking better. But the present bright glow in Pennsylvania's industrial sky is in large part but the reflection of a conflagration which threatens to engulf all that used to be known as Western Civilization.

CHAPTER II

Expenditures, Actual and Estimated, of the State Government of the Commonwealth

Section I

Pennsylvania State Government Expenditures and Income of Pennsylvanians, 1927-1941

Changes in the magnitude of a state government's operations are conveniently measured in termes of changes in total state government expenditures. When total state government expenditures are expressed as percentages of the total income of Pennsylvanians a first and proximate judgment of the importance of the state government as a factor in the life of a citizen and as a claimant of part of the contents of his pocketbook are made possible.

Table I shows total state government expenditures, total income of Pennsylvanians, and, as far as availability of data permits, total state expenditures as percentages of income payments.

TABLE 1

Total State Expenditures and Income Payments, Biennia 1927-29 to 1939-41

Biennium	Pennsylvania Income (000)	Total Expenditures (000)	Col. 3 / Col. 2 x 100
(1)	(2)	(3)	(4)
1927-29	.....	$243,432	..
1929-31	$13,883,000	353,472	1.1
1931-33	9,884,000	328,864	3.3
1933-35	8,597,000	346,053	4.1
1935-37	10,645,000	438,646	4.2
1937-39	11,385,000	567,638	5.1
1939-41†	.....	548,439	..

Legend:
Col. (2), Martin, J. L., "Income Payments to Individuals by States, 1929-1939", Survey of Current Business, October, 1940, pp. 8-12. Col. (3), computation of the Joint State Government Commission.
† Estimated.

[9] Van Pelt, Henry W., "Pennsylvania is Leader in Manufacturing", Commonwealth of Pennsylvania, Department of Internal Affairs, Monthly Bulletin, Vol. 9, No. 1, p. 24.

Inspection of Table I, Cols. 2 and 3 indicates that total Pennsylvania state expenditures exclusive of Federal receipts for special purposes and total income payments to Pennsylvanians have tended to move in opposite directions during the last decade. For instance, during the biennium 1929-31 income payments to Pennsylvanians amounted to $13,883,000,000 and total state expenditures amounted to $353,472,000. When expressed as percentages of total income, these total state expenditures amounted to 1.1 (see Col. 4). However, during the biennium 1937-39 this percentage had reached 5.1.

Turning from the relationship of expenditures to income payments to the behavior of total state expenditures (see, Col. 3) over the period from 1927 to 1941 it will be observed that total state expenditures rose from $243,432,000 for the biennium 1927-29 to an estimated $548,439,000, for the biennium 1939-41. It will be observed that this last figure is more than twice as large as the first.

Section II

Pennsylvania's General Fund Expenditures by Principal Functions

The mounting sums of State expenditures are allocated among many public functions, the allocation method being somewhat different for different publicity rendered services.

In the case of highway construction and maintenance all state monies[1] collected from the gasoline tax are deposited in a separate fund[2] and the sum total in the fund—unless borrowed under special legislative authority and devoted to the financing of other public functions—is devoted to highway purposes.[3]

However, this procedure is followed only in the case of highways and in connection with certain fees of minor quantitive importance.

Typically, all monies collected by the state government in the form of taxes[4] are credited to the General Fund of the Commonwealth and allocated among the different public services by the General Assembly.

In view of the extent of the operations of the General Fund, its disbursements in time are of special legislative interest.

Table II Shows General Fund operations for the biennia 1927-29 to 1939-41.

Table II shows total General Fund expenditures as well as General Fund expenditures or disbursements for 1) protection of persons and property, 2) general government, 3) conservation of natural resources, 4) public health and welfare, 5) public assistance, and 6) public education.[5]

Inspection of Cols. 4, 6, 8, 10, 12, and 14 indicate that the above enumerated General Fund disbursements for different public functions have changed considerably as regards absolute amounts and relative importance over the period from 1927 to 1939.

[1] One-half cent per gallon of gasoline is transferred to the counties, see, Commerce Clearing House, "Tax Systems", 8th ed., Chicago, 1940, p. 59.
[2] For Special Fund receipts and disbursements, see, Appendix C, p. 6563.
[3] Part of the proceeds from the gasoline tax is returned to the counties to be used for highway purposes. See, Chapter VI, p. 6473.
[4] For a discussion of principal Pennsylvania state taxes, see, Chapter III, p. 6465.
[5] See Joint State Government Commission: "Report on the Organization the State Government of Pennsylvania", Harrisburg, Pa., 1941; also for details regarding these functions see, The Pennsylvania Manual, Harrisburg, 1938, Vol. 83, Section 4. See also, Appendix C, p. 6563.

By way of first observation it may be pointed out that inspection of Table II indicates that the Commonwealth's General Fund disbursements for all but one function (see, Col. 7) increased when the biennia 1927-29 and 1939-41 are compared.

Disbursements for protection of persons and property

TABLE II

Pennsylvania General Fund Expenditures by Principal Functions, 1927-1941 *

"Applicable" to the Biennium

(All money figures in $000)

		Protection of Persons and Property		General Government		Conservation of Natural Resources		Public Health and Welfare		Public Assistance		Public Education	
Biennium	General Fund Total Expenditures	Amount	Col. (3) as % of Col. (2)	Amount	Col. (5) as % of Col. (2)	Amount	Col. (7) as % of Col. (2)	Amount	Col. (9) as % of Col. (2)	Amount	Col. (11) as % of Col. (2)	Amount	Col. (13) as % of Col. (2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1927-29	$142,586	$18,172	12.6	$12,401	8.6	$4,289	3.0	$34,531	23.9	.....	...	$75,132	52.0
1929-31	188,833	20,176	10.6	23,125	12.2	5,011	2.6	47,913	25.2	.....	...	90,924	47.8
1931-33	208,007	19,270	9.2	18,956	9.1	4,352	2.1	42,065	20.1	$ 32,934	15.7	91,877	43.9
1933-35	229,218	20,292	8.6	19,230	8.2	2,635	1.1	35,229	15.0	65,267	27.8	92,019	39.2
1935-37	330,584	17,751	5.1	32,594	9.4	2,196	0.6	38,547	11.1	163,975	47.1	93,254	26.8
1937-39	409,532	29,181	6.5	34,312	7.6	4,222	0.9	43,375	9.6	239,732	53.3	98,834	22.0
1939-41 †	395,024‡	19,202	4.9	37,575	9.5	1,976	0.5	48,030	12.2	193,910§	49.2	93,231	23.7

* Joint State Government Commission.
† Estimated.
‡ Estimated to reach $413,000,000.
§ Will amount to a minimum of $208,000,000.
‡ Infinite.

(see, Col. 3) increased from $18,172,000 to $19,202,000. Disbursements for General Government (see, Col. 5) increased from $12,401,000 to $37,575,000. Disbursements for Public Health and Welfare (see, Col. 9) rose from $34,531,000 to $48,030,000. Disbursements for Public Education (see, Col. 13) rose from $75,132,000 to $93,231,000. Expenditures for Public Assistance, (see, Col. 11) a function which was not in existence in 1927-29, rose from $32,934,000 for the biennium 1931-33 to $193,910,000 for the biennium 1939-41.

Regarding the increase in General Fund disbursements for Public Assistance, it should be observed that this was the most rapid of all the increases noted.

Again, when expressed as percentages of total General Fund disbursements, Public Assistance and Public Education account for the largest percentage shares.

For the biennium 1939-41, for instance, Public Education accounted for 23.7% (see, Col. 14) of total General Fund disbursements, and Public Assistance (see, Col. 12) accounted for 49.2% of total General Fund disbursements.

In other words, in the biennium 1939-41 Public Assistance accounted for close to one-half of the disbursements of the General Fund and public education absorbed approximately one-fourth of the total disbursements of the General Fund. In terms of absolute dollar amounts public assistance will cost the state government an estimated $208,000,000 for the fiscal period 1939-41 and public education an estimated $93,231,000.

Because of the substantial drain which both public assistance and public education make upon the General Fund of the Commonwealth, the financing of the two functions will be briefly considered below.

Section III

The Financing of General Assistance

It would appear that among the fourteen states whose products compete with ours, Pennsylvania is the only one financing general assistance exclusively out of state tax sources.

Before indicating the nature of the financial problems which are presented by general assistance, the members of the Joint State Government Commission wish to call attention to the differences between so-called general assistance and so-called public assistance.

The term public assistance relates to the following functions: 1) aid to the blind, 2) aid to dependent children, 3) aid to the needy aged, and 4) so-called general assistance.

Aid to the blind, takes the form of "pensions" granted by the Commonwealth to blind residents of Pennsylvania. This form of aid is financed exclusively out of state tax funds.[1] Aid to dependent children, sometimes referred to as mothers' assstance consists of grants designed to benefit needy children. The state funds made available for this purpose are matched by the Federal Treasury upon proper authorization of the Social Security Board. Aid to the needy aged consists of payments to needy aged individuals, resident in Pennsylvania. Again, state payments to the needy aged are matched by the Federal Government. So-called general assistance consists of cash

[1]The Federal Government stands ready to match grants to the blind, provided the blind to whom the grants are made are in need, need being defined by Federal statute. To be eligible for aids or so-called "pensions" the Pennsylvania blind do not have to be "needy" in the Federal sense of the word.

payments to persons not eligible for any of the other aids who are temporarily or permanently unemployed and without other means of support.

General assistance, or direct relief as it is commonly referred to in states other than Pennsylvania, is the most costly of the public assistance functions, having accounted for an estimated total of approximately $132,000,000 for the biennium 1939-41.[2]

Table III indicates in a summary fashion how state and local governments of fourteen 'competitive states' share in the financing of general assistance, or direct relief.

TABLE III

State and Local Percentage Contributions toward the Financing of General Assistance: Pennsylvania and 'Competitive States' as of January 1, 1939[a]

State	State Share	Local Share
(1)	(2)	(3)
Pennsylvania	100	0
California	x[b]	x
Connecticut	0	100[c]
Illinois	x	x[d]
Indiana	0	100
Massachusetts	0	100[c]
Michigan	x	x
New Jersey	x	x
New York	60	40[e]
North Carolina	0	100
Ohio	50	50[f]
Tennessee	0	100
West Virginia	x	x
Wisconsin	x	x

[a] Lowe, R. C., State Public Welfare Legislation, pp. 70-76 and pp. 254-255. Washington, 1939.
[b] When used in this table x indicates that the state and locality share, but the percentages are not given.
[c] The state reimburses towns for the expenses of state paupers.
[d] Local share determined by formula prescribed by law.
[e] State reimburses 100% of cost of state poor.
[f] Does not apply to $1,500,000 appropriated from 1939 sales tax revenue.

Inspection of Table III shows that: 1) out of the fourteen competitive states only Pennsylvania finances general assistance exclusively out of state government funds, 2) five—Connecticut, Indiana, Massachusetts, North Carolina and Tennessee—make no state contribution whatever toward the financing of general assistance, and 3) in the remaining eight states—California, Illinois, Michigan, New Jersey, New York, Ohio, West Virginia and Wisconsin—the financing of general assistance or direct relief, as it is sometimes called, is a joint state-local responsibility with the state governments contributing varying proportions toward the payment of general assistance obligations incurred.

Because of the unique method of financing general assistance in Pennsylvania and the strain which this arrangement imposes upon the General Fund, it has been suggested that part of the responsibility for financing general assistance be returned to the local units of government[3] with whom the responsibility rested prior to 1933.

Section IV

The Financing of Public Education: Some Facts and a Challenge

The financing of public education[1] in Pennsylvania, unlike the financing of general assistance, is a joint function of the state and local governments.

By way of introductory observation the members of the Joint State Government Commission wish to point out that in their judgment the financial policies of the state government as they relate to public education may well be different from those relating to the financing of general assistance or direct relief.

This judgment is bottomed upon the observable fact that whereas educational offerings made available through the local school districts can and are standarized by the General Assembly by means of legislation stipulating minimum teacher salaries as well as minimum teacher qualifications no such state wide standardization seems possible in the case of general assistance, because the determination of a given citizen's need for public relief is a highly individualized matter involving the ascertainment of facts which tend to differ in each and every individual case.[2] Inasmuch as the pertinent facts necessary to the satisfactory establishment of eligibility for general assistance can best be determined locally, a state legislature that assumes exclusive responsibility for the financing of general assistance loses virtually all effective control as regards the magnitude of the financial obligations which it incurs.

Passing from the general to the concrete, the members of the Joint State Government Commission wish to outline contemporary procedures as they relate to the financing of public education in Pennsylvania.

These dollar disbursements of the Commonwealth General Fund, which are usually made available to the local school districts, constitute on the average 23.2%[3] of the current cost of public education and about 21.2% of the total cost of public education, the remainders of 76.8% and 78.8% being financed by the local school districts out of local real estate and local per capita taxes.[4]

It is interesting to compare state and local percentage

TABLE IV*

Percentage of Total Public School Costs Derived from State Funds in 'Competitive States,' 1935-36

State	State Percentage Share of Total Cost
(1)	(2)
Pennsylvania	21.2
California	Not available
Connecticut	Not available
Delaware	92.3
Illinois	10.0
Indiana	Not available
Massachusetts	10.7
Michigan	44.5
New Jersey	2.0
New York	37.2
North Carolina	Not available
Ohio	37.4
Tennessee	Not available
West Virginia	Not available
Wisconsin	16.2

* Adapted from Pennsylvania State Education Association, "Report of the Committee on Survey of School Costs," p. 21.

[2] For details regarding General Fund expenditures for general assistance, see Joint State Government Commission, "Relief Report."
[3] For a fuller discussion of proposals of this type, see Chapter VII, p. 6489. See also, Joint State Government Commission, "Relief Report," Harrisburg, 1941.
[1] The treatment of public education presented in this section is confined to grade, high, and vocational school education. It does not include so-called 'higher education' which is in part financed by the General Fund of the Commonwealth by means of biennial subsidies to selected colleges and universities.

[2] For further details see: Joint State Government Commission "Relief Report." Harrisburg, 1941.
[3] Pennsylvania Education Association, "Report of the Committee on Survey of School Costs," Harrisburg, 1938, pp. 21 and 22. Also, Pennsylvania State Education Association, "Financing Public Education in Pennsylvania," Harrisburg, 1940, p. 30.
[4] Pennsylvania State Education Association "Financing Public Education in Pennsylvania," op. cit., p. 9. It should be observed that the Federal government makes a contribution toward the financing of vocational education. However, in the recent past the Federal contribution has never exceeded one-half of one per cent of the total cost of public education.

contributions toward meeting the cost of public education for Pennsylvania and selected[5] competitive states. Table IV presents the pertinent data as far as they are available.

It is interesting to observe that three out of eight competitive states for which data are readily available made larger state percentage contributions toward the financing of public education than Pennsylvania, whereas four made substantially smaller relative contributions.

In Pennsylvania, the local school districts—some 2,500 in number— are divided into four different classes on the basis of population. Different class school districts obtain different percentages of their current expenses from the General Fund of the Commonwealth.

At the present these percentages—which are often referred to as reimbursement percentages or reimbursement fractions[6]—are as follows:[7]

First Class districts	25%
Second Class districts	35%
Third Class districts	35%
Fourth Class districts	50%

These reimbursement fractions are applicable to the current expenses of all school districts unless 1) a district's true valuation of real property per teacher is between $50,001 and $100,000, in which case the district in question has its minimum salaries reimbursed to the extent of 60%, or 2) a given district's true valuation of real property per teacher is less than $50,000, in which case the General Fund of the Commonwealth reimburses the district to the extent of 75% of its minimum salaries.

Generally speaking, the dollar amount of reimbursement which a given school district derives from the General Fund of the Commonwealth is obtained by multiplying teachers' minimum salaries as fixed by the General Assembly of the Commonwealth by the reimbursement fractions (.25, .35, .50, .60, and .75, respectively) which have previously been established for different classes of school districts.

Though the present system of school reimbursement which was established in 1921[8] under the sponsorship of the Hon. Franklin Spencer Edmonds, now Senator from Montgomery County, is immeasurably superior to previous systems, the members of the Joint State Government Commission wish to call the attention of the General Assembly to some stresses and strains which the present setup has developed since its inception.

In the first place, the members of the Joint State Government Commission wish to point out that though 'true valuation' of the property per teacher is an important factor in determining the reimbursement fraction of the less well-to-do school districts of the Commonwealth, at the present, no state agency has adequate powers and means to assure 'true valuation' assessments. As regards the direct interest of the state government in reliable 'true valuation' assessments and the defects of contemporary procedures the former Superintendent of Public Instruction of the Commonwealth of Pennsylvania, Dr. Lester K. Ade, observed in 1938:

"One of the major defects is the system of determining the true valuation per teacher. The factors used in this calculation are the assessed valuation of property, the percentage of true value at which the property is assessed, and the number of teachers. Obviously, the higher the assessment percentage, and the greater the number of teachers, the lower the true valuation per teacher.

"The assessment percentages reported by the school boards are presumably the percentages used by the assessors in making the valuation of property for levying of the county, school, and township taxes. These percentages cannot be accurate, because many assessors do not use a uniform percentage in assessing property. To most assessors the relationships between the true values and the assessed values for many properties are very indefinite. Therefore, the assessment percentages reported by school boards may or may not be accurate, and the school district may or may not be obtaining the rate of State-aid to which it is really entitled.

"When the valuation per teacher of a school district is close to the division line in determining State-aid percentages, a slight boost in the assessment percentage or in the number of teachers can put the district in a group receiving a higher percentage of State-aid. The Department of Public Instruction has made a study of districts whose rate of reimbursement has been changed under the Edmonds Act for the biennium of 1935-37 in order to ascertain the causes of the changes. Of the 289 districts studied in which the rate of reimbursement had changed, 242 had moved to a higher rate of reimbursement and 47 to a lower rate. Of 242 changes wherein the districts moved to a higher rate of reimbursement, 152 were due to increases in the rate of assessment, twenty-one to increases in the number of teachers in the districts, seven to a combination of increases in the assessment rate and increases in the number of teachers in the districts, thirty-seven to decreases in assessed value not due to changes in the rates of assessment, nine to a combination of an increase in assessment percentages and a decrease in assessed value, one to a combination of three factors—increase in assessment percentage, decrease in assessed valuation, and increase in the number of teachers, and fifteen to a higher rate of reimbursement were unexplained. Of forty-seven changes in which districts moved to a lower rate of reimbursement, twelve changes were due to decreases in the number of teachers, sixteen to decreases in the assessment rates, eleven to increases in assessed value not due to a change in the assessment rate, and two to increases in asessed valuation and decreases in assessment rates. No explanation was given for the change in the status of six districts.

"It is plain to be seen that most of the changes are toward a higher rate of reimbursement, and that the major causes are increases in the assessment rate, decreases in assessed value not due to changes in the assessment rates, and increases in the number of teachers.

"A closer view of the manner in which the system operates can be obtained by examining the situation in some of the school districts. In North Union Township in Fayette County the rate of reimbursement changed from thirty-five per cent in 1933 to sixty per cent in

[5] The pertinent data for some competitive states would not seem to be readily available.

[6] For a brief historical note regarding the origin of the contemporary reimbursement system, see, Pennsylvania State Education Association, "Report of the Committee on Survey of School Costs," Harrisburg, 1938, Chapter IV, p. 111.

[7] Pennsylvania State Educatin Association, "Financing Public Education in Pennsylvania," Harrisburg, 1940, pp. 31 and 32.

[8] Pennsylvania State Education Association "Report of Committee on Survey of School Costs," p. 111.

1935-37, although there was a decrease of forty teachers. The increase in the rate is explained by the fact that the assessment rate of 40.5 per cent upon which the 1933-35 rate was based changed to an average of 76.6 per cent. In Madison Township School District in Lackawanna County, where the rate of assessment has been 100 per cent since 1930 and has given that school district a sixty per cent reimbursement, the addition of one teacher raised the district to a rate of reimbursement of seventy-five per cent for the biennium of 1935-37. These examples serve to show the manner in which many changes of reimbursement come about under the existing system.

"At the present time the State Council of Education has authority to correct and approve assessment percentages after investigation, but with locally elected assessors with whom they have scarcely any contact and who are not assessing property at a uniform percentage within a given school district, the task of accurately revising the assessment percentages reported is one the State Council is not equipped to do."[9]

The members of the Joint State Government Commission wish to suggest that their colleagues in the General Assembly take the real estate property assessment problem under serious advisement because inadequate assessments when utilized for school reimbursement purposes may place unjustifiable strains upon the General Fund of the Commonwealth.

Second, as has been pointed out above,[10] school reimbursement fractions vary with the class into which a given school district belongs. A district's membership in a given class, in turn, depends upon the population resident in the district, and the larger the population the lower the reimbursement fraction on the basis of which the General Fund of the state government shares in the current expenses involved in operating the schools of the Commonwealth.

Underlying the classification of school districts according to population is the assumption that taxable real estate (the main source of local school revenue) varies with population. In terms of an illustration, the assumption underlying the present reimbursement system is that a given school district of the third class has more taxable real estate per child of school age under its jurisdiction than a school district of the fourth class. Hence a school district of the third class is reimbursed for its minimum salaries to the extent of 35% whereas a school district of the fourth class is reimbursed to the extent of 50%. In addition, it would seem that the contemporary reimbursement system is built upon the assumption that all school districts in the same class show substantially the same amount of effectively taxable real estate per child of school age.

In the light of the problem presented by the so-called 'distressed school district'[11] a problem of which the General Assembly has taken legislative cognizance at several sessions[12] the validity of the assumption outlined above has been questioned in public discussion. With a view of testing the supposition underlying the present school reimbursement system, the Joint State Government Commission has developed the data submitted below which are believed to shed light upon the problem at hand.

TABLE V

Adjusted Taxable Real Estate Valuation per Pupil in Average Daily Membership for Selected Fourth Class School Districts, 1938-1939*

Adjusted Valuation Per Pupil	Frequency	Cumulative Frequency
	(1)	(2)	(3)
$ 0— 500	4	4
500— 1,000	41	45
1,000— 1,500	80	125
1,500— 2,000	60	185
2,000— 2,500	43	228
2,500— 3,000	26	254
3,000— 3,500	18	272
3,500— 4,000	12	284
4,000— 4,500	10	294
4,500— 5,000	4	298
5,000— 5,500	6	304
5,500— 6,000	3	307
6,500— 7,000	2	309
7,000— 7,500	3	312
7,500— 8,000	1	313
8,500— 9,000	4	317
9,000— 9,500	1	318
9,500—10,000	1	319
10,500—11,000	1	320
11,000—11,500	1	321
11,500—12,000	1	322
16,500—17,000	1	323
17,500—18,000	1	324
18,000—18,500	1	325
18,500—19,000	1	326
20,500—21,000	1	327
30,500—31,000	1	328
36,000—36,500	1	329
38,000—38,500	1	330
Total	330	

* From Joint State Government Commission.

Table V shows for selected 'distressed' fourth class school districts the 'adjusted' assessed valuation of taxable real estate, the main source of local school tax revenue.

Table V, Col. 1 presents the adjusted[13] real estate valuation per child in average daily attendance and Col. 2 shows a number of selected[14] distressed fourth class school districts which had a given adjusted assessed realty valuation per child in average daily attendance. To illustrate, in 1938-39 there were four (Col. 2) distressed school districts having an adjusted assessed realty valuation between $0 and $500. In the same year there were 41 (Col. 2) distressed fourth class school districts having an adjusted assessed real estate valuation (Col. 1) of between $500 and $1000 per child in average daily attendance.

Inspection of Col. 1 indicates that adjusted assessed realty valuation per child in average daily attendance ranged from $250 to $38,250, the mean or average value being $2,871 and the coefficient of variation exceeding 68%[15]. Further inspection indicates that most of the fourth class school districts investigated in Table V had adjusted assessed realty valuations per pupil in average daily attend-

[9] Pennsylvania State Education Association "Report of the Committee on Survey of School Costs," Harrisburg, 1938, pp. 83 and 84.

[10] See, pp. 6463 and following.

[11] For a complete list of distressed school districts, their assessed and adjusted real estate valuation and their per capita tax levies see, Appendix C, p. 6563.

[12] Between 1931 and 1941 the following amounts were appropriated for distressed school districts: 1—Biennium 1931-33, $1,250,000; 2—Biennium 1933-35, $5,000,000; 3—Biennium 1935-37, $4,000,000; 4—Biennium 1937-39, $3,000,000; 5—Biennium 1939-41, $4,000,000. From a computation of the Joint State Government Commission.

[13] "Adjusted real estate valuations" are assessed valuations equalized at market value levels. For technique employed in equalizing actual assessments at market levels see, Appendix B, p. 6551.

[14] For methods by means of which fourth class school districts have been selected see, Appendix B, p. 6551.

[15] For a discussion of the significance of the coefficient of variation, see Appendix B, p. 6551.

ance ranging from $250 to $5,250. This segment range as well as the over-all-range are of considerable significance from a state of reimbursement point of view, for they indicate that if a reimbursement fraction of 50%[16] is adequate for, say, the well-to-do districts, it is necessarily inadequate for the less fortunate districts.

Table VI shows for all third class school districts, data comparable to those shown for the selected fourth class districts previously presented in Table V.

TABLE VI

Adjusted Taxable Real Estate Valuation per Pupil in School Census for Third Class School Districts, 1936-1937*

Adjusted Valuation Per Pupil	Frequency	Cumulative Frequency
(1)	(2)	(3)
$ 0— 1,000	4	4
1,000— 2,000	46	50
2,000— 3,000	49	99
3,000— 4,000	39	138
4,000— 5,000	21	159
5,000— 6,000	24	183
6,000— 7,000	18	201
7,000— 8,000	13	214
8,000— 9,000	6	220
9,000—10,000	11	231
10,000—11,000	4	235
11,000—12,000	4	239
12,000—13,000	3	242
13,000—14,000	2	244
14,000—15,000	2	246
15,000—16,000	2	248
16,000—17,000	1	249
18,000—19,000	2	251
21,000—22,000	1	252
26,000—27,000	1	253
27,000—28,000	1	254
73,000—74,000	1	255
Total	255	

* Adjusted valuation of real estate taken from Report of the Committee on Survey of School Costs, Pennsylvania State Education, Association, pp. 126-203.
School census taken from Statistical Report of the Superintendent of Public Instruction, Harrisburg, 1937, pp. 8-11.

Inspection of Table VI, Col. 1 reveals that adjusted assessed realty valuation per child as given by the school census in third class districts ranges from $500 to $73,500, the mean or average assessed valuation per child being $5,261 and the mean having a coefficient of variation of 61.3%[17]. Close inspection of Col. 1 further indicates that if a given reimbursement fraction (35% of minimum salaries in the case of third class school districts) is adequate for the upper bracket districts it is necessarily inadequate for the less well-to-do districts. Similarly, if the present reimbursement fraction of .35 if considered adequate for the less well-to-do districts, it would seem to follow that it must be in excess of needs as regards the more fortunate districts.

It is likewise instructive to compare adjusted assessed valuation per child in fourth and third class districts.

Comparison of Table V and VI shows that numerous fourth and third class districts have the same adjusted taxable real estate valuation per child. The following table which is based upon Tables V and VI, shows the most frequently occurring instances of virtually identical adjusted realty valuation per child in fourth and third class districts.

TABLE VII

Number of Fourth and Third Class School Districts Having Similar Adjusted Realty Valuations per Child

Adjusted Realty Valuation Per Child	Number of Districts Fourth Class	Third Class
(1)	(2)	(3)
$1,000—$2,000	14	46
2,000— 3,000	69	49
3,000— 4,000	30	39
4,000— 5,000	14	21
5,000— 6,000	9	24
	136	179

In interpreting Table VII, it should be recalled that this table does not present a complete recapitulation of Tables V and VI. It merely shows adjusted realty valuation identity in fourth and third class school districts for those districts where such identity occurs with relatively high frequency.

With this limitation in mind, it is instructive to observe that there are at least 136 fourth class districts which have approximately the same adjusted realty valuation as 179 third class districts. Unless all these districts come under the special rule which provides for reimbursement on an adjusted valuation per teacher basis,[18] the third class districts will have their current school expenses reimbursed to the extent of 35%, whereas the fourth class districts will have their current expenses reimbursed to the extent of 50%.

It is the judgment of the members of the Joint State Government Commission that the situation outlined above is worthy of the attention of the General Assembly the members of which might well raise the question: Should the contemporary reimbursement system not be modified with a view of what seem to be defects which have developed in the course of its twenty years of operation? If any modifications of the system are taken under advisement they may well aim at the liquidation of the 'distressed school district' problem. The present 'emergency' method of dealing with this problem by special legislative appropriations to be allocated among the school districts at the discretion of the Superintendent of Public Instruction would not seem to be in conformity with American precepts of government. As Dr. Francis B. Haas, present Superintendent of Public Instruction of the Commonwealth of Pennsylvania has so ably said, " . . . in a democracy, no man should have the power to distribute so much public money (referring to the dollar totals involved in making grants to the distressed school districts) at his discretion."[19]

CHAPTER III

Pennsylvania State and Local Tax Bases, Tax Rates and Tax Yields

Section I

Changes in Pennsylvania's 'Over-all Tax Effort,' 1929-1940:

Definitions and Measurements

Any increases in public expenditures[1] necessitate cor-

[16] See, pp. 6463 and 6464.
[17] A coefficient of variation measures the variations of actually observable values from a computed average. Assuming that a given average is 100, a coefficient of variation of 20% means that the actually observable values range anywhere from 80 to 120. The larger a given coefficient of variation, the less representative the average. See, Appendix B, p. 6551.

[18] See, pp. 6463 and 6464.
[19] Remarks of Dr. Francis B. Haas, meeting of the Pennsylvania Education Congress in the Forum, Harrisburg, October 2, 1940.
[1] For recent expenditure trends in Pennsylvania, see, Chapter II, p. 6460.

responding and proportional increases in public revenues. Though legislators, under pressure from constituents whose interests are diverse and sometimes at cross-purposes, may ardently desire to break the discomforting connection between increases in public expenditures and the necessity for increases in public revenues, all experience and logic shows that the magic circle cannot be broken save by repudiation and bankruptcy. To be sure, legislators inconvenienced by the necessity of paying bills lawfully contracted may temporarily delay the day of reckoning. But though they may temporarily disregard the revenue and tax obligations imposed upon them inevitably and automatically by their favorable action upon appropriation bills, they cannot abolish the day of reckoning either by statute or joint resolution.

Pennsylvania's Constitution makes it relatively difficult for legislators to refuse to pay the piper that attends whenever an appropriation bill is favorably acted upon, because Article IX, section 4[2] of that basic instrument decrees that the indebtedness of the Commonwealth may not exceed $1,000,000 at any one time. However, in spite of this Constitutional restriction, some deferment is possible. For a limited time the difference between public expenditures and public revenue can be maintained by manipulations of the fiscal year, shifting of the dates on which taxes fall due, and so called temporary borrowing from Special Funds.[3] Though sometimes any one of these manipulations can be justified, their persistence in time tends to introduce an element of uncertainty in the affairs of the state and the citizens who compose it which is prejudicial to the interests of both.

With a view of facilitating comparisons between the outgo and income of the public treasury, the Joint State Government Commission submits below data for Pennsylvania and selected 'competitive states'[4] showing estimated tax yields, tax bases, tax rates and other relevant data. Before presenting these data in detail the members of the Joint State Government Commission wish to submit certain preliminary observations which they believe germane to the problem under consideration.

In the first place, tax yield or tax collection data are not particularly meaningful unless related to some general measure of welfare. That is to say, it is not particularly consequential to point out that tax collections have either risen or fallen over a specified period of time unless such a statement is accompanied by some other statement relative to the changes in the economic position of those individuals or groups of individuals from whom the taxes whose yields are shown to have been collected. A convenient general measure of changes in the economic position of individuals or groups of individuals is presented by income or, as the technical phrase goes, 'income payments to individuals.'[1] When the percentage ratio of 'total tax collections' to 'total income' is calculated, a useful measure is obtained which shows to what extent public revenues impinge upon private purses.[2] If the measurement indicated is taken for successive years, the observant legislator can learn a great deal regarding the causes of tax agitation. For instance, if the value of the percentage ratio 'tax collections' to 'income' rises rapidly over a short period of time, such rise is usually accompanied by extensive and emphatic complaints about "excessive tax burden," although the allegedly "excessive burden" may be considerably lighter than the "burden" in comparable and 'competitive states.'

Section II

Pennsylvania's Principal State Tax Sources

Table I, shows for the period from 1929 to 1940 Pennsylvania state tax collections, actual and estimated[5] local tax collections; state plus estimated local tax collections, estimated per capita state taxes, estimated per capita local taxes, estimated per capita state plus local taxes, Pennsylvania per captia income, and Pennsylvania per capita taxes (state, local, state plus local) as percentages of Pennsylvania per capita income.

Inspection of Table I Col. 4 shows that Pennsylvania state plus estimated local tax collections have risen from $468,945,000 in 1929 to $528,155,000 in 1939. As inspection of Cols. 2 and 3 indicates, this increase in total tax collection is due exclusively to an increase in state tax collections—local tax collections over the period under consideration having actually declined, but state tax collections registering a rise from $125,851,000 in 1929 to $247,702,000 in 1940. In terms of indices (Cols. 5, 6, and 7) total Pennsylvania tax collections have risen from 100 in 1929 to 112.6 in 1939, an increase of approximately 12 per cent, local collections have declined approximately 15 per cent (Col. 6) and state collections (Col. 5) have increased 96 per cent.

The changes in tax collections—total, state, and local—are reflected in changes in per capita tax collections shown in Cols. 8, 9, and 10. Over the period under consideration, Pennsylvania total per capita tax collections increased from $49.20 in 1929 to $53.50 in 1939. Local per capita tax collections decreased from $36.00 in 1929 to $29.70 in 1939, but state per capita tax collections increased from $13.20 in 1929 to $25.00 in 1940, having reached an all time high of $28.30 in 1937.

Cols. 12, 13 and 14 show Pennsylvania per capita tax collections—state, local and total—as percentages of Pennsylvania per capita income. Inspection of these columns indicates that total per capita tax collections as percentages of per capita income increased from 6.5% in 1929 to 9.3% in 1939. Though per capita local tax collections (Col. 9) decreased between 1929 and 1939, local per capita tax collections as percentages of per capita income increased from 4.8% in 1929 to 5.2% in 1939. State per capita tax collections as percentages of per capita income exhibited the same tendency as total—and local—per capita collections as percentages of per capita income, rising from 1.7% in 1929 to 5.0% in 1938 and then dropping back to 4.2% in 1940. It should be observed that though all percentage ratios: 'per capita collections' to 'per capita income' increased over the period under consideration, the value of the ratio 'state per capita tax collections' to 'per capita income' increased more rapidly than the value of the two other 'per capita tax collections' to 'per capita income' ratios.

[2] See, Legislative Reference Bureau, "Constitution of Pennsylvania; Constitution of the United States," Harrisburg, 1930, p. 37.
[3] See Appendix V, p. 6563 for Special and General Fund operations.
[4] For a definition of 'competitive state,' see, Appendix B, p. 6551.
[1] See, p. 6456.
[2] See, Wueller, P. H., "Income and the Measurement of the Relative Capacities of the States," Studies in Income and Wealth, Vol. III, National Bureau of Economic Research, 1939, p. 437 and following.

[5] For details of estimation technique, see Appendix B, p. 6551.

TABLE I

Pennsylvania State and Local Tax Collections and Income Payments, Fiscal Years, 1929-1940

Year	Tax Collections			Index 1929 = 100			Per Capita Taxes			Per Capita Income	Per Capita Collections As Per cent of Per Capita Income		
	State (000)	Local (000)	Total (000)	State	Local	Total	State	Local	Total		State	Local	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1929	$125,851	$343,094	$468,945	100.0	100.0	100.0	13.2	36.0	49.2	757.8	1.7	4.8	6.5
1930	142,791	349,949	492,740	113.5	102.0	100.1	14.8	36.3	51.2	690.8	2.1	5.3	7.4
1931	165,393	333,807	499,200	131.4	97.3	106.5	17.1	34.6	51.7	583.1	2.9	5.9	8.8
1932	136,099	305,189	441,288	108.1	89.0	94.1	14.1	31.5	45.6	439.2	3.2	7.2	10.4
1933	141,485	279,674	421,159	112.4	81.5	89.8	14.6	28.8	43.4	412.2	3.5	7.0	10.5
1934	125,353	289,331	414,684	99.6	84.3	88.4	12.9	29.7	42.6	472.0	2.7	6.3	9.0
1935	140,069	287,535	437,604	111.3	86.7	93.2	14.4	30.5	44.8	506.8	2.8	6.0	8.8
1936	180,458	303,063	483,521	143.4	89.3	103.1	18.4	30.9	49.4	582.2	3.2	5.3	8.5
1937	278,087	299,603	577,690	221.0	87.3	123.2	28.3	30.5	58.8	615.3	4.6	5.0	9.6
1928	264,548	298,700 *	563,248	210.2	87.1	120.1	26.9	30.3	57.2	543.4	5.0	5.6	10.6
1939	235,055	293,100 *	528,155	186.8	85.4	112.6	23.8	29.7	53.5	575.5	4.1	5.2	9.3
1940	247,702	.....	.....	196.8	....	....	25.0	...	...	601.2 *	4.2	..	..

Legend:
Col. (2) Joint State Government Commission.
Col. (3) Pennsylvania Department of Internal Affairs. Bureau of Statistics. Division of Assessments and Taxes.
Cols. (8), (9), (10) Computed by dividing Col. (2), into Cols. (2), (3) and (4) respectively.
Col. (11) Data from Martin, J. L., "Income Payments to Individuals by States, 1929-1939," Survey of Current Business, October, 1940, pp. 8-12, and Col. (2) Table I, Chapter I, p.
* Estimated For local tax collections, see, Appendix B, p. 6551.
For 1940 per capita income, see Appendix B, p. 6551.

For convenience of reference the percentage ratio 'total per capita tax collections' to 'per capita income' will henceforth be designated as 'over-all tax effort'. In other words, the 'over-all tax effort' of any one jurisdiction is measured by the value of the ratio 'total per capita tax collections of the jurisdiction in question' to the 'per capita income received by the persons constituting the jurisdiction'.

It seems apparent that though this measure is useful for the purpose indicated above[4] it does not furnish the legislator who is interested in ascertaining the specific effects of a given tax system with sufficient detail. Typically, the legislator is not only interested in what percentage the operations of government take from the income of his constituents, he is likewise vitally interested in ascertaining who among his constituents bears the brunt of an increase in over-all tax effort. A first and tentative answer to this question is facilitated by a review of statutory changes in tax rates and tax bases.

Table II, was prepared to facilitate such a review as far as tax rates are concerned.

Cursory inspection of Table II, Col. 2, which shows the title and measure of principal Pennsylvania state taxes, and Cols. 3, 4, 5, 6, 7 and 8 which show the receipts from these titles for the years 1929, 1935, 1936, 1937, 1938, 1939 and 1940, indicates that the bulk of Pennsylvania's state tax collections is derived from business taxes, the only quantitatively consequential exception being represented by the personal property tax, the cigarette tax, the inheritance tax, and the gasoline tax.

Inspection of Cols. 9 to 15, inclusive, which show the rates carried by the titles listed in Col. 2, indicates that the specific tax effort required from selected tax payers has increased considerably between 1935 and 1940.

To mention only the more conspicuous increases in specific tax effort—a term which may be defined as the percentage ratio 'tax due' to 'value of tax base'—such increased specific state tax effort has been primarily required from the corporate stock base, the corporate net income base, the personal property base, and that segment of the transaction or commodity base represented by cigarettes, alcoholic beverages, and gasoline.[5]

Table III, presents an index of major changes in specific state tax effort which have taken place between 1935 and 1940.

TABLE III*

Index of Changes in Specific Tax Effort Required from Principal Tax Bases

Tax Base	State Taxes Due as Percentages of Unit Value of Bases	
	1935	1940
(1)	(2)	(3)
Corporate Loans	4	8
Bank Stock	4	8
Title Insurance and Trust Companies	5	8
Personal Property	0	4
Utilities Gross Receipts	14	20
Emergency Relief-Sales	1	0
Cigarettes	0	1
Gasoline	3	4
Emergency Liquor	0	10
Corporate Net Income	0	7

* Computed on the basis of data shown in Table II.

Inspection of Table III indicates, for example, that one dollar of corporate net income, while not subject to any state income tax whatever prior to 1935, was subject to a seven percent corporate net income tax in 1940, was subject to a seven per cent corporate net income tax in 1940. Similarly, whereas a gallon of gasoline was subject to a tax of three cents in 1935, it was subject to a tax of four cents in 1940.

Generalizing upon Table III, it appears that though the tax contribution of certain personal consumption items (gasoline, liquor, cigarettes) as well as the taxes required from personal property have increased, the increases in specific tax effort are decidedly concentrated in the so-called business tax field.

The increase in specific tax effort required from business bases is somewhat more severe than would appear upon inspection of Table III, because the corporate stock base was considerably broadened in 1935 by the removal

[4] See, p. 6486.

[5] For a detailed legislative history of these levies, see, Appendix A, p. 6496.

TABLE II

Receipts from Principal State Tax Sources, 1929, 1935-1940
(Receipt Figures in Thousands of Dollars)

Type of Tax Base	Title and Measure of the Tax	Receipts for Fiscal Year Ending May 31*						
		1929	1935	1936	1937	1938	1939	1940
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Capital	Bonus on charters—Domestic—capital stock authorized	$ 1,565.8	$ 132.0	$ 206.9	$ 438.2	$ 337.1	$ 108.4	$ 96.6
	Foreign—capital employed in state	.....	189.2	148.3	497.9	426.3	294.2	144.7
	Capital stock—Domestic—actual value of whole capital stock	17,999.2	17,125.0	17,197.9	35,855.0	21,733.4	20,203.3	21,034.4
	Foreign—capital stock, ratio of Pa. business	.....	.....	1,524.8	10,492.7	7,792.3	7,732.1	6,837.1
	Corporation loans—value of evidences of indebtedness	4,592.5	5,242.2	3,242.2	11,148.8	7,930.1	6,457.9	5,943.8
	Public loans—value of evidences of indebtedness	1,455.1	3,139.5	1,902.8	4,446.0	2,738.0	1,485.1	4,506.3
	Spirituous and vinous liquor floor tax—vol. stored in Dec. 1933	.....	2,904.9	3,165.4	158.6	.....	2.2†	.....
	Building and loan association—value of stock	226.0	285.5	373.5	537.6	96.8†	31.9†	5.5†
	Bank Stock—actual value	4,716.1	1,191.1	1,659.8	2,068.0	5,370.2	3,376.5	3,507.0
	Title insurance and trust companies—actual value of stock	.....	1,929.2	.....	.....	3,134.6	2,681.7	2,811.8
	Transfer, inheritance and estate—value of property	17,526.1	19,370.8	19,548.5	16,857.2	28,698.2	21,076.6	19,244.3
	Personal property tax—value of intangibles	.....	.....	518.9	17,794.5	11,919.8	12,095.3	11,556.5
Total Capital Base		48,080.8	51,509.4	49,489.0	101,094.5	90,176.8	75,545.2	75,788.0
Trans-actions	Domestic insurance companies—gross premiums	314.9	191.3	142.4	173.6	214.4	279.4	232.3
	Foreign insurance companies—gross intrastate premiums	6,707.0	6,561.4	6,465.6	7,109.5	7,601.1	7,476.4	7,476.7
	Private bankers—gross receipts from commissions, discounts, etc.	21.0	46.2	30.6	20.8	89.8	105.5	7.7
	Corporations—(Utilities) gross receipts—intrastate business	4,222.2	3,253.1	4,662.9	6,248.8	7,931.0	6,799.8	7,777.1
	interstate, ratio of Pa. miles :	.....	3.3	5.9	6.1	11.6	10.6	6.1
	Stock transfer—face value of stocks sold or transferred	630.5	245.5	493.9	545.0	316.1	353.3	362.0
	Writs, wills and deeds—value represented	446.8	292.4	291.8	293.5	294.2	281.2	300.5
	Documentary stamp tax—value represented	.....	.....	414.7	472.8	56.7†	1.6†	.....
	Anthracite coal tax—market value of tons mined	9,016.6	1.2†	5.4†	.....	.....	1.0†	.....
	Boxing and wrestling matches—total gross receipts	86.4	34.0	32.8	47.6	42.2	38.5	45.4
	Amusement tax—admission price	.....	.....	2,662.8	4,140.7	965.8†	2.5†	.....
	Emergency relief sales tax—gross sales	.....	240.6†	65.0†	60.8†	19.8†	4.4†	6.7†
	Mercantile license tax—Retail—gross value of business	2,928.5	2,353.6	2,657.5	2,353.8	2,607.8	2,559.9	2,553.6
	Mercantile license tax—Wholesale—gross business	851.6	550.8	607.2	740.8	710.0	626.4	638.2
	Mercantile license tax—Miscellaneous‡—gross business	575.3	397.1	436.3	605.9	678.3	624.9	780.6
	Cigarette tax—volume of sales	.....	.....	8,701.8	10,805.8	11,291.1	11,158.9	11,982.7
	Gasoline tax—per gallon	24,008.6	32,892.6	44,786.4	53,346.6	55,648.9	56,188.2	57,007.6
	Malt beverage tax—volume manufactured or imported	.....	6,702.1	6,749.0	7,406.6	7,433.5	6,843.2	7,183.6
	Spirituous and vinous liquor tax—volume manufactured or imported	.....	32.8	30.3	27.4	27.7	19.8	16.1
	Distilled spirits tax—purchase price payable by Liquor Board	.....	.....	.....	1,379.8	224.0†	.....	.....
	Emergency liquor sales tax—net price of sale by Board	.....	.....	.....	7,290.3	7,803.4	7,344.4	7,093.1
Total Transactions Base		49,809.4	53,168.2	79,242.3	103,076.2	103,967.4	100,719.8	103,472.0
Income	Emergency profit tax†	20.8	0.2	0.3	0.1	.....	.....	.....
	Domestic marine insurance—annual underwriting profit	.....	1.2	1.0	0.1	0.5	0.2	2.0
	Foreign marine insurance—annual underwriting profit	.....	2.0	2.3	2.0	0.8	1.6	1.5
	Income tax on saving fund societies—net income	165.1	71.4	24.6	214.6	174.2	71.2	120.0
	Corporate income tax—net income	.....	.....	12,969.7	29,879.9	28,183.7	16,349.5	23,647.2
Total Income Base		185.9	75.8	12,997.9	30,196.6	28,358.7	16,422.5	23,778.7
Fees and Licenses	Motor vehicle registration, etc.	27,774.9	31,366.7	33,695.4	37,986.1	35,250.2	35,311.5	37,220.0
	Liquor license fees and permits	.....	3,949.0	5,033.1	5,733.8	6,795.2	7,056.3	7,242.8
Total Fees and Licenses Base		27,774.9	35,315.7	38,728.5	43,719.9	42,045.4	42,367.8	44,662.8
Total Receipts from Principal Tax Sources		$125,851.0	$140,068.2	$180,457.7	$278,087.2	$264,548.3	$235,055.3	$247,701.5

TABLE II—Continued

Receipts from Principal State Tax Sources, 1929, 1935-1940
(Receipt Figures in Thousands of Dollars)

Type of Tax Base	Title and Measure of the Tax	Rates* 1929	1935	1936	1937	1938	1939	1940
(1)	(2)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Capital	Bonus on charters—Domestic—capital stock authorized	1.5 of 1%	1.5 of 1%	1.5 of 1%	1.5 of 1%	1.5 of 1%	1.5 of 1%	1.5 of 1%
	Foreign—capital employed in state	1/3 of 1%	1/3 of 1%	1/3 of 1%	1/3 of 1%	1/3 of 1%	1/3 of 1%	1/3 of 1%
	Capital stock—Domestic—actual value of whole capital stock			General, 5 mills; distilling companies, 10 mills				
	Foreign—capital stock, ratio of Pa. business							
	Corporation loans—value of evidences of indebtedness	4 mills	4 mills	5 after Jan. 1	8 after Jan. 1	8 mills	8 mills	8 mills
	Public loans—value of evidences of indebtedness	4 mills	4 mills	4 mills	4 mills	4 mills	4 mills	4 mills
	Spirituous and vinous liquor floor tax—vol. stored in Dec. 1933	$2 per gal.	$2 per gal.	$2 per gal.	$2 per gal.	.....	.....	.....
	Building and loan association—value of stock	4 mills	4 mills	4 mills	4 mills	.....	.....	.....
	Bank stock—actual value	4 mills	4 mills	6 mills	8 mills	8 mills	8 mills	8 mills
	Title insurance and trust companies—actual value of stock	3 mills	3 mills	6 mills	8 mills	8 mills	8 mills	8 mills
	Transfer, inheritance and estate—value of property							
	Personal property tax—value of intangibles	.....	.....	1 mill from Jan. 1	4 from Jan. 1	4 mills	4 mills	4 mills
Total Capital Base								
Transaction	Domestic insurance companies—gross premiums	8 mills	8 mills	8 mills	8 mills	8 mills	8 mills	8 mills
	Foreign insurance companies—gross intrastate premiums	2%	2%	2%	2%	2%	2%	2%
	Private bankers—gross receipts from commissions, discounts, etc.	1%	1%	1%	1%	1%	1%	1%
	Corporations—(Utilities) gross receipts—intrastate business	8 mills	14 mills	20 mills	20 mills	20 mills	20 mills	20 mills
	interstate, ratio of Pa. miles	.....	8 mills	8 mills	8 mills	8 mills	8 mills	8 mills
	Stock transfer—face value of stocks sold or transferred			Par stock 2c per $100; no par 2c per share				
	Writs, wills and deeds—value represented			50 cents graduated to $3.50				
	Documentary stamp tax—value represented	.....	.....	5c per $100	5c per $100	5c per $100	5c per $100	5c per $100
	Anthracite coal tax—market value of tons mined	1½%	.....	.....	.....	.....	.....	.....
	Boxing and wrestling matches—total gross receipts	5%	5%	5%	5%	5%	5%	5%
	Amusement tax—admission price	.....	.....	1c per 25c	1c per 25c	.....	.....	.....
	Emergency relief sales tax—gross sales	.....	1%	.....	.....	.....	.....	.....
	Mercantile license tax—Retail—gross value of business			1 mill plus flat fee of $2.00				
	Mercantile license tax—Wholesale—gross business			½ mill plus flat fee of $3.00				
	Mercantile license tax—Miscellaneous‡—gross business	‡	‡	‡	‡	‡	‡	‡ .....
	Cigarette tax—volume of sales	.....	.....			1c per 10 cigarettes		
	Gasoline tax—per gallon	3 cents	3 cents	4 cents	4 cents	4 cents	4 cents	4 cents
	Malt beverage tax—volume manufactured or imported	.....			½c per pint	$1.24 per barrel		
	Spirituous and vinous liquor tax—volume manufactured or imported	.....	§.....	§.....	§.....	§.....	§.....	§.....
	Distilled spirits tax—purchase price payable by Liquor Board	.....	.....	.....	4%	.....	.....	.....
	Emergency liquor sales tax—net price of sale by Board	.....	.....	.....	10%	10%	10%	10%
Total Transactions Base								
Income	Emergency profit tax†	.....	.....	.....	.....	.....	.....	.....
	Domestic marine insurance—annual underwriting profit	5%	5%	5%	5%	5%	5%	5%
	Foreign marine insurance—annual underwriting profit	.....	5%	5%	5%	5%	5%	5%
	Income tax on saving fund societies—net income	3%	3%	3%	3%	3%	3%	3%
	Corporate income tax—net income	.....	.....	10%	7%	7%	7%	7%
Total Income Base								
Fees and Licenses	Motor vehicle registration, etc.				Various			
	Liquor license fees and permits				Various			
Total Fees and Licenses Base								
Total Receipts from Principal Tax Sources								

* From Joint State Government Commission: Rates also from "Federal and State Tax Systems" 2d edition: "Tax Systems of the World" 6th, 7th, 8th editions: "Purdon's Pennsylvania Statutes."

† Tax no longer operative; figures represent delinquent collections.

‡ Restaurant operators, $7 license plus 1 mill per $1 of gross business; vendors and dealers at any exchange or board of trade, 25 cents per $1,000 of gross sale.

§ $1 per proof gallon on distilled spirits, or fraction gallon below proof; 30 cents per proof gallon on rectified spirits or wine gallon below proof ($1.30 on imports); wine ½ cent per unit of proof per wine gallon.

of the manufacturers' exemption which, prior to that date exempted manufacturing concerns from liability under the levy in question.[6]

Section III

Recent Changes in Over-all Tax Effort in Pennsylvania and in 'Competitive States'

With a view of comparing changes in Pennsylvania's over-all tax effort with changes in over-all tax effort in 'comparative states,'[1] Tables IV, V, VI, and VII have been prepared.

Table IV, immediately following, shows changes in over-all total tax effort[2] for Pennsylvania and thirteen competing states for the year 1929 and the period from 1932 to 1938.

TABLE IV

Percentage Ratio 'Total Tax Collections' to 'Income Payments of Residents' of 'Competitive States' for Selected Fiscal Years*
1929, 1932-38

State	1929	1932	1933	1934	1935	1936	1937	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	6.5	10.4	10.5	9.0	8.8	8.15	9.16	10.6
California	7.7	12.2	10.8	9.7	9.4	9.1	9.7	11.0
Connecticut	6.8	11.3	10.9	9.6	9.2	8.7	8.5	9.6
Illinois	5.5	11.6	11.1	10.8	11.1	9.3	9.2	10.7
Indiana	8.8	16.3	13.2	11.2	11.4	9.5	9.6	11.2
Massachusetts	8.0	11.7	11.9	11.5	11.2	10.4	10.9	12.2
Michigan	9.0	15.7	15.4	11.9	10.2	9.1	8.8	10.3
New Jersey	9.7	13.1	15.5	14.2	13.6	13.3	12.5	14.1
New York	7.5	11.9	11.6	11.3	11.1	11.0	11.2	12.5
North Carolina	9.5	15.5	12.5	9.3	9.3	9.2	9.7	10.6
Ohio	7.5	13.3	10.7	9.4	9.9	9.1	8.6	9.2
Tennessee	7.2	13.1	12.9	9.0	8.5	8.3	9.2	11.3
West Virginia	8.8	14.8	12.0	8.9	9.9	9.0	9.1	10.4
Wisconsin	9.2	17.1	15.7	12.9	11.3	10.5	10.7	12.4

* For underlying tax data and sources, see Appendix B. Also, Martin, J. L., "Income Payments to Individuals, by States, 1929-1939," Survey of Current Business, October, 1940, pp, 8-12.

Inspection of Table IV[3] indicates that 1) contemporary (1938) over-all tax effort varies considerably among the states, 2) the changes in time of over-all tax effort are somewhat different for different states.

As regards 1938 differences in over-all total state tax effort, it should be observed (Table IV, Col. 9) that whereas the Pennsylvania percentage ratio 'total per capita tax collections' to 'per capita income' stood at 10.6, four of the thirteen 'competing states,' showed somewhat lower over-all tax effort ratios than Pennsylvania. These states were Connecticut with an over-all tax effort of 9.6%, Michigan with 10.3%, Ohio with 9.2%, and West Virginia with 10.4%. It should be noted, however, that though all these states showed a lower over-all tax effort than the Commonwealth, the percentage differential between Pennsylvania and any one of the other 'competitive states' in no case exceeds twenty per cent. Per contra, eight of the thirteen 'competitive states' showed higher over-all percentage tax effort ratios than Pennsylvania. The states showing greater tax effort than Pennsylvania in 1938 were: California with an over-all tax effort of 11.0%, Illinois with 10.7%, Indiana with 11.2%, Massachusetts with 12.2%, New Jersey with 14.1%, New York with 12.5%, Tennessee with 11.3% and Wisconsin with 12.4%. Again it should be noted that the over-all tax effort differentials between Pennsylvania and those states with a greater tax effort than the Commonwealth are relatively small.

As regards changes in time in total over-all tax effort in Pennsylvania and 'competitive states' for the period from 1929 to 1938, the last year for which complete comparative data are available, Table V, which is based upon Table IV, shows that the increase in Pennsylvania's over-all tax effort exceeded 63 per cent.

TABLE V

Index of Total Over-all Tax Effort for Pennsylvania and 'Competing States,' 1929-1938

State	Index of Total Over-all Tax Effort 1929	1938
(1)	(2)	(3)
Pennsylvania	100	163.1
California	100	142.9
Connecticut	100	141.2
Illinois	100	194.5
Indiana	100	127.3
Massachusetts	100	152.5
Michigan	100	114.4
New Jersey	100	145.4
New York	100	166.7
North Carolina	100	111.6
Ohio	100	122.7
Tennessee	100	156.9
West Virginia	100	118.2
Wisconsin	100	134.8

Inspection of Col. 3 indicates that for the period from 1929 to 1938 Pennsylvania's total over-all tax effort increased with 63.1%, a rise which was exceeded only by Illinois which registered a tax effort increase of 94.5% and New York with a tax effort increase of 66.7%.

Table VI shows changes in local over-all tax effort.

TABLE VI

Percentage Ratios 'Local Tax Callections' to Income Payments of Residents of 'Competitive States' for Selected Fiscal Years*
1929, 1932-1938

State	1929	1932	1933	1934	1935	1936	1937	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	4.8	7.2	7.0	6.3	6.0	5.3	5.0	5.6
California	6.0	9.6	8.4	6.3	5.6	5.3	5.3	6.0
Connecticut	4.8	8.1	8.0	7.1	6.8	6.1	5.7	6.4
Illinois	4.6	9.5	8.7	7.4	7.9	6.1	5.9	6.7
Indiana	6.8	12.3	10.2	6.9	6.9	5.6	5.5	6.5
Massachusetts	6.6	9.7	9.8	8.6	8.2	7.5	7.5	8.4
Michigan	6.8	11.3	12.4	7.2	5.9	5.0	4.7	5.9
New Jersey	7.4	9.7	11.7	9.8	9.3	8.4	8.4	9.4
New York	5.3	9.1	8.7	8.1	8.1	7.5	7.7	8.5
North Carolina	6.4	9.5	6.8	4.2	3.9	3.6	3.4	3.7
Ohio	6.3	11.1	8.7	6.3	5.3	4.7	4.4	4.9
Tennessee	4.9	8.2	8.3	5.3	4.8	4.7	5.2	6.4
West Virginia	6.3	11.0	8.8	4.6	4.2	3.5	3.4	3.9
Wisconsin	6.9	12.4	11.0	7.8	6.9	6.1	6.1	7.0

* For underlying tax data and sources see Appendix C. Also, Martin, J. L., "Income Payments to Individuals, by States, 1929-1939," Survey of Current Business, Oct. 1940 pp. 8-12.

Inspection of Table VI shows that unlike total tax effort, local tax effort—e. g. per capita local tax collection over per capita income—has shown somewhat different tendencies.

Local over-all tax effort, like total tax effort, increased in eight of the fourteen 'competitive states.' The states registering increases are Pennsylvania, Connecticut, Illinois, Massachusetts, New Jersey, New York, Tennessee, and Wisconsin. The following five 'competitive states' registered a decrease in local over-all tax effort: Indiana, Michigan, North Carolina, Ohio and West Virginia. California was the only state among the fourteen under con-

[6] For details of the history of the manufacturers' exemption, see Appendix A, p. 6496.
[1] For a definition of 'competitive state' see, Appendix B, p. 6551.
[2] For a definition of 'over-all tax effort' see, p. 6467.
[3] The absolute dollar amounts underlying Table IV are shown in Appendix C, p. 6563.

sideration whose local over-all tax effort remained constant over the period from 1929 to 1938.

Table VII, was designed to measure changes in state over-all tax effort, that is, changes in the value of the percentage ratio 'state per capita tax collection' to 'per capita income.'

Inspection of Table VII shows that, unlike local tax effort, state over-all tax effort has increased in every one of the fourteen 'competitive states' with Illinois registering the largest percentage and Pennsylvania occupying a close to median position.

In the light of the above observed tendencies with respect to changes in tax effort, it appears established that the increase in total over-all tax effort is primarily due to substantial increases in state rather than local over-all tax effort.[4]

TABLE VII

Percentage Ratio 'State Tax Collections' to 'Income Payments of Residents' of 'Competitive States' for Selected Years, 1929-1939*

State (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	1.7	2.1	2.9	3.2	3.5	2.7	2.8	3.2	4.1	5.0	4.1
California	1.7	1.8	2.3	2.6	2.4	3.4	3.8	3.8	4.4	5.0	4.8
Connecticut	2.0	2.3	2.8	3.2	2.9	2.5	2.4	2.6	2.8	3.2	3.0
Illinois	.9	1.4	2.3	2.1	2.4	3.4	3.2	3.2	3.4	4.0	3.7
Indiana	2.0	2.5	3.2	3.6	3.0	4.3	4.5	3.9	4.1	4.7	4.3
Massachusetts	1.4	1.5	1.6	2.0	2.1	2.9	3.0	2.9	3.4	3.8	3.5
Michigan	2.2	3.2	3.7	4.4	3.0	4.7	4.3	4.1	4.1	4.4	4.3
New Jersey	2.3	2.4	2.9	3.4	3.8	4.4	4.3	4.9	4.1	4.7	4.4
New York	2.2	2.6	2.6	2.8	2.9	3.2	3.0	3.5	3.5	4.0	3.8
North Carolina	3.1	4.3	4.1	6.0	5.7	5.1	5.4	5.6	6.3	6.9	6.3
Ohio	1.2	1.4	1.8	2.1	2.0	3.1	4.6	4.4	4.2	4.3	4.6
Tennessee	2.3	3.5	4.2	4.9	4.6	3.7	3.7	3.6	4.0	4.9	4.8
West Virginia	2.5	3.0	3.4	3.9	3.2	4.3	5.7	5.5	5.7	6.5	5.8
Wisconsin	2.3	2.9	3.6	4.7	4.7	5.1	4.4	4.4	4.6	5.4	4.9

* For underlying tax data and sources see Appendix C. Also, Martin, J. L., "Income Payments to Individuals, by States, 1929-1939," Survey of Current Business, Oct. 1940, pp. 8-12.

Though interstate comparisons of changes in time of over-all tax effort (total, state and local) shed light upon general tendencies, a knowledge of which facilitates informed judgment with regard to possible and probable future developments, the significance of the over-all picture is considerably enhanced by factual knowledge regarding the group or groups of taxpayers, whose contributions to the public treasury account for the above noted increases in over-all tax effort.

Section IV

Relative Group Tax Effort in Pennsylvania and 'Competitive States'

Relative group tax effort may be defined as the value of the percentage ratio of 'total taxes paid by a defineable group in the community' to 'total tax collections'.

Before this definition can be given quantitative content, it is necessary to define the groups in the community whose relative group tax effort is to be measured.

In view of the fact that recent and contemporary public[1] and legislative discussion[2] seems to be largely concerned with the relative contributions which 'business' and natural persons, respectively, make toward the maintenance of public functions, the Joint State Government Commission has essayed to determine the magnitude of the relative tax contribution which 'business' and natural persons are required to make in Pennsylvania and 'competitive states'.

Before submitting the actual data relating to relative group tax effort, however, the members of the Joint State Government Commission wish to caution their colleagues in the General Assembly as well as the general public against inappropriate use of the data.

To present a wholly satisfactory picture of relative tax effort required of 'business' and natural persons, two conditions would have to be met. In the first place, 'business' would have to be defined in such rigorous manner as to exclude all natural persons. Second, business taxes would have to be painstakingly segregated from taxes upon natural persons.

It is widely agreed that 'business' does not lend itself to the rigorous definition required[3] and but a brief consideration of the problems involved shows that so-called business taxes cannot be satisfactorily segregated from so-called personal taxes.

With regard to the second point, consider for instance the gasoline tax. This tax is a state levy and paid by both 'business' and natural persons. In the light of the limited data available at the present, it is well nigh impossible to determine what percentage of total gasoline tax yield is paid by private persons and business firms, respectively. Again, consider the real estate tax which, though primarily local, is a quantitatively consequential levy. It again is paid by both private citizens and business firms and again readily available data do not permit valid generalizations as to what percentage of the realty tax falls upon each of the two groups whose relative tax effort is under consideration.

Fully cognizant of these and related difficulties, the members of the Joint State Government Commission have reluctantly decided to omit all local taxes[4] from relative group tax comparisons and to make certain assumptions with regard to state taxes which are payable by both 'business' and private individuals.

As regards state taxes to which both 'business' and private persons are subjected, the members of the Commission have proceeded upon the assumption that all consumption excises, admission taxes, retail sales taxes, and gasoline taxes, though liquidated in the first instance by 'business' are paid in the end by private persons.[5] Hence, for purposes of determining relative group tax effort, con-

[4] It would appear that the decline in local over-all tax effort is primarily due to two factors: 1) a decrease in the relative importance of realty as a tax base, and 2) severe statutory and constitutional limitations upon local realty tax rates. See, Wueller, P. H., "Real Property as a Tax and Reimbursement Base During the Depression," in Property Taxes, Tax Policy League, 1940, p. 21 and following. See also, Holmes, L. G., "Over-all Tax Limitation," in Property Taxes, p. 35 and following; Haygood, T. F., "Over-all Tax Limits in West Virginia," in Property Taxes, p. 44 and following; Emch, D. F., "The Effects of Tax Limitation in Ohio," in Property Taxes, p. 6470 and following.

[1] Pennsylvania State Education Association, "Report of the Committee on Survey of School Costs," Harrisburg, 1938, Chapter II, p. 49 and following.

[2] See, Commonwealth of Pennsylvania, "Report to the General Assembly of the Industrial Tax Survey Committee," Harrisburg, 1939. (Dent Committee) See also, Commonwealth of Pennsylvania, "Joint Legislative Industrial Tax Survey Committee," Supplemental Report by Israel Stiefel, Harrisburg, 1939.

[3] Williamson, K. M., "What Is Business and What are Business Taxes?" in How Shall Business be Taxed? Tax Policy League, 1937, p. 1 and following.

[4] For local realty tax rates, see Appendix C, p. 6563.

[5] Those interested in appraising the partial justification for this assumption are referred to: Haig, R. M., and Shoup, C., The Sales Tax in the American States, New York, 1934, and Jacoby, N. H., Retail Sales Taxation, Chicago, 1938.

sumption excises, admission taxes and retail sales taxes have been considered personal taxes.[6]

So-called gasoline taxes and motor registration fees have been omitted from all group tax effort comparisons, because both types of imposts partake of the nature of price levies. A price levy, in contradistinction to a tax proper, is a charge for specific governmental services rendered. In the case under consideration the charge is made for the use of highway facilities.

Table VIII, shows group tax effort for Pennsylvania and competitive states for the year 1939.

Inspection of Table VIII, Cols. 6 and 11 indicates the relative state collections from 'business' and personal taxes, respectively. It will be observed that on the basis of the assumption noted above, Pennsylvania received 41.8% of its total state collections from personal taxes in 1939. It will likewise be noted that among the remaining thirteen 'competitive states' only New Jersey (33.9%), Tennessee, (38.7%), and Wisconsin (27.5%) derived a lesser relative amount from personal taxes. All the remaining states received a larger amount of their total state tax collections from personal levies, West Virginia, with 91.3% of its taxes derived from personal levies, leading this group of states, and Indiana and California with 74.1% and 73.0%, respectively, ranking second and third.

[6] For the absolute dollar amounts underlying the percentages shown in Table VIII, see, Appendix C, p. 6563.

With a view of ascertaining the form rather than the relative magnitude of group tax effort, Table VIII, Cols. 2, 3, 4, 7, 8 and 9 indicate the percentage contribution which different types of bases make toward total 'business' and personal tax collections, respectively.

It will be observed that the collections from all personal taxes and all business taxes are segregated according to the bases upon which specific business and personal taxes are imposed.

The bases whose relative contributions to total business and personal tax collections are shown, are: (1) the capital value base, (2) the net income base, (3) the transaction or commodity base and (4) licenses. A capital value base tax is a levy which is assessed against some capital value such as real estate, bonds and stocks. Net income base taxes are assessed against income. The transaction or commodity base classification comprises such levies as retail sales taxes, admission taxes, gross receipts taxes, gross premiums taxes, and such commodity excise as e. g., cigarette taxes.

Classification of taxes in the manner indicated serves two important purposes. In the first place, it permits preliminary judgments regarding the yield stability in time of a state tax system. Second, it facilitates first approximations regarding the probable effect of different state tax systems upon economic development.[7]

[7] For an extended discussion of this point, see, Chapter IV, p. 6473.

TABLE VIII

Relative Yield of Capital-, Net Income-, Transactions-, and License-, Base State Taxes for Major Taxpayer Groups, Fiscal Year 1939*

State	Business Taxes					Personal Taxes					Total Business and Personal Taxes
	Capital Value	Income	Transactions	License	Total	Capital Value	Income	Transactions	License	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	24.0	11.4	17.9	4.9	58.2	28.7	0.0	13.1	0.0	41.8	100.0
California	0.2	11.8	11.7	3.3	27.0	4.9	11.9	53.5	2.7	73.0	100.0
Connecticut	0.0	29.0	22.6	0.6	52.1	36.6	0.0	11.2	0.0	47.8	100.0
Illinois	2.5	0.0	22.7	2.5	27.7	5.0	0.0	66.7	0.6	72.3	100.0
Indiana	0.5	0.0	15.9	9.5	25.9	20.3	1.8	49.8	2.2	74.1	100.0
Massachusetts	21.0	0.8	14.8	0.0	36.6	37.4	24.2	1.5	0.4	63.4	100.0
Michigan	16.7	0.0	4.9	9.5	31.1	8.1	0.0	60.8	0.0	68.9	100.0
New Jersey	6.3	0.0	59.7	0.1	66.1	33.9	0.0	0.0	0.0	33.9	100.0
New York	11.1	15.1	21.6	5.8	53.6	11.7	34.2	0.5	0.0	46.4	100.0
North Carolina	10.0	19.9	17.9	8.6	56.4	4.2	7.9	31.5	0.0	43.6	100.0
Ohio	3.8	0.0	31.1	5.1	40.0	10.5	0.0	48.7	0.8	60.0	100.0
Tennessee	11.2	10.2	30.9	9.0	61.3	15.2	8.0	15.5	0.0	38.7	100.0
West Virginia	4.7	0.0	4.0	0.0	8.7	7.1	6.1	77.1	1.0	91.3	100.0
Wisconsin	33.9	17.5	8.1	13.0	72.5	10.6	16.9	0.0	0.0	27.5	100.0

* For underlying taxes and sources see, Appendix C, p. 6563. Gasoline and motor registration fees have been omitted.

Generally speaking, capital base taxes are not sensitive to cyclical fluctuations. That is to say, their year by year yield, in the absence of changes in rates, does not tend to vary with the ups and downs of the business cycle. Net income base taxes, of the type used in most American states, tend to fluctuate with changes in business activities, whereas transaction base or commodity base taxes show a stability in response to cyclical changes which is similar to that of capital base taxes. However, transaction and commodity base taxes differ from capital base taxes by virtue of the fact that they seem to exhibit a higher trend decline resistance than the former. In other words, while capital base taxes tend to crumble under the strain of prolonged depressions, transaction and commodity base taxes tend to hold their own under such adverse conditions.

Inspection of Table VIII, Cols. 2, 3, 4, 7, 8 and 9 shows that in 1939 Pennsylvania derived 24.0% of its business taxes from capital base levies, 11.4% from net income taxes, 17.9% from transaction base taxes, and 4.9% licenses. As regards the relative yields of capital base business taxes in Pennsylvania and 'competitive states' it will be observed that only one state (Wisconsin) derived a higher percentage of business taxes from this base than the Commonwealth. As regards the relative exploitation of net income business taxes, Pennsylvania ranked sixth from the top. As regards the relative contribution of transaction base taxes, it should be noted that among the fourteen

'competitive states' considered, six (California, Indiana, Massachusetts, Michigan, West Virginia and Wisconsin) derived a lesser percentage from this source than the Commonwealth.

As regards personal taxes (Table VIII, Cols. 7, 8, and 9) the relative contribution of different bases to total tax collections is somewhat different from the picture presented by business taxes. Only three states derived a larger percentage of personal taxes from the capital base than did the Commonwealth in the year under consideration. However, the relative contribution of the net income base was considerably larger in eight states (California, Indiana, Massachusetts, New York, North Carolina, Tennessee, West Virginia, Wisconsin) than it had been in Pennsylvania. Eight states derived a larger percentage of their personal taxes from the transaction and commodity base than was derived from the same base in Pennsylvania.

It is highly instructive also to classify taxes in accordance with their rate structure.

From point of view of rate structure one can differentiate between proportional taxes and progressive taxes. Proportional taxes are levies whose rate does not vary as the value of the base changes. Progressive taxes provide for rates which increase as the value of the base increases. In ennsylvania, the personal property tax,[8] the gross receipts tax,[9] and the corporate net income tax[10] are good illustrations of proportional taxes, because regardless of the value of a person's investment portfolio, or a utility's volume of gross receipts, or the magnitude of a corporation's net income, the tax rate applied does not change. The Pennsylvania inheritance transfer tax,[11] on the other hand, is a progressive tax, because its rate increases as the value of the inheritance transferred increases.[12]

Broad social considerations aside, the use of progressive as compared with proportional taxes has far-reaching implications as regards the yield possibilities of a given levy. For purposes of illustration only, consider the case of a personal net income tax. If a personal net income tax is to be proportional, the legislator must provide for a rate low enough so as not to seriously impinge upon the low income brackets.

Hence, one is justified in saying that the yield of a proportional income tax is limited by the rate which may be imposed upon the lowest income groups. Manifestly, a progressive net income tax, which, by definition, provides for low rates on low income brackets, and increasingly higher rates on higher income brackets, does not suffer from these severe yield limitations.

Table IX[13] shows collections from proportional and progressive taxes as percentages of total collections and collections from proportional and progressive business taxes as well as collections from proportional and progressive personal taxes as percentages of total tax collections.

[8] For details regarding the present structure and past changes in structure of this levy, see, Appendix A, p. 6496.
[9] Appendix A, p. 6496.
[10] Appendix A, p. 6496.
[11] Appendix A, p. 6496.
[12] Although Pennsylvania's rates are nominally flat (2% direct heirs and 1% collateral heirs) they are in effect progressive by virtue of the credit clause in the Federal estate tax.
[13] For the absolute dollar amounts underlying Table IX see, Appendix C, p. 563.

Inspection of Table IX, Col. 4 and 7, shows that in Pennsylvania, proportional taxes (business plus personal) accounted for 85.3% of total tax collections, whereas progressive taxes accounted for 14.7% of total tax collections. As regards the relative position of Pennsylvania from point of view of relative importance of proportional taxes it should be observed that all but three of the 'competitive states' other than Pennsylvania derived a larger percentage of their respective total tax collections from the imposition of proportional levies.

Column 2 shows collections from proportional business taxes as percentages of total state tax collections. Inspection of this column indicates that the percentage of total taxes which Pennsylvania derives from proportional business taxes is larger than the comparable proportion in all but two of the 'competitive states.' Again, inspection of Col. 6 indicates that the percentage ratio 'collections from proportional personal taxes' to 'total tax collections' shows a lower value for Pennsylvania than for four of the 'competitive states.'

TABLE IX

Relative Yield of Proportional and Progressive State Taxes Imposed Upon Major Groups of Taxpayers. Fiscal Year 1939*

State	Proportional			Progressive			Total Taxes
	Business	Personal	Total	Business	Personal	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pennsylvania	58.3	27.0	85.3	0.0	14.7	14.7	100.0
California	27.0	56.3	83.3	0.0	16.7	16.7	100.0
Connecticut	51.2	31.6	82.9	1.0	16.2	17.2	100.0
Illinois	27.3	67.8	95.1	0.3	4.6	4.9	100.0
Indiana	19.2	71.5	90.7	6.7	2.6	9.3	100.0
Massachusetts	36.6	49.2	85.8	0.0	14.2	14.2	100.0
Michigan	30.3	63.1	93.4	0.7	5.9	6.6	100.0
New Jersey	66.1	24.2	90.3	0.0	9.7	9.7	100.0
New York	53.5	0.5	54.0	0.0	46.0	46.0	100.0
North Carolina ...	56.5	33.0	89.5	0.0	10.5	10.5	100.0
Ohio	39.9	55.3	95.2	0.0	4.8	4.8	100.0
Tennessee	61.3	30.5	91.8	0.0	8.2	8.2	100.0
West Virginia	6.1	83.8	89.9	2.6	7.5	10.1	100.0
Wisconsin	49.1	2.1	51.2	23.4	25.4	48.8	100.0

* For underlying taxes and sources see, Appendix C, p. 6563. Gasoline taxes and motor vehicle registration fees have been omitted.

The above outlined changes in over-all tax effort, specific tax effort, and relative group tax effort have affected different types of economic enterprise and differently circumstanced natural persons differently.

Chapter IV shows in considerable detail how contemporary business taxes in the fourteen 'competitive states' affect different types of corporate enterprise and Chapter V essays to ascertain the effects of contemporary personal taxes upon the members of different income groups.

CHAPTER IV

Impact of the Pennsylvania Tax System Upon Selected Types of Corporate Enterprise

Section I

Introductory

It has been frequently alleged that Pennsylvania's business taxes are "oppressive," that Pennsylvania manufacturers are leaving the Commonwealth, that industrial promoters fail to locate new enterprises in the Commonwealth, and that those manufacturers who still operate within the borders of Pennsylvania are eagerly looking for an opportunity to bid the state goodbye.

The members of the Joint State Government Commission have been impressed by these allegations, for if they are substantially true the already lowered levels of living which now prevail in Pennsylvania[1] are in grave danger of further impairment. Such possible impairment is the more serious by virtue of the fact that Pennsylvania's mining appears to be suffering from the effects of a trend decline,[2], which, if persistent in the immediate future, calls for the development of compensatory types of economic activities if Pennsylvania's standard of living is to be restored to its relative pre-depression level.[3]

In view of the serious implications of the charge, the members of the Joint State Government Commission have investigated the facts bearing upon the problem under consideration, but before submitting their evidence, they wish to call attention to some general considerations.

Section II

Motives and Mechanics of Industrial Migration

Plants and business operations are moved from one state to another in response to more favorable wage rate differentials, more favorable freight rate differentials, more favorable tax rate differentials and attitudes of the community toward business and business men. Manifestly all these factors are given due consideration when a given manufacturer contemplates expansion. In other words any study confined to tax rate differentials only does not tell the whole story and should be supplemented by pertinent observations regarding the three other migration-inducing factors. By the same token, a state imposing heavier business taxes than other competing states does not necessarily push enterprise across its borders unless its heavy business taxes are not compensated for by a more attractive freight and wage rate situation.

Regardless, however, of the combined effect of wage, freight, tax rate differentials and attitudes, there are but certain selected types of business that have a meaningful option as regards the state in which they choose to operate. Generally speaking, it is only producers who operate in the national market who can decide whether to locate their operations in one state rather than in another. The baker, the corner grocer, the retail merchant, in short all types of so-called 'service' enterprisers are pretty firmly tied to local markets and while taxes may harass them unduly and impinge heavily upon their margin and even force them into bankruptcy, the possibility that they may move is remote. The cause is quite different when the options available to a national or regional manufacturer are considered. The operations of such a manufacturer—and it is manufacturing operations which generate the bulk of Pennsylvania's salaries and wages[4]—may be concentrated in one of quite a large number of states without necessarily involving the impairment of essential markets.[5]

An established national or regional corporate manufacturer who contemplates the transfer of his operations from one state to another is usually not free to act spontaneously upon the inducement offered by more favorable wage, freight and tax differentials. In the first place, the matter of primary concern to him is the stability in time of what appear to be more favorable differentials at a given moment. As a rule he must study these differentials carefully, for it would profit him little to move his operations in response to favorable differentials which are likely to be wiped out in the near future. In the second place, even if he were persuaded that attractive differentials in a given state were likely to be maintained over a considerable period of time, he usually has made a substantial commitment by way of specialized plant facilities in his present location; he must carefully weight the magnitude of the cost involved in scrapping the equipment, (which is generally necessary and may be calculated almost exactly) and compare it with the probable advantages which are likely to accrue to him in consequence of a change in location.[6] In other words, changes in significant cost differentials including tax cost differentials, are not likely to produce industrial migration at the very moment when they appear. On the contrary, the rule would seem to be that a considerable period of time must elapse before established manufacturers can conveniently and advantageously act upon cost differentials or changes in cost differentials. But though most industries of the type domiciled in Pennsylvania cannot very well move on short notice, some businesses not requiring much fixed equipment may move without much delay. Sometimes the presence of highly mobile business in a small community spells the difference between communal prosperity and heavy relief rolls. It goes without saying that a manufacturer contemplating expansion is not limited in his movements by previous investments such as are represented by fixed units of one type or another.

Section III

Industrial Migration from Pennsylvania: The Nature of the Evidence: Pro and Con

With a view of ascertaining the effect of Pennsylvania's taxes, the General Assembly of Pennsylvania (132d regular session, 1937) created the Industrial Tax Survey Committee,[1] generally known as the Dent Committee, and charged it—among other duties—with the task of making a "careful, thorough and impartial investigation of the total tax burdens placed upon industry in Pennsylvania and other industrial and mining states."[2] Inasmuch as the General Assembly saw fit to appropriate but $5,000.00 for the purposes of the Industrial Survey Committee, Senator John H. Dent, Chairman of the Committee, had to abandon the "detailed factual study" which he had contemplated[3] and confine the activities of the Committee to public hearings and the inspection of secondary materials, the validity and adequacy of which he could not intensively investigate because of inadequate funds.

The Industrial Tax Survey Committee, after two years of operation made two Reports in 1939. One of the Reports was submitted by Senator Dent, apparently re-

[1] See, Chapter I, Table I, p. 6458.
[2] See. p. 6455.
[3] See, p. 6458.
[4] See, Chapter I, Table XIV, p. 6459.
[5] In passing, it may be observed that most of the complaints regarding the weight of Pennsylvania's business taxes refer to the effect of these taxes upon corporate manufacturers.

[6] See, Clark, J. M., Studies in the Economics of Overhead Costs, Chicago, 1923, passim.
[1] Concurrent resolution adopted by the Senate on March 8, 1937 and by the House of Representatives on March 15, 1937.
[2] Commonwealth of Pennsylvania, "Report to the General Assembly of the Industrial Tax Survey Committee," 1939, (Dent Committee Report).
[3] Dent Committee Report, p. 7.

porting for the Committee majority, the other was presented by Senator Israel Stiefel,[4] who apparently dissented from what seems to be the majority opinion.

The mojority report, in the main, is confined to the reproduction of testimony gathered at various hearings. Though certified factual evidence was not extensively[5] submitted at the hearings which the Committee held in various parts of the state, apparently the majority members of the Committee were inclined to conclude that Pennsylvania business taxes tended to place manufacturers located in the Commonwealth at a disadvantage as compared with manufacturers operating out of other states. Speaking of migration and Pennsylvania business taxes as a factor inducing such migration, the majority of the Committee concluded: " . . . there is no conclusive evidence that this (referring to industrial migration) is due alone to the tax burden. The reasons are more widespread and involved and not attributable to taxation alone . . . the Commission (referring to the Industrial Tax Survey Committee) is, however, of the opinion that taxation is one of the most important factors influencing migration and that the present system of taxation unquestionably retards the expansion of industry in this Commonwealth."[6]

It would appear that Senator Stiefel did not quite agree with his fellow Committee members, for he submitted a Supplemental Report and pointed out in his letter of transmittal to the Hon. John H. Dent that his report was designed to "concentrate mostly upon the tenability of 'the general argument that industries are driven out of Pennsylvania by burdensome taxation.'"[7]

With a view of showing that it was "an egregious error . . . to maintain that there is an exodus of industry from our state"[8] Senator Stiefel submits extensive statistics[9] which, in the main, mirror industrial operations in Pennsylvania for the period from 1933 to 1937. Though these statistics are exceedingly interesting and show in a persuasive and reliable fashion what happened in industrial Pennsylvania over the period from 1933 to 1937, they unfortunately do not facilitate judgment regarding the effect of the frequently complained of business taxes upon enterprise, because most of these taxes were not enacted until 1935 and 1936, and did not become effective until 1937.[10] In the judgment of the members of the Joint State Government Commission the period between the enactment of the allegedly "oppressive" business taxes and the terminal period for which Senator Stiefel submits data was not of sufficiently long duration to facilitate informed judgments as regards the effect of these taxes upon the industrial development of the Commonwealth.

Though Mr. Clarence L. Turner's "Report on the Comparative Study of Corporate Taxes in Fifteen Industrial States," prepared for the Pennsylvania State Chamber of Commerce,[11] is not an official document of the Commonwealth, it warrants extensive mention in connection with the problems under consideration, because the Dent Committee, Majority Report, leans heavily upon Mr. Turner's findings,[12] findings which in the judgment of the members of the Joint State Government Commission convey a limited impression of the probable effects of Pennsylvania's business taxes upon the industrial development of the Commonwealth.

[4] Commonwealth of Pennsylvania, "Joint Legislative Industrial Tax Survey Committee," Supplemental Report by Israel Steifel, Harrisburg, 1939.

[5] The evidence submitted by Mr. Clarence L. Turner, C. P. A. will be closely examined in a subsequent section. See, p. 70 and following.

[6] Dent Committee Report, p. 35.

[7] Supplemental Report, submitted by Israel Stiefel, p. 2.

[8] Ibid, p. 2.

[9] Supplemental Report, pp. 12-124.

[10] See, Chapter II. Also, Appendix A, p. 6496.

[11] Turner, Clarence L., "Report on Comparative Study of Corporate Taxes in Fifteen Industrial States," The Pennsylvania State Chamber of Commerce, Harrisburg, February 16, 1938.

Section IV

Estimated Tax Impact Differentials for Corporate Manufacturers Engaged in Diverse Types of Industrial Activity

In an attempt to facilitate appraisal of the effect of Pennsylvania's business taxes upon the industrial development of the Commonwealth, Mr. Turner computes selected taxes which a hypothetical manufacturer would have to pay if he should operate in fifteen different industrial states.

This approach to the problem, which for convenience may be designated as the tax impact differential approach, though of limited significance[1] is highly instructive, provided: 1) the computation of tax impact differentials takes account of all taxes and not merely of a selected number of taxes, and 2) the balance sheet underlying the computation of tax impact differentials is typical of the major types of manufacturing activities carried forward in the state whose taxes are under investigation.

First as regards the necessity of considering all taxes rather than a selected number of taxes when computing tax impact differentials. It goes without saying that an established manufacturer who contemplates moving from one state to another considers all taxes in his calculations rather than a selected number, because any taxes which he might neglect in his calculation might spell the difference between bankruptcy and prosperity. Likewise any enterpriser contemplating the establishment of a factory or some other business considers all taxes imposed in alternative and optional jurisdictions, because it is only upon consideration of all cost factors (including all taxes) that he can make a rational choice. Hence it would seem mandatory upon the investigator who is interested in ascertaining what business men are likely to do to perform the same calculations as the business man in whose decision he is interested and whose action he attempts to anticipate.

Mr. Turner frankly admits[2] that he has computed his tax differentials without taking account of local real estate taxes and other local property levies. Mr. Turner explains that he has omitted local property taxes from his calculations because "there is great diversity of tax rates, tax laws, and assesment policies as between the various states, counties and municipalities within a given state. To undertake to make any comparisons of local taxes which would be representative would be practically impossible since it would depend upon the city or town selected in the state illustrated to determine the total amount of taxes which the corporation would be required to pay for local purposes."[3]

The members of the Joint State Government Commission cannot share Mr. Turner's view as regards the neces-

[12] Dent Report, pp. 10, 11, 12.

[1] See, p. 6473 and following.

[2] Turner, op. cit. p. 9.

[3] Turner, op. cit., pp. 8 and 9.

sity for omitting local taxes, because of the admitted variability in local tax rates.

With a view of facilitating meaningful comparisons, average local industrial real estate tax rates have been constructed[4] and these rates have been applied to Mr. Turner's hypothetical balance sheet.[5] Both Mr. Turner's tax impact differentials and those calculated by a group of certified public accountants[6] associated with the Joint State Government Commission, who, in calculating tax differentials have taken account of all state as well as local realty taxes are shown in Table I, below.

Table I

Estimated Taxes Payable by a Hypothetical Manufacturing Corporation Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes from Turner Report†		Local Taxes on Real Property‡	Total	
	Amount	Index Penna. =100		Total Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$66,272	100.00	$46,442	$112,714	100.00
Connecticut	15,612	23.55	42,474	58,086	51.53
Illinois	1,875	2.82	40,122	41,997	37.26
Indiana	47,762	72.06	45,313	93,075	84.26
Massachusetts	30,600	46.17	68,693	99,293	89.78
New Jersey	none	.....	72,237	72,237	65.77
New York	47,094	71.06	55,892	102,986	93.05
North Carolina	61,369	92.60	30,461	91,830	83.16
Ohio	22,227	33.53	35,100	57,327	52.54
Tennessee	35,407	53.42	51,339	86,746	78.64
West Virginia	73,088	110.28	25,612	98,700	89.25

* From, Turner, C. L., "Report on Comparative Study of Corporate Taxes in Fifteen Industrial States," Pennsylvania State Chamber of Commerce, Harrisburg, 1938, p. 17.

† State Taxes are taken from above report. No recomputation was made in the state taxes to compensate for changes of rates and effect of local tax payments upon income taxes, since it is believed that the Index would not be changed materially.

‡ Local taxes were computed from data given in Turner Mfg., Company Balance Sheet and Income Statement. Rates used were compiled by Dr. Paul H. Wueller and explained in Appendix B, and are applied to book values on balance sheets.

Table I, Col. 2 presents the state taxes for eleven competitive states[7] as computed by Mr. Turner. Col. 3 presents the dollar amounts shown in Col. 2. Inspection of Col. 3 indicates that the differences in state taxes, which are the only levies Mr. Turner considers in his report, imposed by the states listed in Col. 1 including Pennsylvania, vary widely. According to this column Pennsylvania imposes higher taxes than any other state listed, the difference between Pennsylvania and New Jersey, for instance, being infinitely large.

Col. 4 shows the local real estate taxes as computed by the certified public accountants associated with the Joint State Government Commission, and Col. 5 shows state taxes as per Turner plus estimated local property taxes. Col. 6 presents an index of Col. 5. Inspection of Col 6 is of particular interest. This column indicates that when state plus local real estate taxes are considered, Pennsylvania, though still ranking higher than any other state listed, is much closer to other states than if the comparison is confined to state taxes only, (see Col. 3). For instance, on the basis of state plus local realty taxes, Pennsylvania, having been assigned a value of 100, ranks close to New York with 93, Massachusetts with 89 and Indiana with 84. Again, whereas the difference between Pennsylvania and New Jersey was infinitely large on the basis of state taxes only (See, Col. 3) the difference in taxes payable by a hypothetical manufacturing corporation is but finite when state taxes plus local realty taxes are considered. On the basis of Mr. Turner's report a given manufacturing corporation would pay $66,272,000 in state taxes in Pennsylvania (See, Col. 2) and nothing in New Jersey. Assigning a value of 100 to Pennsylvania state taxes, New Jersey's value then becomes 0. However, the story is utterly different when state plus local real estate taxes are considered. In terms of absolute amounts, the hypothetical manufacturing corporation now pays $112,714,000 in Pennsylvania and $72,237,000 in New Jersey. Again assigning a value of 100 to Pennsylvania state plus local taxes, New Jersey receives a value of 65. In other words, New Jersey, while still taxing the hypothetical manufacturing corporation at a lesser over-all rate than Pennsylvania, ranks closer to Pennsylvania than it did when state taxes only were under consideration.

However, state taxes plus realty taxes do not tell the entire story of corporate enterprise taxation in all the states, because some of the states under consideration use what is technically known as "general property taxes". Under this tax all property, not merely real estate is taxable at the same rate. For the purpose in hand, this means that a corporate manufacturer located in a state using the general property tax is not merely taxed on his real property but has the real property tax rate aplied to the machinery, his equipment, and his inventory.

It goes without saying that in all those states which use general property taxes, the figures shown in Col 5 which present state taxes plus local real estate taxes are in the nature of lower limits. In other words, in general property tax states taxes upon a corporate manufacturer are higher than indicated by the dollar amounts shown in Col. 5.

Unfortunately little is known as regards the exact practice of the general property tax states with regard to the percentages at which such property as machinery, equipment and inventory is assessed.

Because of the absence of reasonably reliable knowledge regarding assessment practices, no attempt was made to cover the taxation of property other than real property when computing tax impact differentials.

As was pointed out above, the taxes which a given corporate manufacturer pays in a given state depend upon the composition of his balance sheet and his income statement. For instance, a corporate manufacturer who has a relatively large percentage of his assets in real property may pay less by way of taxes in a given state than a corporate manufacturer who uses but relatively little realty. With a view of illustrating how balance sheet composition affects tax liability, the Joint State Government Commission submits below several tables showing tax impact differentials for corporate manufacturers engaged in the making of different types of products and having balance sheets of different composition.

[4] See, Appendix B, p. 6551.

[5] For the details of Mr. Turner's hypothetical balance sheet see Appendix C, p. 6563.

[6] The group of accountants who made the calculation of tax impact differentials consisted of Sterling K. Atkinson, Ph.D. and Charles J. Rowland, C. P. A., assisted by Dr. Russell H. Mack and Dr. Robert W. Mayer. Responsibility for the average effective industrial real estate tax rates rests with Dr. Paul H. Wueller. For further details see, Appendix B, p. 6551.

[7] Upon examination of the economies of the states for which Mr. Turner computes corporate tax impact differentials it was found that only the eleven states for which impact differentials are shown in Table I make similar or identical products.

Though the Joint State Government Commission purposely refrains from identifying the line of business in which the manufacturers for whom tax impact differentials are shown below are engaged, all balance sheets and associated income statements for which tax impact differentials are shown are important in Pennsylvania's economy.[8] Likewise, the states other than Pennsylvania for which tax impact has been computed compete with Pennsylvania in the manufacture of one or more products.

TABLE II

Estimated Taxes Payable by an Average Corporation A Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$2.666	100.00	$1.258	$3,924	100.00
Illinois	72	2.90	1,086	1,158	29.89
Massachusetts	1,677	62.90	1,861	3,538	90.10
Michigan	881	33.24	1,299	2,180	55.94
New York	1,472	55.40	1,514	2,986	76.48
Ohio	910	34.32	951	1,861	47.81
Wisconsin	1,245	46.89	1,492	2,737	70.13
New Jersey	none	.....	1,957	1,957	50.26

* Based upon balance sheet and income statement of an average Corporation A; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.
† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B. Attention is called to the fact that the rates are applied to book values shown on the balance sheets

Table II shows tax impact differentials for an average corporation, designated as Corporation A, whose products compete with products manufactured in Illinois, Massachusetts, Michigan, New York, Ohio, Wisconsin and New Jersey.

Inspection of Table II, Col. 6 and Table I, Col. 6 indicates that the fiscal treatment accorded Corporation A in different competitive states varies from the treatment accorded the hypothetical manufacturing corporation in many respects. For instance, state taxes plus local realty taxes payable by the hypothetical manufacturing corporation when located in Illinois would be about 63% lower than the sum of state taxes plus local realty taxes if the hypothetical manufacturing corporation were located in Pennsylvania.

TABLE III

Estimated Taxes Payable by an Average Corporation B Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$3.459	100.00	$2.433	$5,892	100.00
California	1,721	50.09	2,399	4,120	70.26
Illinois	180	5.53	2,103	2,283	39.08
Massachusetts	1,445	41.77	3,599	5,044	85.60
Michigan	1,322	38.55	2,513	3,835	65.42
New Jersey	none	.....	3,786	3,786	64.59
New York	1,673	48.70	2,930	4,603	78.46
Ohio	1,215	35.46	1,840	3,055	52.18

* Based upon balance sheet and income statement of an average Corporation B; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.
† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

[8] The balance sheets and income statements underlying the tax impact computations subsequently shown were obtained from the Pennsylvania Department of Revenue. This Department assumes exclusive responsibility for the typicality of the balance sheets and income data submitted.

Table III, shows tax impact differentials for a Corporation B, which, like Corporation A represents an important industry in the Pennsylvania economy. The products of Corporation B compete with products manufactured in California, Illinois, Massachusetts, Michigan, New Jersey, New York and Ohio.

Table IV shows tax impact differentials for a Corporation C, which, like previously shown corporations, represents an important industry in the Pennsylvania economy. The products of corporation C compete with products manufactured in Illinois, Massachusetts, New York, Ohio and New Jersey.

TABLE IV

Estimated Taxes Payable by an Average Corporation C Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$14,613	100.00	$3,986	$18,599	100.00
Illinois	679	4.65	3,443	4,122	22.16
Massachusetts	10,611	72.61	5,896	16,507	88.75
New York	9,326	63.82	4,797	14,123	75.93
Ohio	4,418	30.23	3,012	7,430	39.95
New Jersey	none	.....	6,200	6,200	33.39

* Based upon balance sheet and income statement of an average Corporation C; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.
† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

Tables V to X, inclusive, shown below, present tax impact differentials for diverse corporate manufacturers, all of whom are important parts of the Pennsylvania economy.

TABLE V

Estimated Taxes Payable by an Average Corporation D Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$1,981	100.00	$ 831	$ 2,812	100.00
Connecticut	392	19.78	764	1,156	41.33
Illinois	89	4.49	721	810	29.02
Massachusetts	1,485	74.96	1,235	2,720	96.73
North Carolina	1,544	77.94	548	2,092	74.61
Ohio	1,087	54.87	631	1,718	61.31
New Jersey	none	.....	1,298	1,298	46.37
New York	1,001	50.53	1,000	2,001	71.37

* Based upon balance sheet and income statement of an average Corporation D; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.
† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

TABLE VI

Estimated Taxes Payable by an Average Corporation E Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$ 2,119	100.00	$ 791	$ 2,910	100.00
Indiana	1,857	87.64	772	2,629	90.38
North Carolina	1,890	89.19	519	2,409	82.81
New Jersey	none	.....	1,230	1,230	42.30
Tennessee	1,109	52.34	875	1,984	68.21
Wisconsin	929	43.84	938	1,867	64.19

* Based upon balance sheet and income statement of an average Corporation E; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.

† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

TABLE VII

Estimated Taxes Payable by an Average Corporation F Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$39,663	100.00	$16,094	$55,757	100.00
Connecticut	7,313	18.46	14,678	21,991	39.48
Illinois	1,602	4.06	13,865	15,467	27.78
Indiana	12,874	32.48	15,659	28,533	51.22
Michigan	12,373	31.21	16,570	28,943	51.95
New York	24,256	61.17	19,315	43,571	78.19
Ohio	12,176	30.72	12,130	24,306	43.64

* Based upon balance sheet and income statement of an average Corporation F; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.

† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

Inspection of Tables V to X, inclusive, shows that if consideration is given only to the sum of state taxes plus local realty taxes, Pennsylvania's taxes (see, Tables V, VI, VII, VIII, IX, and X, Col. 6) are heavier than those of the states which produce one or more products competing with products manufactured in Pennsylvania. However, the state to state differences as regards the taxes under consideration are not anything like the differences suggested by the state taxes computed for a hypothetical manufacturing corporation (see, Table I, Col. 3).

Uniformly assigning a value of 100 to the sum of Pennsylvania state plus Pennsylvania local real estate taxes, New York, Massachusetts and Indiana frequently come close to Pennsylvania. In the case of Corporation D (See, Table V, Col. 6) Massachusetts approximates Pennsylvania with 96. In the case of Corporation E (See, Table VI, Col. 6), Indiana approaches Pennsylvania with 90. In the cases of Corporations F, G, H, and I, New York approaches Pennsylvania with 78, 85, 71 and 83, respectively.

TABLE VIII

Estimated Taxes Payable by an Average Corporation G Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$46,518	100.00	$12,134	$58,652	100.00
Illinois	1,558	3.35	10,483	12,041	20.53
Indiana	13,560	29.14	11,839	25,399	43.30
New York	35,471	76.25	14,603	50,074	85.37
Ohio	13,700	29.45	9,171	22,871	38.99
West Virginia	18,094	38.89	6,691	24,785	42.26

* Based upon balance sheet and income statement of an average Corporation G; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.

† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

TABLE IX

Estimated Taxes Payable by a Corporation H Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$115,032	100.00	$50,309	$165,341	100.00
New York	57,808	50.25	60,547	118,355	71.58
Ohio	35,970	31.27	38,024	73,994	44.75
New Jersey	none	.....	78,253	78,253	47.33

* Based upon balance sheets and income statements of a Corporation H; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.

† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

As was pointed out previously, the above impact differentials do not tell the whole story. To give all the details of a fiscal picture it would be necessary to have considerable and reliable knowledge regarding the taxation practices in competing states with respect to tangible property other than realty. As such knowledge becomes available it may well be found that in some instances Pennsylvania, from a tax point of view, is more attractive than the above computations would suggest.

TABLE X

Estimated Taxes Payable by an Average Corporation I Doing an Intrastate Business When Located in 'Competitive States'*

State	State Taxes		Local Taxes on Real Property†	Total	
	Amount	Index Penna. =100		Col. (2) plus Col. (4)	Index Penna. =100
(1)	(2)	(3)	(4)	(5)	(6)
Pennsylvania	$54,481	100.00	$37,642	$92,123	100.00
Illinois	2,329	4.27	32,520	34,849	36.83
Indiana	24,452	44.88	36,727	61,179	65.41
New York	32,489	59.63	45,302	77,791	83.44
Ohio	12,017	22.06	28,449	40,466	42.92

* Based upon balance sheet and income statement of an average Corporation I; constructed by the Accountants' Committee from statements supplied by the Pennsylvania Department of Revenue.

† Local taxes have been computed from data given in the statements referred to above. The rates used are the mean effective rates compiled by Dr. Paul H. Wueller and explained in Appendix B, p. 6551. Attention is called to the fact that the rates are applied to book values shown on the balance sheets.

In conclusion, the members of the Joint State Government Commission wish to point out again that it is not tax impact differentials alone that induce enterprise to move into, out of, or avoid a given state. Tax impact differentials merely afford a first clue, sometimes significant and sometimes misleading. Any such first clue must be carefully followed up by an investigation of tax types, marketing possibilities, wage rates, insurance rates, freight rates, supply of equity capital, and last but not least the community's attitude toward business. These other factors, at times, more than compensate for what may appear to be an unfavorable tax situation.

CHAPTER V

Taxes Paid by Typical Families Resident in Pennsylvania and Selected 'Competitive States'

Section I

The Problem of Determining Taxes (State, Local and Federal) Paid by Individuals in Different Income Brackets

The problem of determining the approximate amount of taxes paid by individual families is of the same importance as the problem of determining business tax impact differentials.[1]

The determination of business tax differentials facilitates informed judgment as to the probable effects of state and local taxes upon the location and migration of industries. The migration of industries in turn affects the volume of wages and salaries and general levels of living. Given a certain volume of wages and salaries, or income, generally speaking, it becomes important to inquire what percentages of the incomes of differently circumstanced individuals or families is absorbed by state, local and Federal taxes. It is only after these percentages are at least tentatively approximated that legislators concerned with fiscal affairs can adequately appraise the consequences of their deeds.

The estimation of the dollar amounts of taxes paid by single individuals or individual families is precarious business. At every turn the investigator meets with inadequate statistics and stubborn facts which do not yield their secrets. To proceed at all, he must make assumptions and hazard guesses which may or may not be correct. After he has labored his way through a dimly illuminated labyrinth of uncertainty he emerges with some few figures which, if they are to be of any value whatever, must be swallowed with a generous dose of good common sense and the judgment of his forbearing contemporaries.

To visualize some of the difficulties of the task in hand it must be realized that single individuals or individual families, no matter where domiciled in the United States, are subject to three distinct sets of taxes. In the first place, they are subject to the taxes that their state of domicile and its minor jurisdictions choose to impose. Second, they are subject to certain taxes which other states choose to levy. Last but not least, the citizens of every state are also citizens of the United States and hence subject to such taxes, excises and fees as Congress in its wisdom may care to write into the Federal statute books.

[1] See p. 6473 and following.

Again the inter-relationship between state and local taxes on the one hand, and Federal taxes on the other, is not a simple one. Frequently state and/or local taxes may be deducted when computing Federal taxes due. For instance, a citizen of Pennsylvania who has paid Pennsylvania's state and county personal property taxes[2] may deduct both these taxes when computing his net income for Federal income tax purposes.

The table, below, which is introduced for purely illustrative purposes, shows how the relative importance of state and Federal taxes as determinants of total taxes due changes as taxpayers in different income groups are taken under consideration.

Inspection[3] of Table I, Col. 3, shows that if the General Assembly should decide to abolish both the county and the state personal property or intangibles taxes, a taxpayer's "total tax obligation," assumed to consist of the Federal income tax and Pennsylvania personal property taxes, would undergo different percentage changes—the difference in percentage change depending upon the income bracket in which a given taxpayer belongs. For instance, a taxpayer having a net income of $5,414 (Col. 2), upon abolishment of the Pennsylvania personal property taxes, would have his "total tax obligation" decreased by 60.12%. However, a taxpayer having a net income of $594,691 would have his "total tax obligation" decreased by but 4.36%.

This illustration shows clearly that state and Federal taxes are mutually dependent upon each other.

The difficulties of an investigator concerned with the determination of the total amount of taxes due from single individuals or individual families belonging to different income classes, though already formidable, are further accentuated by the fact that some taxes, though payable in the first instance by some business entity, are included in the price which the business obtains for its products, and hence are in the last analysis liquidated out of the incomes of the persons buying the commodities. At the present state of knowledge it is impossible to say with any degree of certitude which taxes are shifted from business to natural persons. To overcome the present inadequacies of knowledge it is necessary to make certain assumptions, believed to be reasonable, regarding the shiftability of the major taxes.

Section II

Typical Families: Their Income Sources and Expenditure Patterns

In view of the limited time and funds the Joint State Government Commission has not attempted to ascertain the taxes payable by single individuals who belong in different income brackets. The subsequently presented tables show tentatively estimated taxes paid for families only.

Before proceeding with the presentation and discussion of the tables it would seem advisable to consider briefly how individual families are being taxed.

All families are taxed on both their income and their outgo. The taxes imposed upon family income vary with the source or sources from which the income is derived.

[2] See Chapter III, Table II, pp. 6468, 6469.

[3] For the methods employed in constructing Table I, see, Appendix B, p. 6551.

TABLE I

Indifference Index for the Pennsylvania Intangibles or Personal Property Taxes

Net Income Classes	Average Net Income	Indifference Index of Intangible Taxes
(1)	(2)	(3)
$ 5,000— 6,000	$ 5,414	60.12%
6,000— 7,000	6,465	56.20
7,000— 8,000	7,470	53.43
8,000— 9,000	8,465	50.18
9,000— 10,000	9,481	48.76
10,000— 11,000	10,478	46.18
11,000— 12,000	11,478	44.23
13,000— 14,000	13,474	41.43
14,000— 15,000	14,490	39.97
15,000— 20,000	17,180	35.87
20,000— 25,000	22,229	28.44
25,000— 30,000	27,352	24.00
30,000— 40,000	34,408	20.51
40,000— 50,000	44,487	16.82
50,000— 60,000	54,638	14.29
60,000— 70,000	64,864	12.43
70,000— 80,000	74,595	12.06
80,000— 90,000	85,177	9.73
90,000—100,000	95,228	8.73
100,000—150,000	119,839	7.90
150,000—200,000	167,876	7.19
200,000—250,000	219,754	6.42
250,000—300,000	274,871	5.74
300,000—400,000	341,409	5.39
400,000—500,000	430,717	4.74
500,000—750,000	594,691	4.36
750,000—and over	1,092,973	3.05

Legend:
Column (2) Statistics of Income, 1937.
Column (3) See Appendix B.

Typically, a family unit having no investment income whatever—that is, income from stocks, bonds, real property—is taxed on that income only under Federal and state income tax statutes, provided, of course, the magnitude of the income is such as to subject it to tax. Per contra, a Pennsylvania family deriving its income in part in the form of salary and in part from investments, is taxed under both the Pennsylvania personal property tax statute and the Federal income tax statute.[1] In addition to income and personal property taxes, there are assessed against family incomes what may be called "deferred tax charges" which are represented by inheritance and state taxes. However, these "deferred tax charges" have been disregarded throughout the entire subsequently presented statistical analysis.

Family outgo or family expenditure is subjected to a multiplicity of taxes. There are real estate taxes upon the house in which the family lives. There are taxes upon the family automobile, the tires on the automobile, the inner tubes, the oil in the crankcase, the gasoline in the tank, the radio under the dashboard, and the upholstery on the seats. There are taxes upon the cigarettes, cigars, and tobacco smoked in the family parlor. There are taxes upon the case of beer in the pantry, the wine in the cellar and the spirits in the cupboard. There are taxes upon the accoutrements of charm exhibited on caressing tables. There are taxes upon the coal in the bin. There are taxes upon the electricity that illuminates the home. There are taxes upon the sugar that sweetens the coffee. There is barely a household article that is not taxed and the tax gatherer stands by and takes his due when the desperate family, tired of taxes and other realities, escapes into the movies.[2]

[1] See, p. 80 and following for the relationship between Pennsylvania personal property taxes and the Federal personal income tax.

[2] For a complete catalogue of Pennsylvania state and Federal taxes, see, Commerce Clearing House, "Tax Systems," 8th edition, Chicago, 1940, p. 1 and p. 59. For the legislative history of principal Pennsylvania state taxes, see, Appendix A, p. 6496.

It goes without saying that taxes on both family income and family outgo are different for different classes of families.

For instance, a family having an annual income of, say, $1,000 pays no Federal income tax whereas a family enjoying an annual income of $5,000 does pay this tax. Again, a family having an income of $1,000 usually derives no part of such income from the ownership of intangibles and hence is not subject to Pennsylvania state and county personal property taxes. However, a family having an annual income of $5,000 typically derives some small fraction of such income from the ownership of taxable intangibles and hence pays the Pennsylvania state and county personal property taxes on whatever fraction of its income is derived from taxable securities.

Looking at families from the point of view of expenditure pattern, noticeable differences become apparent. Families, for instance, in different income classes spend different proportions of their income for houses, the proportion of income spent for housing typically decreasing as family income increases. Hence, the Pennsylvania real estate tax takes increasingly smaller fractions of family income as one moves from lower income bracket families to higher income bracket families.

For purposes of the subsequently presented computations it has been assumed that individual families consist of 3.5 members, that they reside in urban sections, and that their expenditure patterns conform to national expenditure patterns,[3] that Pennsylvania families pay on the whole the same amounts in Federal indirect taxes as similarly circumstanced families anywhere in the United States, and that they do not evade any of the Pennsylvania taxes (state and local) to which they are subject under contemporary Pennsylvania tax statutes.[4]

Section III

Taxes Paid (state, local and Federal) in 1938-39 by Typical Families Resident in Pennsylvania and 'Competitive States'

Table II, below, shows tentative and preliminary estimates of Pennsylvania state and local taxes, Federal taxes, and combined Pennsylvania and Federal taxes paid by typical families in different income brackets as percentages of family income.

Table II, Col. 1 shows average family income[1] for families having annual incomes ranging from $1,000 to $20,000. As regards the social significance and numerical importance of this income range, it should be observed that according to Statistics of Income[2] only 0.06% of the population of Pennsylvania have incomes in excess of $20,000 per year.

Table II, Cols. 2, 3, and 4 shows: 1) Pennsylvania state plus local taxes as percentages of family income; 2) Fed-

[3] See, National Resources Committee, "Consumer Incomes in the United States," Washington, 1938, Parts I and II, p. 13 and following; also, National Resources Committee "Consumer Expenditures in the United States," Washington, 1939, Part I, Section 3, p. 37 and following.

[4] For a detailed description of all procedures employed in computing taxes paid by families in different income groups as well as the limitations of these procedures, see, Appendix B, p. 6551.

[1] For the items entering into the computation of family income see, National Resources Committee, "Consumer Incomes in the United States," Part II, p. 13.

[2] U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940.

eral taxes as percentages of family income, and 3) Pennsylvania state[3] plus Pennsylvania local plus Federal taxes as percentages of the incomes of families in different income classes, respectively.

Because the imposition of per capita school taxes and occupational taxes is optional with school districts and counties, respectively,[4] two sets of Pennsylvania state and local taxes have been computed. Set I (Table II, Col. 2) shows Pennsylvania state and local taxes in communities where both per capita and occupation taxes are imposed. Set II (Table II, Col. 3) shows Pennsylvania state and local taxes as percentages of family incomes where neither occupation nor per capita taxes are imposed.

TABLE II

Tentative and Preliminary Pennsylvania State and Local, Federal, and Total Pennsylvania State, Local and Federal Taxes* as Percent of Consumer Income for an Average Urban Family†

Average Family Income	Taxes as Percent of Consumer Income				
	State and Local			Total Taxes	
	Set I ‡	Set II §	Federal ¶	Col. (2) plus Col. (4)	Col. (3) plus Col. (4)
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	7.1	6.1	5.6	12.7	11.7
1.750	6.7	5.9	5.6	12.3	11.5
2.250	6.3	5.7	5.5	11.8	11.2
2.750	6.0	5.4	5.3	11.3	10.7
3.500	9.0	8.5	5.3	14.3	13.8
4.500	9.0	8.7	5.7	14.7	14.4
5.500	8.6	8.3	5.9	14.5	14.2
6.500	9.0	8.7	5.9	14.9	14.6
7.500	9.3	9.0	5.9	15.2	14.9
8.500	9.6	9.3	6.3	15.9	15.6
9.500	10.0	9.7	6.6	16.6	16.3
12.500	10.7	10.5	7.8	18.5	18.3
17.500	11.3	11.1	9.7	21.0	20.8

* State, local and Federal taxes are for 1939-1940; Federal consumption taxes are for 1938-1939.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%; see National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78 and 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Appendix B, p. 6551.

(d) Intangible Tax—national pattern of investment income utilized, see, U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937." Washington, 1940, pp. 133-137, 162. Capitalization rate assumed to be 4%; investment income for incomes between $3,000 and $5,000 was extrapolated.

(e) Cigarette tax—tobacco expenditures assumed entirely for cigarettes; see "Consumer Expenditures in the United States," op cit. pp. 78 and 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central cities, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor taxes—data for gross liquor store sales taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20, and "Consumer Expenditures in the United States," op. cit., pp. 78 and 86.

Rates: (a) Real property and Occupation Tax—mean, weighted, urban real estate rate utilized; for underlying rates, see, Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) All other tax rates taken from Commerce Clearing House, "Tax Systems" 8th edition, Chicago, 1940, p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three middle sized East Central cities were assumed applicable; see, "Family Expenditures in Selected Cities, 1935-36," op. cit. p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col. (2) and expressing result as percentage of consumer income.

¶ (a) Federal Personal taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

[3] For details concerning the computation of Pennsylvania taxes see, Appendix B, p. 6551.

[4] First, second and third class counties are not permitted under state law to use the occupation tax. Act of May 22, 1933, P. L. 853.

Inspection of Table II, Cols. 2 and 3 indicates that families resident in Pennsylvania having an annual income from $1,000 to $1,500 pay an estimated 7.1% and an estimated 6.1% of their income in Pennsylvania state and local taxes. The families who pay an estimated 7.1% live in communities where both occupation and per capita taxes are imposed, and the families who pay an estimated 6.1% live in communities where neither of the above mentioned local levies are used.

Further inspection of Table II indicates that families having incomes ranging from $1,500 to $3,000 pay a somewhat lower percentage of their incomes in Pennsylvania taxes than families having annual incomes of from $1,000 to $1,500 but that families having annual incomes in excess of $3,000 pay a higher percentage than the other two family groups mentioned.

As regards the causes underlying the behavior of the 'Pennsylvania taxes paid' to 'family income' ratio, it may be observed that four factors are in all likelihood primarily responsible for it.

In the first place, as regards the somewhat larger tax-due-income ratio of low bracket families as compared with higher bracket families, Pennsylvania's per capita taxes, the yield of which is devoted exclusively to school purposes and which seems to be levied at the rate of about $5.00[5] in the less fortunate sections of the state, rest relatively heavily upon low income bracket families. Second, occupation taxes, like per capita taxes appear to extract a larger percentage of income from low bracket families than from higher income bracket families.[6] In the third place, low value real estate, typically owned or rented by low income bracket families, tends to be assessed closer to market value—and is thereby subjected to a heavier real estate tax—than high value real property.[7]

In the fourth place, as regards the increase in the tax-due-income percentage ratios which occur when one moves from families having incomes up to $3,000 to families having above $3,000, it may be observed that this increase is in all likelihood due to the fact that families in the second group are frequently subject to Pennsylvania's personal property or intangibles taxes.

Inspection of Col. 4[8] indicates that families having annual incomes of $1,250 pay 5.6% of their income in Federal taxes, whereas families having annual incomes of $17,500 pay 9.7% of their income in Federal taxes.

Inspection of Table II, Cols. 5 and 6 shows that total taxes paid by the families under consideration range from 12.7% and 11.7% in the case of a family having an income of $1,250 to 21.0% and 20.8% in the case of a family having an income of $17,500.

The members of the Joint State Government Commission wish to call the special attention to their colleagues in the General Assembly to the taxes paid by families in the lower income brackets. Many low income bracket families operate at an annual deficit. This is to say, some low income bracket families, year after year, spend in

[5] See Appendix C, p. 6563.

[6] See Appendix C, p. 6563.

[7] See, Logan, E. B., The Taxation of Real Property in Pennsylvania, Philadelphia, 1934, p. 39.

[8] For methods used in computing Col. 3 see, Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940.

excess of their incomes.[9] It is believed that this situation is of grave concern to responsible legislators who take an active interest in the welfare of their constituents. The basic remedy, in the judgment of the members of the Joint State Government Commission is action on the part of the General Assembly aiming at a revision of the Pennsylvania tax system with a view of creating a fiscal situation conducive to the expansion of Pennsylvania enterprise—the only effective means of improving employment opportunities and levels of living.

Following its general plan of facilitating comparisons between population,[10] and economic,[11] and fiscal differences[12] which set Pennsylvania apart from other states, the Joint State Government Commission submits below tentative computations showing estimated taxes paid by families resident in the State of New York and the State of California.

The comparison of taxes paid by families in different income brackets is not extended to the other competitive states,[13] because the data in question are admittedly highly tentative and any extension of the survey in hand must wait until the basic data utilized can be considerably strengthened.

The Joint State Government Commission decided to choose New York and California for this comparison because among the thirteen states whose manufactured products may be presumed to compete with those of Pennsylvania, the two states mentioned occupy an extreme position from point of view of recent changes in the volume of national income to their respective residents.

As regards the State of New York, the decline in the value of the ratio[14] 'per capita income payments of New York residents' to 'national per capita income payments' has been more pronounced than in any of the other competitive states. Per contra, the increase in the value of the ratio 'per capita income payments of California residents' the 'national per capita income payments' has been more marked than the increase in any other of the competitive states. In other words, the per capita income payments of New Yorkers have undergone the most severe relative decline, whereas the per capita income payments of California have shown the most pronounced relative improvement.

Table III, below, which from point of view of contents and construction is comparable to Table II shown above[15] presents taxes (state-plus-local, Federal and total) as percentages of the incomes of differently circumstanced families resident in urban areas in the State of New York.

Inspection of Table III, Col. 2 shows that tentatively estimated New York taxes[16] paid by families in different income brackets, when expressed as percentages of family income, range from 6.1% in the case of a family having an income of $1,250 to 7.4% in the case of a family having an income of $17,500, the in-between families devoting a modal percentage of approximately 6 to the payment of New York state and local taxes.

TABLE III

Tentative and Preliminary New York State and Local, Federal, and Total New York State, Local and Federal Taxes* as Percent of Consumer Income for an Average Urban Family †

Average Family Income	Taxes as Percent of Consumer Income		
	State and Local ‡	Federal §	Total
(1)	(2)	(3)	(4)
$ 1,250	6.1	5.6	11.7
1,750	6.0	5.5	11.6
2,250	5.7	5.5	11.2
2,750	5.5	5.3	10.8
3,500	5.4	5.5	10.9
4,500	5.5	5.9	11.4
5,500	5.8	6.0	11.8
6,500	6.0	6.1	12.1
7,500	6.1	6.2	12.3
8,500	6.2	6.6	12.8
9,500	6.4	6.9	13.3
12,500	7.1	8.3	15.4
17,500	7.4	10.4	17.8

* State local and Federal taxes are for 1939-1940; Federal Consumption taxes are for 1938-1939.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%; see, National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Cigarette tax—tobacco expenditures assumed entirely for cigarettes, see "Consumer Expenditures in the United States," op. cit., pp. 78, 86.

(c) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central cities; see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(d) Personal Income Tax—average income less deductions for family allowances, dependents, all state taxes except the Income Tax; see, U. S. Department of Commerce, Bureau of the Census, "Digest of State Law Relating to Net Income Taxes, 1938," Washington, 1938, p. 82; and Commerce Clearing House. "Tax Systems," 8th edition, Chicago, 1940, p. 190.

Rates: (a) Real Property Tax—mean weighted, urban real estate rate utilized, for underlying rates, see Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) All other rates taken from Tax Systems, op. cit., pp. 51, 191.

Taxes: (a) Motor Vehicle Registration—average registration fees for three middle sized East Central cities were assumed applicable, see "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

(b) All other taxes obtained by multiplying base by rate.

§ (a) Federal Personal Taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption Taxes—percentages were taken from Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 13, 42 and 47.

If these percentages are compared with those shown in Table II, Col. 2, it will be observed that, by and large, New York families in the income brackets under consideration enjoy lighter taxes than comparable Pennsylvania families.

It would seem that the reason for this difference is twofold. First, as regards lower income bracket families, New York, unlike Pennsylvania, does not use per capita or occupation taxes, levies, which if imposed[17] and collected, take a relatively large percentage of the income of less well-to-do families. Second, as regards families having annual incomes in excess of $3,000, it should be observed that New York taxes the incomes of these families under a personal income tax which grants the average family under consideration an exemption of $3,100 and provides for rates ranging from 2% to 7%.[18] In Pennsylvania, on the other hand, such fraction of income as is derived from the ownership of intangibles is taxed at

[9] See, Temporary National Economic Committee, "Who Pays the Taxes?" op. cit., p. 7.
[10] See, pp. 6451.
[11] See, pp. 6451.
[12] See, Chapter IV, passim.
[13] For a definition of 'competitive state,' see Appendix B, p. 6551.
[14] See, Chapter I, p 6451.
[15] See, Table III, p. 6481.
[16] For a catalogue of principal New York state taxes see, Commerce Clearing House, "Tax Systems," 8th edition, p. 51.
[17] See, p. 6481 and following.
[18] Commerce Clearing House, op. cit., pp. 51 and 189.

the rate of eight mills per thousand dollars of capital value of taxable intangibles owned. Assuming that on the average intangibles yield a three percent return, Pennsylvania's state and county personal property taxes are the equivalent of an income tax upon income from intangibles levied at a rate of approximately 26.0%.

Table IV, below, which from point of view of contents and construction is comparable to Tables II and III shown above[19] presents taxes (state plus local, Federal and total) as percentages of the incomes of differently circumstanced families resident in urban areas in the State of California.

Inspection of Table IV, Col. 2 indicates that California state-plus-local taxes as percentages of family income range from 7.1% in the case of a family having an income of $1,250 to 4.4% in the case of a family having an income of $17,500, the average percentage for the in-between families being somewhat larger than 5.

By way of comparison it may be observed that the 'state-plus-local taxes paid' to 'family income' percentage ratios for California differ in several respects from those for

TABLE IV

Tentative and Preliminary California State and Local Federal, and Total California State, Local and Federal Taxes* as Percent of Consumer Income for an Average Urban Family †

Average Family Income	Taxes as Percent of Consumer Income		
	State and Local ‡	Federal §	Total
(1)	(2)	(3)	(4)
$1,250	7.1	5.6	12.7
1,750	7.0	5.6	12.6
2,250	6.6	5.5	12.1
2,750	6.3	5.3	11.6
3,500	6.1	5.5	11.6
4,500	5.9	6.0	11.9
5,500	5.8	6.1	11.9
6,500	5.6	6.2	11.8
7,500	5.4	6.1	11.5
8,500	5.2	6.1	11.3
9,500	5.1	6.0	11.1
12,500	4.9	6.5	11.4
17,500	4.4	7.9	12.3

* State local and Federal taxes are for 1939-1940; Federal Consumption taxes are for 1938-1939.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%; see, National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Gasoline Tax—average number of gallons purchased in three middle-sized Pacific Northwest cities; see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 128.

(c) Sales Tax—food and household operations, i. e., gas, electricity, and water, exemption subtracted from outlays for consumption; see, "Consumer Expenditures in the United States," op. cit., 78, 79, and 86. For gasoline exemption see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 128.

(d) Personal Income Tax—average income less deductions for family allowance and dependents, and all state taxes except Sales and Gasoline Taxes (following Federal income tax practices for California); see U. S. Department of Commerce, Bureau of the Census, "Digest of State Laws Relating to Net Income Taxes, 1938." Washington, 1938, p. 15; and Commerce Clearing House, "Tax Systems," 8th edition, Chicago, 1940, p. 189.

Rates: (a) Real Property Tax—mean weighted, urban real estate rate utilized, for underlying rates, see Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939." National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

Taxes: (a) Motor Vehicle Registration—average registration fees for three middle-sized Pacific Northwest cities were assumed applicable; see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 128.

(b) All other taxes obtained by multiplying base by rate.

§ (a) Federal Personal Taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption Taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42 and 47.

[19] See, Table II p. 6481 and Table III p. 6482.

Pennsylvania[20] and New York.[21] While it would appear that the tax burden on the lower income bracket families in all three states is approximately the same, it may be pointed out that as regards state and local taxation of incomes from $3,000 to $15,000, Pennsylvania imposes heavier taxes than the other two. This difference would seem to be largely due to the Pennsylvania personal property taxes.[22]

The difference between Pennsylvania, California and New York is particularly striking in the case of families in the income bracket from $15,000 to $20,000. In the order of magnitude, families in this bracket pay an effective over-all rate of 11.3% and 11.1% in Pennsylvania, 7.4% in New York and 4.4% in California. This difference is again largely due to the presence of personal property taxes in the Pennsylvania system and the existence of the institution of 'community of property' in California.[23]

Before leaving the subject in hand, the members of the Joint State Government Commission wish to remind their colleagues in the General Assembly and the general reader that the 'taxes paid' to 'family income' percentage ratios presented above are to be regarded as tentative and preliminary.[24] All those who wish to use the percentage ratios extensively are urged to familiarize themselves thoroughly with their limitations as set forth in Appendix B.

CHAPTER VI

A Review of Selected Revenue Bills Introduced in the General Assembly 1936-39

Section I

Summary of Types of Revenue Bills

A large variety of revenue bills has been introduced in the General Assembly between 1936 and 1939 which for one reason or another failed of passage.

Though the bills introduced with a view of providing for sadly needed tax revenue for the chronically depleted coffers of the Commonwealth range anywhere from lotteries[1] to a tax upon labor saving machinery,[2] the bulk of the bills, which if favorably acted upon, might have produced substantial revenue provide for taxes upon public utilities, amusements, personal income and retail sales.

Apparently leading among the proposed measures providing for additional taxes upon utilities is a bill which proposes to tax the operating properties of utilities,[3] a bill providing for the repeal of all laws now exempting public utilities from general taxes,[4] a bill providing for a tax upon telephones,[5] a bill providing for a tax on public pay stations and private switch boards,[6] and a tax on gas, water, electricity and other meters.[7]

Legislators intent upon making amusements of one type

[20] See, Table II p. 6481.
[21] See, Table III, p. 6482.
[22] See, pp. 6479 and 6482.
[23] Montgomery, R. H., Federal Income Tax Handbook, New York, 1938, pp. 600-604.
[24] See, Chapter V, p. 6479 and following.

[1] Special Session, 1940, H. B. 25 and Special Session, 1936, H. B. 35. The second measure was designed to raise $85,000,000. It was passed upon second reading in the House, then recommitted to the Ways and Means Committee.
[2] Special Session, 1936, H. B. 86.
[3] Regular Session, 1939, H. B. 78.
[4] Regular Session, 1939, H. B. 524.
[5] Regular Session, 1937, H. B. 207.
[6] Regular Session, 1937, H. B. 394.
[7] Regular Session, 1937, H. B. 395.

or another contribute toward the replenishment of the treasury of the Commonwealth proposed taxes upon the gross receipts of gambling houses,[8] "every form of entertainment,"[9] dog racing tracks,[10] pin ball games,[11] bingo games,[12] coin machines,[13] music producing machines,[14] and prizes received at bank nights.[15]

The taxation of personal incomes had its share of attention. A special tax upon the income from corporate stock debentures and mortgages was proposed.[16] The emoluments from elective public office were covered by another income tax bill.[17] A resolution to amend the Constitution of the Commonwealth which would permit the imposition of graduated personal income taxes[18] was introduced. Again another bill provided for the imposition of a tax upon all income, the proceeds from such tax to be used for the relief of distressed school districts.[19] Still another bill provided for the imposition of a personal income tax, the proceeds to be used for school purposes in general.[20]

Sales taxes of one sort or another have had their proponents. It has been proposed to tax the sale of soft drinks,[21] books,[22] natural gas,[23] "luxuries,"[24] and cosmetics.[25] Last but not least, it was proposed to impose a retail sales tax.[26]

In view of the limited funds available to the Joint State Government Commission, the members have decided to confine the review of revenue proposals to those measures providing for the imposition of general taxes which, if enacted, promise to yield substantial revenue.

From point of view of revenue yield possibilities, personal income taxes and general retail sales taxes are more promising than any one of the other tax measures suggested in the recent past. It is for this reason that the yield as well as the possible impact implications of these two levies will be discussed further in the following pages.

Section II

The Retail Sales Tax

The common type of state retail sales tax is represented by a levy which is imposed upon sales at retail of tangible personal property[1]

Sales taxes of one type or another are not newcomers upon the American fiscal scene.[2] Gross receipts taxes,[3] gross premiums taxes,[4] and Pennsylvania's mercantile license tax[5] are well established members of the Pennsylvania tax family. What is familiarly known as a state retail sales tax is new only by virtue of its relatively high rates and the fact that it is collected at the counters of retail merchants.

The so-called retail sales tax came into its own after 1929 when the pressure for additional state revenues sent legislators scrambling for new taxes.[6] In 1938 and 1939 state general sales taxes were used in 29 out of the forty-eight states.[7] The total yield of these taxes was close to a half billion dollars.[8] While not used in all states,[9] some states derive a substantial portion of their total tax revenue from retail sales levies. For instance, in 1939 Illinois derived 32% of its total state tax collections from the imposition of a retail sales tax, California obtained 24% of its tax revenue from this source, and Indiana ranked third with 21%[10]

Though state retail sales taxes are substantial revenue producers they are frequently and sometimes violently objected to because they are alleged to be decidedly regressive.[11]

However, the members of the Joint State Government Commission feel that before a retail sales tax is ruled out of consideration, its effects upon differently circumstanced taxpayers should be carefully compared with the effects of other taxes now on the statute books of the Commonwealth. Again, the social significance of the regressivity of any retail sales tax depends upon its coverage.

TABLE I *

Estimated Net Yield of a Two Percent Pennsylvania Retail Sales Tax Exempting Food, Gasoline, and Alcoholic Beverages Sold at State Stores

Year	Value of Base (000)	Rate	Estimated Net Yield at Different Degrees of Effectiveness (000) 100%	95%	90%	85%	80%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1940	$1,843,000	2%	$35,754	$33,967	$32,179	$30,391	$28,604
1939	1,827,000	2%	33,504	31,829	30,154	28,478	26,803

* For methods used in estimating net yields, see, Appendix B.

The Joint State Government Commission has estimated the probable net yield of a two percent retail sales tax, exempting food, gasoline and beverages sold at state liquor stores. Table I shows the estimated yield of such a tax for 1939 and 1940.

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[8] Regular Session, 1939, H. B. 230.
[9] Regular Session, 1939, H. B. 402 and H. B. 89.
[10] Regular Session, 1939, H. B. 185.
[11] Regular Session, 1939, H. B. 277.
[12] Regular Session, 1939, H. B. 350.
[13] Regular Session, 1939, H. B. 542 and H. B. 414.
[14] Regular Session, 1939, H. B. 415.
[15] Regular Session, 1939, H. B. 391.
[16] Regular Session, 1939, H. B. 800. As regards this bill it should be observed that corporate stock is already taxed under either the Pennsylvania corporate stock tax or, if the stock has been issued by a foreign corporation, under Pennsylvania's personal property taxes. See, Chapter III, Table II, p. 8, and Chapter V, Section III, p. 8 and following.
[17] Regular Session, 1939, H. B. 380.
[18] Regular Session, 1939, H. B. 212.
[19] Regular Session, 1939, H. B. 409.
[20] Regular Session, 1939, H. B. 157.
[21] Regular Session, 1939, H. B. 774.
[22] Regular Session, 1939, H. B. 736.
[23] Regular Session, 1939, H. B. 2180.
[24] Special Session, 1936, H. B. 11.
[25] Special Session, 1936, H. B. 2904.
[26] Regular Session, 1937, H. B. 2035.
[1] See, Commerce Clearing House, "Tax Systems," 8th edition, Chicago, 1940, pp. 325-349.

[2] Haig, R. M. and Shoup, C., The Sales Tax in the American States, New York, 1934, passim. Also, Jacoby, N. H., Retail Sales Taxation, Chicago, 1938, Chapter II, p. 21.
[3] See, Chapter III, Table II pp. 6468 and 6469. Gross receipts taxes, which are frequently imposed upon the sale of public utilities, are but taxes assessed against selected sales such as are represented by the sale of electricity, gas and water
[4] See, Chapter III, Table II, pp. 6468 and 6469. Gross premium taxes, which are frequently used in connection with the taxation of insurance companies, are in essence selective sales taxes imposed upon the sale of such services as are represented by fire, theft and life insurance protection.
[5] See, Chapter III, Table II, pp. 6468 and 6469.
[6] See, Haig and Shoup, op. cit., Part I, p. 3.
[7] Tax Systems, op. cit., p. 219.
[8] Ibid., p. 316.
[9] In 1939 the following states did not use state retail sales taxes: Florida, Georgia, Idaho, Maine, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia and Wisconsin.
[10] Tax Systems, op. cit., pp. 330 and 326.
[11] When used in this sense the term 'regressive' indicates that the value of the ratio 'tax due' to 'income of taxpayer' decreases as the taxpayer's income increases. In other words, a regressive tax is a tax which takes a larger percentage of the income of less well-to-do taxpayers than of the income of economically more fortunate taxpayers.

TABLE II

Tentative and Preliminary Pennsylvania Present State and Local plus Proposed Retail Sales and Total Pennsylvania and Federal Taxes* as Percent of Consumer Income for an Average Urban Family†

Average Family Income	Taxes as Percent of Consumer Income: State and Local Set I ‡	State and Local Set II §	Total Taxes: Federal ¶	Col. (2) Plus Col. (3) plus Col. (4)	Col. (2) Plus Col. (3) plus Col. (4)
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	8.1	7.1	5.6	13.7	12.7
1,750	7.7	7.0	5.6	13.3	12.6
2,250	7.4	6.7	5.5	12.9	12.2
2,750	7.0	6.4	5.3	12.3	11.7
3,500	9.0	9.5	5.3	15.2	14.8
4,500	10.0	9.6	5.7	15.7	15.3
5,500	9.6	9.2	5.9	15.5	15.1
6,500	9.9	9.6	5.9	15.8	15.5
7,500	10.1	9.9	5.9	16.0	15.8
8,500	10.4	10.2	6.3	16.7	16.5
9,500	10.8	10.5	6.5	17.3	17.0
12,500	11.4	11.2	7.7	19.1	18.9
17,500	12.0	11.9	9.6	21.6	21.5

* State, local and Federal personal taxes are for 1939-40; Federal consumption taxes are for 1938-39.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%: see, National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see, Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Appendix B, p. 6551

(d) Intangibles Tax—national pattern of investment income utilized, see, U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940, pp. 133-137, 162. Capitalization rate assumed to be 4%; investment income for incomes between $3,000 and $5,000 was extrapolated.

(e) Cigarette Tax—tobacco expenditures assumed entirely for cigarettes; see, "Consumer Expenditures in the United States," op cit. pp. 78, 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central cities: see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36." Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor Taxes—data for gross liquor store sales were taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20; and "Consumer Expenditures in the United States," op. cit. pp. 78 and 86.

(h) Proposed Retail Sales Tax—obtained by subtracting percentages of consumer income expended for food, imputed housing and tobacco from percent of total income expended; see, "Consumer Expenditures in the United States," op. cit., pp. 78, 79, 86; for gasoline exemption the average gasoline expenditures for families in three middle-sized East Central cities were assumed applicable; see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

Rates: (a) Real Property and Occupation Tax—mean, weighted, urban real estate rate utilized; for underlying rates, see Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) Proposed Retail Sales Tax—2%.

(c) All other tax rates were taken from Commerce Clearing House, "Tax Systems," 8th edition, Chicago, 1940, p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three middle-sized East Central cities were assumed applicable, see, "Family Expenditures in Selected Cities, 1935-26," op. cit., p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col. (2) and expressing the result as a percentage of consumer income.

¶ (a) Federal Personal Taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes Vol. 18, No. 8, August, 1940, pp. 467-470. The sales tax was assumed deductible for Federal Income Tax purposes.

(b) Federal consumption taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

Inspection of the above table indicates that assuming an effectiveness of 80% (Col. 8) a Pennsylvania retail sales tax exempting food, gasoline and alcoholic beverages sold at state stores could have been expected to yield $28,604,000 in 1940.

With a view of showing the proximate effect of such a retail sales tax upon families in different income groups resident in the Commonwealth, Table II, has been prepared.

Inspection of Table II, Cols. 2 and 3 shows that the introduction of a two percent Pennsylvania retail sales tax exempting food, gasoline, and alcoholic beverages sold at state stores would increase Pennsylvania state and local taxes payable by Pennsylvania families in all income brackets shown in the table.

Pennsylvania families having average annual incomes of $1,250 and living in communities where both per capita taxes and occupation taxes are imposed (see, Table II, Col. 2) would pay 8.1% of their incomes in Pennsylvania taxes if a retail sales tax of the type indicated were imposed in addition to contemporary taxes, and families having average annual incomes of $17,500 would be required to pay 12.0% of those incomes in Pennsylvania taxes.

Similarly Pennsylvania families having average annual incomes of $1,250 and living in a community where no per capita or occupation taxes are imposed (see Tabe II, Col. 3) would pay 7.1% of their income in Pennsylvania taxes under the new set up and families having average annual incomes of $17,500 would be called upon to pay 11.9% of those incomes in Pennsylvania taxes.

In view of these increases in taxes which would ensue if a retail sales tax were imposed in addition to all levies now on Pennsylvania's statute books, it has been suggested that a retail sales tax be imposed in lieu of both contemporary occupation and per capita taxes.[12]

When evaluating the effect of a retail sales tax imposed in addition to contemporary Pennsylvania levies it must not be forgotten, however, that even in communities where both occupation and per capita taxes are levied, the collection of either levy seems to present serious difficulties. These difficulties are not just current phenomena but have been characteristics of the local tax situation in Pennsylvania for quite some time.[13]

In connection with the occupation tax the total value traditionally set upon occupations for tax purposes is ludicrously low. To mention but one example, in 1935 the value of salaries and occupations as determined for occupation tax purposes was $203,492,530.[14] When evaluating the adequacy of this total it should be remembered that between 1930 and 1940 annual wages and salaries earned in Pennsylvania fluctuated between three and three and a half billion dollars.[15]

As regards the per capita tax, which is used exclusively for school purposes, it should be observed that while its assessment too appears inadequate, its collection record is positively scandalous.

Table III, shows per capita tax collections as percentages of per capita taxes levied for selected school districts for which the information was available for the fiscal year ending June 30, 1938.

Inspection of the above table (Col. 2) shows that a collection record of 69% for school per capita taxes is outstanding and that collections of from 25% to 40% seem to be about normal. The members of the Joint State Government Commission are persuaded that the collection record of the Pennsylvania per capita tax is not equalled anywhere in these United States by any tax collection

[12] See Pennsylvania State Education Association, "Report of the Committee on Survey of School Costs," Harrisburg, 1938, p. 78.

[13] Nicholson, Blake E., Collection of Local Taxes in Pennsylvania, Harrisburg, 1932, passim.

[14] Computation, courtesy Pennsylvania Department of Internal Affairs.

[15] U. S. Department of Commerce, "Survey of Current Business," April, 1940.

TABLE III*

Percent of Per Capita Taxes Collected in Selected School Districts in 1937-38

School District	Percent of Per Capita Taxes Collected
(1)	(2)
Reading	69.89
Easton	52.40
Bethlehem	48.19
Williamsport	44.10
Allentown	43.77
York	40.50
Altoona	38.02
Chester	35.10
Johnstown	32.65
Wilkes-Barre	27.27
Hazleton	26.77
Scranton	21.30

* Adapted from Report of the Allentown Branch of the Pennsylvania State Education Association on the Financial Problems of the School District, City of Allentown, Pennsylvania Allentown, 1040., p. 16.

record except possibly right here in Pennsylvania as exemplified by jurisdictions attempting in vain to collect the occupation tax.[10]

These facts regarding the collectibility of both per capita and occupation taxes should be remembered when attempting to appraise the percentage ratios presented in Table II, Col. 2, because they would seem to indicate that even in communities where per capita and occupation taxes are imposed only a relatively small percentage of the families discharge their lawful obligations.

Section III

Personal Income Taxes

As has been previously noted[1] several bills which provide for the imposition of personal income taxes have been introduced in the General Assembly in the recent past.

On the chance that similar bills may be introduced in the General Assembly during the Regular Session of 1941, the Joint State Government Commission presents below 1) net yield estimates of various types of state personal income taxes, and 2) approximations of the burden which different types of income taxes would be likely to impose upon families in different income groups.

By way of preliminary remark, it may be observed that for the purpose in hand, personal income taxes[2] may be divided into two groups. These two groups may be distinguished by virtue of the rate schedule and the source of the income the taxation of which is contemplated.

On the basis of rate schedule differences, one may conveniently differentiate between progressive and proportional income taxes. Progressive income taxes carry a rate schedule which provides for rates which increase as the taxpayer's income increases. Most state income taxes as well as the Federal income tax are of this type.[3]

As regards source of income differences, it is useful to distinguish between personal income taxes which contemplate—by means of a progressive or proportional rate schedule—the taxation of 1) all income from whatever source derived, 2) investment income, that is, income from securities of one type or another, and 3) labor income, that is, income derived in the form of wages, salaries and from business operations carried forward by means of individual proprietorships or partnerships.

The Joint State Government Commission presents estimates of the probable 1940 net yield of: 1) a one percent personal income tax upon all income received or paid within Pennsylvania, such tax providing for no exemption whatever, 2) a one per cent personal income tax upon all labor incomes received or paid in Pennsylvania, such tax providing for no exemption whatever, 3) a two per cent clear income tax upon all income received and paid within Pennsylvania, such tax permitting the deduction of necessary living costs up to a maximum of $800 per income recipient, and 4) a progressive personal income tax providing the same exemptions now permitted in the State of New York and carrying the same rates as those of the New York State Income Tax, except the 'emergency' rate of one per cent which was imposed in New York in 1940.[4]

In addition to net yield data, the Joint State Government Commission presents several tables showing the tentatively estimated effect of these personal income levies upon families in different income brackets.

A One Per Cent Personal Income Tax Upon All Income received a paid within Pennsylvania providing for no exemption whatever, if imposed upon 1940 income would have produced an estimated net yield of $47,433,688.[5]

It is interesting to observe how such an income tax, if it had been on the Pennsylvania statute books in 1940, would have affected families in different income brackets.

Table IV, shows the tentatively estimated effect of the tax in question upon families having annual incomes up to $20,000.

Inspection of Table IV, Cols. 2 and 3 shows that the introduction of a one per cent personal income tax upon all income received or paid within Pennsylvania would increase Pennsylvania state and local taxes payable by Pennsylvania families in all the income brackets shown in the table.[6]

Pennsylvania families having average annual incomes of $1,250 and living in communities where both per capita and occupation taxes are imposed (see, Table IV, Col. 2) would pay 8.1% of their incomes in Pennsylvania taxes, if an income tax of the type suggested were imposed in addition to contemporary taxes. Families in the same communities having average annual incomes of $17,500 would be required to pay 12.2% of these incomes in Pennsylvania taxes.

Likewise, Pennsylvania families having average annual incomes of $1,250 and living in communities where no per capita or occupation taxes are imposed (see, Table IV, Col. 3 would pay 7.1% of their incomes in Pennsylvania taxes. Families living in the same communities with average annual incomes of $17,500, however, would be expected to contribute 12.1% of these incomes in Pennsylvania taxes.

It is instructive to observe that while families having average annual incomes of $1,250 and living in both types of communities would be taxed at the same percentage

[10] See, Nicholson, op. cit. passim.
[1] See, p. 6483.
[2] For a legislative history of the Federal Income Tax, see Blakey, R. C., and Blakey, G. C., The Federal Income Tax, New York, 1940, passim. For a discussion and appraisal of Federal and state taxes upon small incomes, see, Strayer, Paul J., The Taxation of Small Incomes, New York, 1939, passim.
[3] See, Tax Systems, op. cit., pp. 1 and 189.
[4] See Tax systems, op. cit. p. 51 and p. 189.
[5] For methods and techniques used in estimating net yield see, Appendix B.
[6] Compare Cols. 2 and 3, Table II, Chapter V, p. 6483.

under either the personal income tax on all income or the retail sales tax,[7] Pennsylvania families in the $17,500 income bracket however, would have a somewhat heavier burden if this income tax were to be enacted.[8]

TABLE IV

Tentative and Preliminary Pennsylvania Present State and Local Plus Proposed Total Income and Total Pennsylvania and Federal Taxes* as Percent of Consumer Income for an Average Urban Farmily†

Average Family Income	Taxes as Percent of Consumer Income				
	State and Local			Total Taxes	
	Set I ‡	Set II §	Federal ¶	Col. (2) Plus Col. (4)	Col. (3) plus Col. (4)
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	8.1	7.1	5.6	13.7	12.7
1,750	8.7	6.9	5.6	13.3	12.5
2,250	7.3	6.7	5.5	12.8	12.2
2,750	7.0	6.4	5.3	12.3	11.7
3,500	10.0	9.5	5.3	15.3	14.8
4,500	10.0	9.6	5.7	15.7	15.3
5,500	9.6	9.3	5.9	15.5	15.2
6,500	10.0	9.7	5.9	15.9	15.6
7,500	10.3	10.0	5.8	16.1	15.8
8,500	10.6	10.3	6.2	16.8	16.5
9,500	11.0	10.7	6.5	17.5	17.2
12,500	11.7	11.4	7.7	19.4	19.1
17,500	12.2	12.1	9.5	21.7	21.6

* State, local and Federal personal taxes are for 1939-40; Federal consumption taxes are for 1938-39.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%, see National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see, Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Appendix B, p. 6551.

(d) Intangibles Tax—national pattern of investment income utilized, see U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940, pp. 133-137, 162. Capitalization rate assumed to be 4% investment income for incomes between $3,000 and $5,000 was extrapolated.

(e) Cigarette Tax—tobacco expenditures assumed entirely for cigarettes; see, "Consumer Expenditures in the United States," op. cit., pp. 78, 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central Cities; see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor Taxes—data for gross liquor store sales taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see, Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20; and "Consumer Expenditures in the United States," op. cit. pp. 78 and 86.

(h) Proposed Total Income Tax—no exemptions were allowed, but interest from all Government obligations was not considered taxable.

Rates: (a) Real Property and Occupation Tax—mean, weighted, urban real estate tax utilized; for underlying rates, see, Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) Proposed Total Income Tax—1%.

(c) All other tax rates were taken from Commerce Clearings House, "Tax System," 8th edition, Chicago, 1940, p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three Middle-sized East Central cities were assumed applicable, see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col. (2) and expressing the result as a percentage of consumer income.

¶ (a) Federal Personal taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption Taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

A One Percent Income Tax Upon All Labor Incomes which does not provide for any exemptions whatever, if levied in Pennsylvania in 1940 would have produced an estimated net yield of $27,819,590.*

[7] Compare Cols. 2 and 3, Table II, p. 6485.

[8] Compare Cols. 2 and 3, Table II, p. 6485.

* For methods and techniques used in estimating net yields, see, Appendix B.

As regards the expectable effects of such a levy upon families in different income classes, Table V facilitates appraisal.

Inspection of Table V, Cols. 2 and 3 indicates that a one percent personal income tax upon all labor incomes, providing for no exemptions whatever would somewhat increase taxes due from Pennsylvania families.[9]

It will be observed that Pennsylvania families having average annual incomes of $1,250 and living in communities where both per capita and occupation taxes are imposed (see, Table V, Col. 2) would pay 8.1% of these incomes in Pennsylvania state and local taxes. Families in the same communities having average annual incomes of $17,500 would pay 11.8% of their incomes in Pennsylvania taxes.

Pennsylvania families having average annual incomes of $1,250 and living in communities not using per capita and occupation taxes (see, Table V, Col. 3) would pay 7.1% of their incomes in Pennsylvania taxes and families having average annual incomes of $17,500 would be required to pay 11.7% of those incomes in state and local taxes.

Comparing these percentages with the comparable percentages in Table IV, Cols. 2 and 3,[10] it will be noted that whereas the burden upon families in the $1,250 income class is identical, Pennsylvania families having average annual incomes of $17,500 would pay slightly less under an earned income tax than they would if a total income tax were imposed.

A Two Percent Clear Income Tax Upon All Income received or paid in Pennsylvania which would permit the deduction of necessary living expenses up to a legislative stipulated maximum of $800 per income recipient would have produced an estimated net yield of $40,150,592 in 1940.[11] This net yield is estimated on the assumption that every income recipient would have claimed the maximum allowable living expenses.

Table VI shows the effect of a clear income tax, as defined, upon families in different income groups.

Inspection of Table VI, Cols. 2 and 3 shows that a two percent clear income tax permitting the deduction of necessary living expenses up to $800 per year for each in-

TABLE V

Tentative and Preliminary Pennsylvania Present State and Local Plus Proposed Earned Income and Total Pennsylvania and Federal Taxes* as Percent of Consumer Income for an Average Urban Family†

Average Family Income	Taxes as Percent of Consumer Income				
	State and Local			Total Taxes	
	Set I ‡	Set II §	Federal ¶	Col. (2) Plus Col. (4)	Col. (3) plus Col. (4)
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	8.1	7.1	5.6	13.7	12.7
1,750	7.7	6.9	5.6	13.3	12.5
2,250	7.3	6.7	5.5	12.8	12.2
2,750	7.0	6.4	5.3	12.3	11.7
3,500	9.8	9.4	5.3	15.1	14.7
4,500	9.9	9.5	5.7	15.6	15.2
5,500	9.4	9.1	5.9	15.3	15.0
6,500	9.8	9.5	5.9	15.7	15.4
7,500	10.0	9.7	5.9	15.9	15.6
8,500	10.3	10.0	6.3	16.6	16.3
9,500	10.7	10.4	6.5	17.2	16.9
12,500	11.3	11.1	7.7	18.0	18.8
17,500	11.8	11.7	9.6	21.4	21.3

[9] Compare Cols. 2 and 3, Table III, Chapter V, p. 6483.

[10] See, Table IV p. 99.

[11] For methods and techniques used in estimating net yield see, Appendix B, p. 6551.

* State, local and Federal personal taxes are for 1939-40; Federal consumption taxes are for 1938-39.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%, see National Resources Committee, "Consumer Expenditures in the United States." Washington, 1939, pp. 78, 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see, Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Apppendix B.

(d) Intangibles Tax—national pattern of investment income utilized, see. U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940, pp. 133-137, 162. Capitalization rate assumer to be 4% investment income for incomes between $3.000 and $5.000 was extrapolated.

(e) Cigarette Tax—tobacco expenditures assumed entirely for cigarettes; see, "Consumer Expenditures in the United States," op. cit., pp. 78, 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central Cities; see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor Taxes—data for gross liquor store sales taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see, Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20; and "Consumer Expenditures in the United States," op. cit. pp. 78 and 86.

(h) Proposed Earned Income Tax—total investment income pattern for the United States assumed here; see, "Statistics of Income for 1937," op. cit., pp. 133-137, 162, 181-182. For incomes between $3.000 and $5,000 extrapolation was used. Total investment income was subtracted from the average family income to obtain the base.

Rates: (a) Real Property and Occupation Tax—mean, weighted, urban real estate tax utilized; for underlying rates, see, Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) Proposed Earned Income Tax—1%.

(c) All other tax rates were taken from Commerce Clearings House, "Tax System," 8th edition, Chicago, 1940, p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three Middle-sized East Central cities were assumed applicable, see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col (2) and expressing the result as a percentage of consumer income.

¶ (a) Federal Personal taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption Taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

TABLE VI

Tentative and Preliminary Pennsylvania Present State and Local Plus Proposed Clear Income and Total Pennsylvania and Federal Taxes* as Percent of Consumer Income for an Average Urban Family†

Average Family Income	Taxes as Percent of Consumer Income				
	State and Local			Total Taxes Col. (2) Plus Col. (3) plus	
	Set I ‡	Set II §	Federal ¶	Col. (4)	Col. (4)
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	7.8	6.8	5.6	13.4	12.4
1,750	7.8	7.0	5.6	13.4	12.6
2,250	7.6	7.0	5.5	13.1	12.5
2,750	7.4	6.9	5.3	12.7	12.2
3,500	10.5	10.0	5.2	15.7	15.2
4,500	10.7	10.3	5.7	16.4	16.0
5,500	10.3	10.0	5.9	16.2	15.9
6,500	10.7	10.4	5.9	16.6	16.3
7,500	11.0	10.8	5.8	16.8	16.6
8,500	11.4	11.1	6.2	17.6	17.3
9,500	11.8	11.5	6.4	18.2	17.9
12,500	12.5	12.3	6.6	20.1	19.9
17,500	13.1	12.9	9.4	22.5	22.3

* State, local and Federal personal taxes are for 1939-40; Federal consumption taxes are for 1938-39.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%, see National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see, Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Appendix B, p. 6551.

(d) Intangibles Tax—national pattern of investment income utilized, see, U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940, pp. 133-137, 162. Capitalization rate assumed to be 4% investment income for incomes between $3,000 and $5,000 was extrapolated.

(e) cigarette Tax—Tobacco expenditures assumed entirely for cigarettes; see, "Consumer Expenditures in the United States," op. cit., pp. 78, 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central Cities; see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36," Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor Taxes—data for gross liquor store sales taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see, Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20; and "Consumer Expenditures in the United States," op. cit. pp. 78 and 86.

(h) Proposed Clear Income Tax—$800. Income from government securities was not considered taxable. For national pattern of investment income from government paper, see, "Statistics of Income for 1937," op. cit., pp. 134, 182.

Rates: (a) Real Property and Occupation Tax—mean, weighted, urban real estate tax utilized; for underlying rates, see, Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) Proposed Clear Income Tax—2%.

(c) All other tax rates were taken from Commerce Clearings House, "Tax System," 8th edition, Chicago, 1940, p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three Middle-sized East Central cities were assumed applicable, see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col. (2) and expressing the result as a percentage of consumer income.

¶ (a) Federal Personal taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes, Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal Consumption Taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

come recipient would increase the amount of taxes payable by Pennsylvania families in the income brackets under consideration.[12]

It should be noted that families having average annual incomes of $1,250 and living in communities where both per capita and occupation taxes are levied (see, Table VI, Col. 2) would pay 7.8% of their incomes in Pennsylvania state and local taxes. Families in the same communities having average incomes of $17,500 would be required to contribute 13.1% of their incomes to the public treasury.

In the case of families having average annual incomes of $1,250 and living in localities where per capita and occupation taxes are not used (see, Table VI, Col. 3) would be expected to pay 6.8% of their incomes in state and local taxes. Families in the same communities with average annual incomes of $17,500 would pay 12.9% of their incomes in taxes.

A Progressive Personal Income Tax[13] Providing for the Same Exemption now Permitted in the State of New York and Imposed at New York Rates,[14] if levied in Pennsylvania in 1940 would have produced an estimated net yield of $46,352,927.[15]

Table VII shows the estimated effect of a progressive personal income tax upon families in different income groups.

Inspection of Table VII, Cols. 2 and 3 indicates that a progressive income tax of the type in use in the State of New York would not change the percentage of taxes due from Pennsylvania families having average annual incomes from $1,250 to $2,750. However, it would appear

[12] Compare Cols. 2 and 3, Table II, Chapter V, p. 6483.

[13] It should be noted that the Pennsylvania Supreme Court has declared Progressive Personal Income Taxes unconstitutional. See, Appendix A, p. 6496.

[14] For the exemptions and rates of the New York State Personal Income Tax, see, Appendix C, p. 6563.

[15] For methods and techniques used in estimating net yields, see, Appendix B, p. 6551.

that the remaining income groups considered would be required to contribute a larger percentage of their incomes in taxes than is required at present.[16]

Pennsylvania families having average annual incomes of $1,250 and living in communities imposing both per capita and occupation taxes (see, Table VII, Col. 2) would be required to pay 7.1% of these incomes in Pennsylvania taxes, while families having average annual incomes of $17,500 would pay 14.5%.

Moreover, Pennsylvania families having average annual incomes of $1,250 and living in communities where per capita and occupation taxes are not levied (see, Table VII, Col. 3) would contribute 6.1% of the incomes to Pennsylvania governmental agencies, while families in the same localities having average annual incomes of $17,500 would contribute 14.4%.

It will be observed that a progressive personal income tax of this type would extract a considerably larger percentage of the incomes of families in the higher brackets

TABLE VII

Tentative and Preliminary Pennsylvania Present State and Local Plus Progressive Income and Total Pennsylvania and Federal Taxes* as Percent of Consumer Income for an Average Urban Family†

Average Family Income	Taxes as Percent of Consumer Income				
	State and Local		Total Taxes		
				Col. (2) Plus Col. (4)	Col. (3) plus Col. (4)
	Set I ‡	Set II §	Federal ¶		
(1)	(2)	(3)	(4)	(5)	(6)
$ 1,250	7.1	6.1	5.6	12.7	11.7
1,750	6.7	5.9	5.6	12.3	11.5
2,250	6.3	5.7	5.5	11.8	11.2
2,750	6.0	5.4	5.3	11.3	10.7
3,500	9.0	8.6	5.3	14.3	13.9
4,500	9.5	9.1	5.7	15.2	14.8
5,555	9.5	9.1	5.9	15.4	15.0
6,500	10.1	9.8	5.9	16.0	15.7
7,500	10.7	10.4	5.8	16.5	16.2
8,500	11.2	10.9	6.2	17.4	17.1
9,500	11.8	11.6	6.4	18.2	18.0
12,500	13.1	12.9	7.5	20.6	20.4
17,500	14.6	14.4	9.1	23.7	23.5

* State, local and Federal personal taxes are for 1939-40; Federal consumption taxes are for 1938-39.

† Average family of two adults and 1.5 children assumed.

‡ Bases: (a) Real Property Tax—housing expenditures capitalized at 10%; see, National Resources Committee, "Consumer Expenditures in the United States," Washington, 1939, pp. 78, 86.

(b) Occupation Tax—estimated on the basis of material received from county officials, see, Appendix B, p. 6551.

(c) Per Capita Tax—estimated on the basis of material received from the Superintendent of Public Instruction, see, Appendix B, p. 6551.

(d) Intangibles Tax—national pattern of investment income utilized, see, U. S. Treasury Department, Bureau of Internal Revenue, "Statistics of Income for 1937," Washington, 1940, pp. 133-137, 162. Capitalization rate assumed to be 4%; investment income for incomes between $3,000 and $5,000 was extrapolated.

(e) Cigarette Tax—tobacco expenditures assumed entirely for cigarettes; see, "Consumer Expenditures in the United States," op cit. pp. 78, 86.

(f) Gasoline Tax—average number of gallons purchased by families in three middle-sized East Central cities: see, U. S. Department of Labor, Bureau of Labor Statistics, "Family Expenditures in Selected Cities, 1935-36." Bulletin 648, Vol. 6, Washington, 1940, p. 126.

(g) Liquor Taxes—data for gross liquor store sales were taken from the Joint State Government Commission. For techniques and sources underlying the allocation of these sales to consumer groups, see Temporary National Economic Committee, "Who Pays the Taxes?" Monograph No. 3, Washington, 1940, pp. 19 and 20; and "Consumer Expenditures in the United States," op cit. pp. 78 and 86.

(h) Proposed Progressive Income Tax—the New York State Personal Income Tax was followed as regards the base; see, U. S. Department of Commerce, Bureau of the Census, "Digest of State Laws Relating to Net Income Taxes, 1938," Washington, 1938, pp. 81-83; non-taxable income from Government securities was taken from "Statistics of Income for 1937," op. cit., pp. 134 and 182; the national pattern was assumed. Federal Income taxes were not considered deductible.

Rates: (a) Real Property and Occupation Tax—mean, weighted, urban real estate rate utilized; for underlying rates, see Mohaupt, R., "Comparative Tax Rates of 287 Cities, 1939," National Municipal Review, Vol. 28, December, 1939, pp. 848-866. Population weights taken from U. S. Department of Commerce, Bureau of the Census, preliminary release of September, 1940.

(b) Proposed progressive personal income tax—New York Personal Income Tax rates less 1% additional emergency rate were utilized. See, Commerce Clearing House, "Tax Systems," 8th edition, Chicago, 1940, pp. 190-191.

(c) All other tax rates were taken from "Tax Systems," op. cit., p. 59.

Taxes: (a) Motor Vehicle Registration—average registration fees for three middle-sized East Central cities were assumed applicable, see, "Family Expenditures in Selected Cities, 1935-36," op. cit., p. 126.

(b) All other taxes obtained by multiplication of base by rate.

§ Obtained by subtracting per capita and occupation taxes due from taxes underlying Col. (2) and expressing the result as a percentage of consumer income.

¶ (a) Federal Personal Taxes—the Federal Income Tax only was considered; the base and rates were taken from Altman, G. T., "The Revenue Act of 1940," Taxes Vol. 18, No. 8, August, 1940, pp. 467-470.

(b) Federal consumption taxes—percentages were taken from "Who Pays the Taxes?" op. cit., pp. 13, 42, 47.

than a tax on clear income.[17] This effect of the progressive incomes tax is also characteristic of the clear income tax.

At the risk of being considered unduly repetitive, the members of the Joint State Government Commission wish to conclude this chapter by pointing out again[18] that the tax-due-income percentage ratios shown above must not be regarded as tentative and preliminary. They should not be made to bear more than they were designed to carry.[19] The membership of the Joint State Government Commission wishes to point out, too, that the discussion of the taxes mentioned above does not imply their endorsement. These taxes have been discussed merely because, in the face of pressure for additional state tax revenues which still prevails, they have been the object of legislative consideration at the sessions of the General Assembly.[20]

CHAPTER VII

Some Proposals Relating to State-Local Transfer Payments

Section I

Present State-Local Transfer Payments

For some purposes it is useful to distinguish between direct state expenditures and state-local transfer payments. Direct state expenditure differs from a state-local transfer payment by virtue of the fact that the first is made in connection with some public function which is under the exclusive financial and administrative control of the state government, whereas the transfer payment involves joint state and local administrative responsibility.

In Pennsylvania direct state expenditures, which for brevity's sake will henceforth be referred to as state expenditures, are represented by expenditures for the salaries of the state judiciary, the state highway patrol, etc. State-local transfer payments are illustrated by state General Fund payments to the local school districts which in turn are applied by the local school districts toward the payment of the salaries of teachers and supervisors.[1]

State-local transfer payments give rise to a problem which does not enter at all into state expenditures.

To fully appreciate the nature of the problem which

[16] Compare Cols. 2 and 3, Table II, Chapter V, p. 6483.

[17] Compare Cols. 2 and 3, Table VI, p. 6488.

[18] See, Chapter V, p. 6479.

[19] See, Chapter V, p. 6479 and following.

[20] See, Chapter VI, p. 6483.

[1] See, p. 6462 and following.

arises out of state-local transfer payments[2] it may be well to indicate briefly typical state-local transfer payment arrangements.

A state government may collect certain taxes and turn back part or all of the receipts to the local units of government in whose jurisdiction the taxes were collected in the first place. Whatever receipts are so turned back to the localities may be earmarked for specifically enumerated functions of the local governments or may be applied to any legitimate local function in accordance with the judgment and discretion of local authorities.

Usually when tax receipts are turned back to the localities, the economically stronger local units of government tend to receive larger absolute and relative amounts than the less fortunate jurisdictions. If the funds so transferred are "earmarked for a specific public function," it sometimes follows that the poorer jurisdictions perform that function less adequately than their more fortunate neighbors.

Again, a state government may appropriate out of its general funds sums certain (such as a given dollar amount per child of school age) to local units of government with the expectation that the local government will obtain from its own tax sources sufficient revenue to supplement the state transfer payment with a view of offering adequate public services of one type or another. When state governments employ this second transfer arrangement, it frequently happens that the less fortunate units of local government offer less adequate services, simply because their tax resources are frequently under considerable strain. Here again, the statesman and legislator is confronted with inequalities in public service offerings.

The third type of transfer payment arrangement which does not tend to perpetuate differences in public service offerings is represented by the so-called variable grant.[3] Generally speaking,[4] this fiscal device provides for state-local transfer payments, the volume of which varies from locality to locality in accordance with both the receiving locality's need for a given service and its tax capacity to partially finance a service for services.

At the present Pennsylvania transfers to the localities out of its tax revenues 1) part of the liquid fuels tax, 2) the premiums tax upon foreign fire insurance companies, provided such tax does not exceed two per cent,[5] and 3) liquor license fees collected from licensees.

One-half cent per gallon of the liquid fuels tax, popularly known as the gasoline tax, is returned to the counties of the Commonwealth where the tax was collected in the first place. For the biennium 1937-39 total liquid fuel tax transfer payments to the counties amounted to $13,785,648.[6]

The foreign fire insurance premiums tax is returned to the cities, boroughs and townships where insured property is located. For the biennium 1937-39 total foreign fire insurance premiums tax transfer payments to these jurisdictions to be remitted to the firemen's relief fund amounted to $1,960,527.[7]

Liquor license fees, like the foreign insurance premiums tax, are returned to cities, boroughs and townships. For the biennium 1937-39 liquor license transfer payments to these jurisdictions combined amounted to $7,612,968.[8]

In addition to these payments, involving the transfer from the state to the localities of specially earmarked tax yields, the General Fund, to which all taxes not specially earmarked accrue, makes transfer payments of considerable magnitude to the local school districts. For the biennium 1937-39 total state transfer payments from the General Fund to the local school districts amounted to $65,879,288.[9]

It is sometimes suggested in public discussions that the Commonwealth of Pennsylvania is rather parsimonious in its transfer payments to the local units of government and it is contended without submission of satisfactory evidence that other states are more lavish when it comes to the sharing of state tax revenues with their local subdivisions.

Whatever the facts of the case may be, the members of the Joint State Government Commission are persuaded that all these comparisons lack validity unless a thorough investigation is made of the functions which are financed exclusively by state governments in other states.

As has been previously noted,[10] Pennsylvania among the competing states frequently referred to is unique by virtue of the facts that it finances general assistance exclusively out of state tax resources. This situation in the past has proved a serious drain upon the General Fund. If it had not been for this drain, the present accumulated operating deficit of the state government would be nonexistent.

Section II

General Assistance: A Problem in State-Local Financial Relations

For the biennium 1937-39, total disbursements for public assistance amounted to $238,741,369. Of this total $18,774,699 was spent for administration, $8,194,035 for blind pensions, $45,616,968 for old age assistance, $15,649,490 for mothers assistance, and $145,722,759 for general assistance—sometimes referred to as direct relief.[1]

Though payments for aids of various types represent substantial dollar amounts, general assistance or direct relief exceeds all others from point of view of magnitude of disbursements.

The large General Fund disbursements for general assistance have given serious alarm to groups of citizens throughout the Commonwealth.

These groups of citizens allege that our system of financ-

[2] See, Tax Policy League, "Tax Relations Among Government Units," New York, 1938, Part IV. Also, Report of the New York State Commission for the Revision of the Tax Laws, New York, 1932, Memorandum No. 10. Also, Groves, H. M., Financing Government, New York, 1939, p. 605 and 615. Also, Wueller, P. H., "Real Property as a Tax and Reimbursement Base During the Depression" in Property Taxes, Tax Policy League, 1940, p. 21 and following.

[3] For a descriptive catalogue of grant-in-aid formulae including variable grant formulae see, Hinckley, R. J., "State Grants-in-Aid," State of New York, Special Report of the Tax Commission (1935), No. 9. For a critical appraisal of the grant device see, State of New York, "Report of the New York State Commission for Aid to Municipal Subdivisions," Legislative Document, No. 58 (1936). Also, Key, V. O., The Administration of Federal Grants to the States, Chicago, 1937, and Bitterman, H. J., State and Federal Grants-in-Aid, New York, 1938.

[4] Blough, Roy, "Equalization Metehods for the Distribution of Federal Relief Funds," The Social Service Review, Vol. IX, p. 423, also, Bitterman, H. J., State and Federal Grants-in-Aid, op. cit.

[5] Commerce Clearing House, "Tax Systems," 8th edition, p. 59.

[6] Biennial Report of the Auditor General of Pennsylvania, for the biennium from June 1, 1937 to May 31, 1939, p. 267.

[7] Ibid., p. 268.

[8] Ibid., p. 299.

[9] Ibid., p. 198.

[10] See, Chapter II, Section III, p. 6461 and following.

[1] Biennial Report of the Auditor General for the biennium from June 1, 1937 to May 31, 1939, p. 191.

ing general assistance is seriously defective[2] because it does not call upon local units of government for a financial contribution out of local tax resources. Allegations of minor consequence aside, it is argued that the absence of a local financial contribution toward the maintenance of general assistance is at least in part responsible for the large volume of general assistance payments, because, so it is held, local communities, called upon to tax themselves directly to maintain general assistance would be likely to exert some communal pressure to keep the general assistance load at the minimum necessary to make certain that nobody in this Commonwealth become a victim of destitution.

In addition, it is claimed that the present operating deficit of the Commonwealth,[3] estimated at $74,000,000, is in large measure due to present methods of financing general assistance. Again, it is alleged that the accumulated operating deficit of the state government of the Commonwealth introduces an undesirable element of uncertainty into the fiscal situation and that this uncertainty coupled with already heavy business taxes, prevents the expansion of manufacturing operations in the Commonwealth which might otherwise take place.[4]

As regards the establishment of the validity of all these allegations and their implications, further intensive studies are required. It is certain, however, that if it were not for general assistance disbursements no accumulated operating deficit would be in existence at this time and no Special Sessions of the General Assembly—which involve considerable cost to the taxpayers—would have been required during the last few years.

It is largely because of these factors which are held to be detrimental to the industrial progress of the state, that individual citizens and organized groups of citizens have suggested that administration and part of the financial responsibility for "general assistance be turned back to local units of government," the local units being presumably the counties of the Commonwealth.

It would seem that any such "turning back" of the financial responsibility for general assistance might take four basically different forms.

First, the General Assembly, by proper statutory enactment might make the financing of general assistance a local function, leaving it to the counties to get the necessary tax revenue out of the tax bases (real estate, intangibles, and occupations) which they may now tax for their own purposes. Second, the General Assembly by proper statutory enactment might make the financing of general assistance a local function, and with a view of aiding the counties in carrying the new load, might return to them a larger share of state-collected taxes. Third, the General Assembly might turn primary responsibility for the financing of general assistance back to the localities, but simultaneously provide that the General Fund of the Commonwealth assume some fixed percentage of the total cost of carrying the assistance load in each county. Fourth, the General Assembly might turn general assistance back to the counties and authorize the General Fund of the Commonwealth to assume variable percentages of county assistance loads, such state participation percentages to vary in accordance with a given county's assistance needs and a given county's capacity to finance these needs out of county tax sources.

The enumeration of these four possibilities is not to be construed as a suggestion with regard to the feasibility or desirability of all or any one of them.

However, it is believed that if the first course were considered both feasible and desirable, some counties would undoubtedly face serious financial difficulties.[5] The second course, if considered both feasible and desirable, would probably necessitate the substitution of new state taxes for some of the levies now on our statute books, the choice among such substitute taxes to be guided by the ease with which they can be passed back to the localities the origin, that is, the localities where they were collected in the first place. The third course, if feasible and desirable, would place tax burdens of considerable inequality upon local units of government. The fourth course, however, would tend to equalize the inequalities in local tax loads which would ensue if the third course had been chosen.[6]

With a view of illustrating the intricacies of the problem under consideration and to facilitate legislative judgments, the Joint State Government Commission has prepared Table I.

Table I shows in Col. 2 equalized[7] assessments of taxable real estate for every county. Col. 3 shows 1939 state general assistance or direct relief payments for all counties.

Col. 4 shows what the effective county real estate tax rate[8] would have been in 1939 if the counties had been obligated to (a) assume ten percent of the cost of general assistance, and (b) finance their ten percent share out of a levy upon taxable realty. Inspection of Col. 4 shows that under these assumed conditions estimated effective county real estate relief tax rates would have ranged from 2.36 mills in Snyder County to .14 mills in Montgomery County.

Col. 5, which is comparable to Col. 4, shows what the effective county real estate tax rate would have been in 1939 if the counties had been obligated to (a) assume twenty percent of the cost of general assistance, and, (b) finance their twenty percent share out of a levy upon taxable realty. Inspection of Col. 5 shows that under these purely hypothetical conditions estimated effective county real estate relief tax rates would have ranged from 4.71 mills in Snyder County to .29 mills in Montgomery County.

Because it is sometimes contended that the counties least able to raise taxes by levying upon realty tend to have relatively high relief loads, the Joint State Government Commission presents in Col. 6 the effective county relief realty rates which would obtain if (a) on the average the counties had assumed twenty percent of the cost of direct relief in 1939, and (b) the aggregate share of the counties of twenty percent had been apportioned among the counties in accordance with a variable grant plan.

[2] For details of Pennsylvania's contemporary general assistance procedures see, Joint State Government Commission, "Relief Report," Harrisburg, 1941.

[3] See, Appendix C, p. 6563 for General and Special Fund operations for the period from 1927 to 1941.

[4] See, Chapters I and III, pp. 6451 and 6465.

[5] For general assistance, mothers assistance, old age pension, and blind pension disbursements by counties for the biennium 1937-39 see, Biennial Report of the Auditor General of Pennsylvania, pp. 192 and 193.

[6] See Chapter II, Section III, p. 6461.

[7] For equalization method used see, Appendix B, p. 651.

[8] The term 'effective tax rate' is defined as 'levy' over 'equalized assessments' multiplied by 1000.

TABLE I

Estimated Equalized County Realty Assessments, State Cost Payments for General Assistance by Counties in 1939 and Effective County Real Estate Relief Tax Rate Computed on the Basis of Alternative Assumptions

County	Total Equalized County Assessments (000)	Total State Relief Payments in County (000)	County Real Estate Tax Rate (mills): 10% of Col. 3 / Col. 2 multiplied by 1000	20% of Col. 3 / Col. 2 multiplied by 1000	If 19.82% of Col. 3 were financed under proposed variable grant plan
(1)	(2)	(3)	(4)	(5)	(6)
Adams	$ 31,094	$ 106	0.34	0.68	0.55
Allegheny	1,839,528	17,616	0.96	1.92	2.04
Armstrong	44,915	565	1.26	2.52	1.65
Beaver	153,895	1,117	0.73	1.45	1.34
Bedford	23,659	227	0.96	1.92	1.31
Berks	283,921	1,337	0.47	0.94	0.93
Blair	140,000	1,031	0.74	1.47	1.37
Bradford	22,725	281	1.24	2.47	1.41
Bucks	133,601	252	0.19	0.38	0.39
Butler	85,714	429	0.50	1.00	0.92
Cambria	170,925	1,506	0.88	1.76	1.45
Cameron	3,069	24	0.78	1.56	0.98
Carbon	33,750	310	0.92	1.84	1.19
Centre	48,485	248	0.51	1.02	0.91
Chester	177,083	470	0.27	0.53	0.56
Clarion	27,248	161	0.59	1.18	0.92
Clearfield	55,200	856	1.55	3.10	2.14
Clinton	18,333	248	1.35	2.71	1.69
Columbia	34,401	300	0.87	1.74	1.28
Crawford	48,247	289	0.60	1.20	0.89
Cumberland	62,633	156	0.25	0.50	0.42
Dauphin	256,000	1,024	0.40	0.80	0.89
Delaware	275,300	808	0.29	0.59	0.51
Elk	16,600	163	0.98	1.96	1.14
Erie	214,127	1,297	0.61	1.21	1.23
Fayette	228,705	2,570	1.12	2.25	2.24
Forest	2,649	32	1.21	2.42	1.51
Franklin	52,538	177	0.34	0.67	0.53
Fulton	3,297	16	0.49	0.97	0.30
Greene	82,000	246	0.30	0.60	0.74
Huntingdon	19,563	255	1.30	2.61	1.53
Indiana	53,548	904	1.69	3.38	2.50
Jefferson	20,990	396	1.89	3.77	1.91
Juniata	7,285	77	1.06	2.11	1.24
Lackawanna	282,582	4,266	1.51	3.02	2.72
Lancaster	406,583	622	0.15	0.31	0.38
Lawrence	105,291	1,028	0.98	1.95	1.90
Lebanon	62,500	144	0.23	0.46	0.40
Lehigh	243,333	624	0.26	0.51	0.56
Luzerne	394,493	5,831	1.48	2.96	2.59
Lycoming	50,971	690	1.35	2.71	1.75
McKean	146,164	270	0.18	0.37	0.51
Mercer	168,000	665	0.40	0.79	0.93
Mifflin	27,534	380	1.38	2.76	1.96
Monroe	36,000	180	0.50	1.00	1.03
Montgomery	461,667	660	0.14	0.29	0.33
Montour	7,367	104	1.41	2.82	1.63
Northampton	289,353	561	0.19	0.39	0.46
Northumberland	153,436	1,418	0.84	1.68	1.80
Perry	18,208	69	0.38	0.76	0.60
Philadelphia	2,528,454	28,774	1.14	2.28	2.43
Pike	16,206	38	0.23	0.47	0.62
Potter	7,287	111	1.52	3.05	1.51
Schuylkill	346,560	2,553	0.74	1.47	1.68
Snyder	7,045	166	2.36	4.71	2.27
Somerset	57,495	786	1.37	2.73	2.03
Sullivan	4,482	53	1.18	2.37	1.56
Susquehanna	16,129	345	2.14	4.28	2.54
Tioga	17,319	199	1.15	2.30	1.39
Union	26,557	89	0.34	0.67	0.72
Venango	26,964	527	1.43	2.85	1.92
Warren	30,769	196	0.64	1.27	0.98
Washington	208,333	1,467	0.70	1.41	1.31
Wayne	18,400	107	0.58	1.16	0.82
Westmoreland	300,000	2,453	0.82	1.64	1.52
Wyoming	8,095	184	2.27	4.55	2.72
York	171,951	592	0.34	0.69	0.64

See Footnote at bottom of Page 6492.

Before proceeding with the inspection of the effective county relief tax rates shown in Col. 6, it may be well to briefly state the principle underlying the variable grant plan on the basis of which the hypothetical computations have been made.

From point of view of principle, the variable grant plan underlying the computation merely stipulates that counties having higher than average equalized per capita real estate assessments shall contribute a percentage larger than twenty percent toward financing the cost of direct relief and counties having lower than average equalized per capita real estate assessments shall contribute less than twenty percent toward the cost of maintaining direct relief.[9]

Inspection of Col. 6 shows that under the variable grant plan underlying the computation, effective county real estate relief tax rates would have ranged from 2.72 mills in Lackawanna and Wyoming Counties to .30 mills in Fulton County.

It is likewise instructive to compare the millages shown in Col. 5 (millage required by individual counties if the county had assumed a flat twenty percent of the cost of relief in 1939) and Col. 6 (millage required if counties on the average had been required to contribute twenty percent of the cost of relief in 1939 but if an individual county's contribution has been varied in accordance with variable grant plan). Inspection and comparison of these two columns indicates that Snyder County, which would have had to impose a rate of 4.71 mills under the flat twenty percent plan (see, Col. 5) would have been able to manage with a millage of 2.27 under the variable grant plan. Per contra, Montgomery County, which would have been required to levy .29 mills under the flat twenty percent plan, would have been called upon to impose .33 mills under the variable grant plan.

As was suggested above, the difficulties arising out of local inequalities with respect to the supporting of public functions as well as inequalities in specific local burdens may be overcome by: 1) an increase in state-local transfer payments for general local purposes, such as is represented by shared taxes[10] or 2) the introduction of variable grant plans tied to the financing of specific functions.

As regards the considerations bearing upon the choice of either method, it may be observed that variable grant plans when tied to specific functions such as general assistance are more likely to produce the results contemplated by legislators than shared taxes, simply because shared taxes, when returned to collection points (which is the standard state practice[11]) may or may not flow to the points of greatest need and lowest capacity.

[9] For purpose of the computation underlying Col. 6, this general variable grant principle has been translated into the following formula:

$$R_1 = 1 - k \frac{A_1}{A_s - A_1}$$

where R_1 is the percentage reimbursement which the state allots to a given county (i), k is a constant which in the case under consideration equals two fifths, A_1 is a given county's equalized per capita real assessment, A_s is the state's equalized per capita real estate assessment.

Legend:

Col. (2) Unequalized county assessments from a compilation of The Pennsylvania Manual, 1939, p. 981. These unequalized assessments were equalized at the market level by multiplying each county's assessed-market value ratio as given by Moody's 'Governments and Municipals' New York, 1934-1940; Prentice-Hall, Pennsylvania State and Local Tax Service, New York, 1938-1939; Logan, E. B., Taxation of Real Property in Pennsylvania, Philadelphia, 1934; and Commerce Clearing House, The Pennsylvania Tax Service, New York, 1939.

Col. (3) From a compilation of the Joint State Government Commission.

[10] See, Newcomer, M., "Revenue Sharing Between Federal and State Governments and Between State and Local Govrnments," Proceedings of the 29th Annual Conference on Taxation of the National Tax Association, 1936, pp. 275-282.

[11] See, Tax Systems, op. cit., pp. 5 to 107, Disposition Columns.

Because of the relative accuracy with which a variable grant plan facilitates realization of the legislative intent, such a plan has been developed for the financing of general assistance in Pennsylvania.

Needless to say, the members of the Joint State Government Commission do not recommend nor reject the variable grant plan which is likely to accomplish certain objectives.

The variable grant plan, outlined below, is based upon the assumptions that 1) it is desirable that the counties assume some fraction of the cost of financing general assistance, and 2) a given county's percentage share in financing its public assistance load is to vary in accordance with both, the given county's need as measured by general population,[12] and the given county's fiscal capacity as measured by equalized county real estate assessments.

In order to facilitate computations of the percentage shares of the total cost of carrying general assistance which different counties would have to assume if a variable grant of the type outlined above were adopted by the General Assembly, the Joint State Government Commission had to make some assumptions regarding the average percentage share of the cost of general assistance which the counties might assume. For computation purposes only, the members of the Commission have assumed that on the average the counties might finance ten and twenty percent, respectively, of the total cost of general assistance. It is again pointed out that this assumption is made for computation purposes only. It is not to be construed as a recommendation on the part of the Commission.

It should also be pointed out that the computations in Table I,[13] Column 6, are based upon the expenditure of $91,000,000 for General Assistance for the calendar year 1939. This represents the largest sum expended by the Commonwealth from State Funds for unemployment relief (General Assistance) in any calendar year.

Since 1939 represents the peak year in such costs, it is obvious when computing costs to the counties under the variable grant plan they will rise and fall with the relief burden. Expenditures for general relief in the calendar year 1940 was approximately $60,000,000, a reduction of about one-third under the amount spent in 1939. On the 1940 basis, the costs computed for each county would be correspondingly reduced.

Section III

Public Education: Another Problem In State-Local Financial Relations

Members of the General Assembly have for quite some time been aware of the fact that all is not well with public education in Pennsylvania.

Legislative solicitude for the welfare of public education, a function of government which is specifically mentioned in the Constitution of the Commonwealth and which according to Constitutional mandate is to be at least partially supported out of state government funds[1] has been in evidence on various occasions.

This solicitude on the part of Pennsylvania legislators is reflected in several bills,[2] which, though failing of passage at recent sessions of the General Assembly, provided for additional school tax revenue, special legislative appropriations made available to so-called "distressed school districts"[3] and the Hon. Franklin Spencer Edmonds' proposal[4] to increase contemporary school district reimbursement fractions[5] by five points each.

The problems of public education in Pennsylvania have recently been set forth by the 1940 Pennsylvania Education Congress[6] called by Dr. Francis B. Haas, Superintendent of Public Instruction, the Pennsylvania Federation of Teachers,[7] and the Pennsylvania State Education Association.[8]

Though these different organizations and agencies propose somewhat different remedies for the relief of the contemporary educational situation, in the main they seem to agree upon the nature of the major sore spots.

Generally speaking, it is claimed by all these organizations that 1) present general levels of school support are in grave danger of serious impairment because of the shrinkage of the real estate base, the financial mainstay of public education in the Commonwealth, 2) the present state reimbursement system does not facilitate equal educational opportunities to all Pennsylvania children of school age, 3) levels of education in Pennsylvania public schools are not as high as they might be and steps should be taken to remove the financial handicaps which at present make it difficult if not impossible to offer all children adequate "foundation programs."

It will be observed that these three claims are of somewhat different order. Claims one and two relate to observable facts, but the third claim is concerned with matters of broad social policy.

As regards the validity of the first claim, it does appear that real property assessments in Pennsylvania have been declining from $9,960,000,000 in 1931-32 to $9,100,000,000 in 1936-36.[9] This decline in aggregate realty assessments, though considerable, was not uniformily distributed among the different levying jurisdictions. As regards the uneven distribution, the "Report" observes:

"From 1931-32 to 1936-37 the decrease in reported assessed valuation in districts of the first class was $940,000,000, approximately 20 per cent. Computed on a per teacher basis and an average tax rate of 10 mills, this decrease is equivalent to a loss in local revenue of $900 per teacher. In one of the second-class districts, assessed valuation decreased from approximately $74,000,000 in 1931 to approximately $54,000,000 in 1935, a net decrease of

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[12] See, Wueller, P. H., "The Measurement of the Relative Capacities of the States" in Studies in Income and Wealth, Vol. III, National Bureau of Economic Research, Part VII, p. 437 and following.

[13] See, Table 1 p. 6492.

[1] See, Constitution of Pennsylvania, Article X, Section I.

[2] Regular Session, 1939, H. B. 409; Regular Session, 1939, H. B. 157; Regular Session, 1937, H. B. 59; Special Session, 1936, H. B. 61; Regular Session, 1935, H. B. 1473.

[3] See, p. 6464 and following.

[4] Regular Session, 1939, S. B. 253.

[5] See, p. 6463.

[6] See Commonwealth of Pennsylvania, Department of Public Instruction, "Pennsylvania Public Instruction," Vol. VIII, November, 1940, pp. 21-28.

[7] Pennsylvania Federation of Teachers, "Improve Educational Opportunities for Pennsylvania Children," Philadelphia, no date given, but apparently published in 1939.

[8] Pennsylvania State Education Association. "Report of the Committee on Survey of School Costs," Harrisburg, 1938; also, Pennsylvania State Education Association, "The Financing of Public Education in Pennsylvania," Harrisburg, 1940.

[9] See, Pennsylvania State Education Association, "Report ....." p. 113; see, too, below, Appendix C, which presents assessment data compiled by the Pennsylvania Department of Internal Affairs, which show that real property assessments have declined in most Pennsylvania jurisdictions.

$20,000,000 or approximately 30 per cent. On another second-class district, assessed value decreased from $127,000,000 in 1931 to approximately $105,000,000, estimated for 1938, or an approximate decrease of $22,000,000, which, in the opinion of the president of the board in this area, may require an increase in the tax rate for next year of 10 mills to maintain the present program.

"The extent to which schools are handicapped by delinquencies in tax payments is evident from the fact that in 1935-36 out of a total tax levy of $133,000,000, approximately $27,000,000 remained delinquent. The decline in the net amount of taxes collected for school purposes has dropped from $137,000,000 in 1930-31 to $106,000,000 in 1935-36, a net decrease of $31,000,000."[10]

As regards the second claim to the effect that the present reimbursement system does not facilitate equal educational opportunities, the Joint State Government Commission has previously submitted data[11] which show that school districts having equal roperty assessments per child of school age, receive different state reimbursement percentages.[12] In this connection, it should be observed, too, that Dr. E. B. Logan, present Budget Secretary of the Commonwealth, and a student of property assessment problems,[13] observed when addressing Pennsylvania educators during Schoolmen's Week: "In my opinion the present method of granting state aid has outstanding defects . . . there can be no sound defense for the wide state aid groupings as now arranged . . . In my opinion fundamental changes need to be made in the method of granting state aid. About three-fourth of the states use the system of supplying from state funds the amount necessary to finance a standard minimum program after a flat millage has been applied to the valuation of property and it appears to me that the method is far superior to the method now used here."[14]

As regards the contention of the education groups to the effect that the offerings of Pennsylvania public schools might well be enriched[15] and levels of education might well be raised, it should be observed again that this contention involves matters of basic legislative policy. Who after all is to decide how comprehensive public education is to be? Manifestly, the answer must be given by the members of the General Assembly speaking for their constituents.

It is rather difficult to determine exactly how "rich" and "comprehensive" contemporary Pennsylvania educational offerings are. A first clue to the relative quality of education in Pennsylvania, however, is afforded when current expenditures for education per pupil in Pennsylvania are compared with those of other states.

Table II has been prepared with a view of facilitating such comparisons.

Inspection of the above table indicates that Pennsylvania with a per pupil current expenditure of $79.70 ranks lower than New York, California, New Jersey, Massachusetts, Connecticut, Illinois, Ohio and Wisconsin. Pennsylvania's per pupil expenditures are about equal to those of Michigan, and higher than those of Indiana, West Virginia, Tennessee and North Carolina.

TABLE II

Current Expenditures for Public Education in Pennsylvania and 'Competitive States'
1935-36

State	Current Expenditures Per Pupil	Current Expenditures Per Child
(1)	(2)	(3)
Pennsylvania	$ 79.70	$54.53
California	115.60	97.07
Connecticut	90.76	62.12
Illinois	86.06	55.70
Indiana	69.08	53.65
Massachusetts	104.51	74.53
Michigan	78.82	56.10
New Jersey	108.33	74.18
New York	134.13	95.08
North Carolina	31.11	22.09
Ohio	82.42	58.86
Tennessee	35.81	24.15
West Virginia	57.93	42.11
Wisconsin	80.87	55.18

* From Report of the Advisory Committee on Education, Washington, 1938, p. 225.

It goes without saying that dollar figures do not tell the whole story of the quality of education. The members of the Joint State Government Commission are of the opinion that the whole subject of publicly supported and publicly subsidized education should be thoroughly and intensively studied. Such a study should cover all education in which the Commonwealth has a contingent financial interest and should not be confined to present financial arrangements but should also endeavor to ascertain what the Pennsylvania taxpayer obtains at the present time for his dollar and how the quality of the service now obtained might be improved and how inequalities might be removed without the expenditure of additional amounts of public monies.

To remedy the above discussed conditions the Pennsylvania Education Congress, Pennsylvania State Education Association, and the Pennsylvania Federation of Teachers suggest certain measures. Some of these measures are identical, others are somewhat different in character.

The Education Congress,[16] the Pennsylvania State Education Association,[17] and the Pennsylvania Federation of Teachers[18] agree that the present difficulties faced by public education in Pennsylvania can be solved only if the state government makes larger state appropriations available to the local school districts.

The Education Congress and the Pennsylvania State Education Association, on the one hand, and the Pennsylvania Federation of Teachers, on the other, differ, however, with regard to the volume of additional state aid to the schools, the method to be used in making such additional state aid available, and the state sources of tax revenue to be tapped to finance the additional state aid called for.

First, as regards the volume of additional state aid recommended. The Pennsylvania Federation of Teachers suggests that the state government of the Common-

[10] Pennsylvania State Education Association, "Report....." pp. 113 and 114.

[11] See, Chapter II, Table VI, p. 6465 and Table VII, p. 6465.

[12] For additional evidence bearing upon this point, see Appendix C, p. 6563.

[13] Logan, E. B., Taxation of Real Property in Pennsylvania, Philadelphia, 1934, passim.

[14] Address of Dr. E. B. Logan delivered at Schoolmen's Week, Philadelphia, March, 1937, quoted by Pennsylvania Federation of Teachers "Improve Educational Opportunities for Pennsylvania Children," pp. 7 and 11.

[15] See, p. 6493.

[16] Pennsylvania Department of Public Instruction, "Pennsylvania Public Instruction", Vol. VII, November. 1940, p. 22.

[17] Pennsylvania State Education Association, "Report of the Committee on Survey of School Costs", Chapter IV, p. 109.

[18] Pennsylvania Federation of Teachers, "Improve Educational Opportunities for Pennsylvania Children", p. 9.

wealth, in addition to amounts now allocated to the school districts, make available $51,900,000 annually.[19] The Pennsylvania State Education Association suggests that an additional $35,500,000 be made available to the school districts annually.[20] And the Committee on Taxation Policies and Procedures of the Education Congress suggests that the state government of the Commonwealth assume on the average between 35% and 40% of the cost of public education.[21] In terms of dollar amounts, the Education Congress proposal is the approximate equivalent of the Pennsylvania State Education Association recommendation.

Second, as regards the procedure to be employed in transferring the called for state aid to the local school districts the Pennsylvania State Education Association and the Tax Policy Committee of the Education Congress are in accord, but the Pennsylvania Federation of Teachers proposes a method of its own.

Technicalities aside, the Pennsylvania State Education Association proposes that a foundation program of $1,600 be established for every elementary teaching unit and that a foundation program of $2,000 be established for every secondary teaching unit. These foundation programs ar to be financed as follows: 1) increase the present reimbursement fractions[22] by twenty points each, that is, increase the reimbursement fraction of fourth class school districts from .50 to .70 etc., and 2) have the General Fund of the Commonwealth pay to each school district the difference between the cost of the foundation program and the amount raised by a five mill tax upon real estate plus the amounts made available to each school district under the increased reimbursement fractions.[23]

If put into operation this plan would work as is illustrated by the example below:

"Gettysburg, a third-class district in Adams County, has 25.5 elementary teachers and 19.5 secondary teachers. The total true value of property in 1936-37 in Gettysburg was $3,993,000. Providing a school program equivalent in cost to $1,600 for every elementary teacher and $2,000 for every secondary teacher would cost $79,800. A uniform tax levey of five mills on the true value of property in Gettysburg would produce $19,965 toward the school program. Present aids, that is appropriations now received, would provide $27,000 toward the cost of this program. The proposed amendments to the Edmonds Act would provide additional State appropriations of $12,120. The total amount provided by the five-mill levy on true value, the present appropriatinos, and the new Edmonds appropriations would total $59,085. This amount is $20,715 less than the cost of the foundation program indicated in column 5. The State would, therefore, provide an additional appropriation as an equalization grant in the amount of $20,715, thus guaranteeing the foundation program in the amount of $79,800 with a local tax effort of five mills."[24]

The reimbursement plan of the Pennsylvania Federation of Teachers agrees with the plan outlined above as regards dollar definition of the foundation program, but stipulates that the program be financed by having the General Fund of the Commonwealth "pay each scchool district $1,600 per elementary teaching unit, $2,000 per secondary teaching unit, less a deduction of yield of two mill tax on true value of real estate."[25]

Third, as regards the financing of the additional state aid to the schools the suggestions of the Taxation and Sources of Revenue Committee of the Pennsylvania State Education Association, again differ from those of the Pennsylvania Federation of Teachers.

Purely administrative changes aside, the Committee on Taxation and Sources of Revenue of the Pennsylvania State Education Association suggests that the General Fund of the Commonwealth be placed in a position to finance the additional state aids and that in order to make it possible for the General Fund to carry the additional load, the following taxes be imposed: 1) a clear income tax levied at the rate of 2% and providing for the deduction of necessary living costs up to a legislatively stipulated maximum of $1,800 per taxable return, 2) a two percent retail sales tax, exempting food, gasoline and alcoholic beverages sold by the state monopoly, and 3) a tax, imposed at the average state rate, upon the operating properties of public utilities.[26] In addition, the Taxation and Sources of Revenue Committee of the Pennsylvania State Education Association recommends that a state agency be established, such agency, among other functions, to equalize the assessed value of all taxable real estate at market levels, and that legislation be enacted to make it mandatory upon the Superintendent of Public Instruction to reimburse the school districts on the basis of these equalized real estate assessments.[27]

The tax measures suggested by the Pennsylvania Federation of Teachers are: 1) a tax at a rate not specified upon the operating properties of public utilities, 2) a tax at rates not specified upon gifts, such tax to supplement the present Pennsylvania transfer inheritance tax, 3) increases at rates not specified of the present inheritance transfer tax, 4) taxes at rates not specified upon the income from stocks, bonds, and mortgages, and 5) better enforcement of personal property taxes.[28]

The members of the Joint State Government Commission are of the opinion that the determination of the quantity and quality of educational offerings made available to the children of Pennsylvanians rests exclusively with the General Assembly. As regards the facts in the case, it may be observed that at present, equality of educational opportunity on the levels suggested by the Education Congress, the Pennsylvania State Education Association and the Pennsylvania Federation of Teachers is exceedingly difficult of attainment because of: 1) the real estate assessment situation which prevails throughout the state, and 2) the heavy drains imposed upon the General Fund of the Commonwealth by virtue of general assistance disbursements.

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[19] Pennsylvania Federation of Teachers, op. cit., p. 10.
[20] Pennsylvania State Education Association, "Report .....", Chapter IV, p. 9.
[21] Commonwealth of Pennsylvania, Department of Public Instruction, op. cit., p. 22.
[22] See, above, p. 6463
[23] Pennsylvania State Education Association, op. cit., pp. 115 and 122.
[24] Ibid., p. 125.
[25] Pennsylvania Federation of Teachers, op. cit., p. 13.
[26] For a complete summary of the fiscal proposals see, Pennsylvania State Education Association, "Report.....", p. 89.
[27] Ibid., p. 78. In this connection it should be observed that the Pennsylvania State Council on Education, an advisory body to the Superintendent of Public Instruction now has the authority to investigate local real estate assessments used for school tax purposes. However, the General Assembly has never seen fit to appropriate sufficient funds to the Council to enable it to carry this authorized function. The assessment situation might be somewhat relieved if the General Assembly chose to make an appropriation available to permit the Council to perform this particular function.
[28] Pennsylvania Federation of Teachers, op. cit., p. 15.

Section IV

Some Problems of Tax Administration

Although today's crucial fiscal problems are concerned with tax burdens borne by different groups in the community and state-local payment procedures, tax administration presents certain difficulties which call for legislative attention.

Tax adminisration problems differ from tax and transfer payment problems by reason of the fact that they are virtually non-controversial.

Among the tax administration problems brought to the attention of the Joint State Government Commission at various public hearings which might well receive legislative attention at this time, three stand out conspicuously: 1) the administrative procedures which must be followed if a Pennsylvania taxpayer wishes to appeal a decision of the Pennsylvania Department of Revenue; 2) the refunds allowed a taxpayer for overpayment; and 3) the interest payable in consequence of additional assessments.

As regards appeal procedures it should be observed that a taxpayer who wishes to appeal from a revenue department decision petitions for a so-called resettlement. Upon such petition the taxpayer appears before what is known as the "small board" consisting of the Secretary of Revenue and the Auditor General. If no satisfactory agreement can be reached with the "small board," the taxpayer may take the case before the Board of Finance and Revenue consisting of the Secretary of Revenue, the Auditor General, the Attorney General, the State Treasurer, and the Secretary of the Commonwealth, or their representatives.

Representatives of taxpayers groups are of the opinion that this arrangement is unsatisfactory because some of the same officials who determine a taxpayer's liability in the first instance hear the appeal. These representatives of taxpayer groups suggest that the General Assembly create a special tax appeal body to consist of three members to be appointed by the Governor for overlapping terms and removable for cause only.

As regards refunds it should be noted at present the Department of Revenue grants no cash refunds whatsoever. All refunds are granted in the form of credits, such credits to be applicable only to other tax obligations. As regards this situation the members of the Joint State Government Commission feel that the procedure now prescribed by law is inequitable and they recommend that the taxpayer be allowed either a cash or a credit refund and that interest be allowed, such interest to run from the date of payment.

It should likewise be noted that at present the taxpayer does not have the privilege to appeal to the courts in refund matters. Again the members of the Joint State Government Commission are of the opinion that the taxpayer should be granted the privilege to appeal to the courts. In addition, the members of the Joint State Government Commission would welcome legislation which would require the Department of Revenue to settle all corporate tax returns within 90 days from the date when the request for settlement is made, provided that the exercise of this right shall not be effective prior to 90 days before the end of the year following the year for which the report was made or became due. Similarly, the Department of Revenue should be required to dispose of a petition for resettlement within six months from the date on which the petition was filed unless the petitioner in question agrees to file a waiver or by his own action causes delay.

Appendix A

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Section I

The Legislative Histories of Major Pennsylvania Taxes

Appendix A presents outlines of the legislative histories of major Pennsylvania taxes and a memorandum prepared by Sheldon C. Tanner titled "Constitutional Limitations of the Taxing Power in Pennsylvania." This memorandum is in the nature of a historical survey of important Pennsylvania court decisions in the light of which the so-called uniformity clause of the Pennsylvania Constitution must be interpreted. Needless to say, this memorandum has an important bearing upon the constitutionality of so-called "progressive" or "graded" state taxes.

The legislative histories of major Pennsylvania state taxes are arranged in accordance with the base by reference to which the taxes in question are levied in the following order: 1) capital base, 2) net income base, and 3) transaction base.

Each legislative history consists of: 1) legislative enactments pertinent to a given tax, 2) judicial interpretations of the pertinent tax statutes, and 3) the contemporary status of the act. In addition, each legislative history is accompanied by yield statistics covering, as a rule, the last decade.

Legislative History

Capital Stock and Bonus Tax

Date of Act	Principal Changes from Prior Act	Rate
6-11-1840 P. L. 612		No profit—no tax ½ mill of C. S. value for each % of Dividend.

Date of Act	Principal Changes from Prior Act	Rate
3-21-1843 P. L. 121	Joint Stock Assos. added	Same
4-29-1844 P. L. 486	Rate	As above if Div. is 6% or more. 3 mills if Div. is less.
4-12-1859 P. L. 529	Repeal tax on Div. on Co's. paying C. S. tax	As in 1844 Act
5-1-1868	Foreign corporations taxed except for insurance Co's.	As in 1844 Act
4-24-1874 P. L. 68	Value of C. C. not less than selling price—Fiscal officers can revalue C. S.	As in 1844 Act except transportation Co's.—Increased rate.
6-7-1879 P. L. 112	Limited partnerships taxed except Mfg. & Mercantile Co's. ...	As in 1844 Act
6-30-1885 P. L. 193	Corps. granted mfg. exempt. except those mfg. gas, malt, and vinous liquors	As in 1844 Act
6-1-1889 P. L. 420	Mfg. exempt. limited to Co's. organized exclusively for mfg. except brewing and distilling or those with eminent domain ...	As in 1844 Act
6-8-1891 P. L. 229	Rate—Attempt to equalize taxes	5 mills on actual value of C. S. of taxables except fire and marine insurance Co's. (3 mills).
7-15-1897 P. L. 292	Independent Act for Distilling Co's.	10 mills
6-7-1907 P. L. 430	Securities exempt from further taxes limited to those in which all shareholders have equitable interest	5 mills
6-7-1911 P. L. 673	Reenacted Act of 1907 correcting defective title Exempted B. & L. Assos.	3 mills 5 mills
7-22-1913 P. L. 903	Exempted laundering co's. Overruled court decision to contrary	3 mills 5 mills 3 mills
6-2-1915 P. L. 730	3rd element (intrinsic value of assets) of valuation added	5 mills 3 mills
7-15-1919 P. L. 948		
4-20-1927 P. L. 311	Exemption granted on value of shares in auxiliary corps represented by tangibles outside of Pa.	5 mills
3-15-1927	Exempted 1st class corps.	3 mills
5-4-1927 P. L. 713	Changed filing date to March 15	5 mills 3 mills
4-25-1929 P. L. 657	Exemption to corps. "processing and curing meats"—To overrule court decision	5 mills 3 mills
6-22-1931 P. L. 685	Definite formula to properly exempt non-taxable assets—Change of 4-20-27 limited to corps. owning majority of shares of foreign corps.	5 mills 3 mills
5-16-1935 P. L. 184	Mfg. ex. repealed for 2 yrs.—Foreign corps. etc., relieved from C. S. tax, subject to Franchise tax instead	5 mills
4-18-1937	Repeal of mfg. ex. made permanent	5 mills

Receipts From Capital Stock Tax for 21 Year Period

Year Ended	Domestic	Foreign	Total-Year	Total-Biennium
5-31-39	20,203,344.	7,732,136.	27,935,480.	
5-31-38	21,733,412.	7,792,338.	29,525,750.	57,461,230.
5-31-37	35,854,995.68	10,492,733.96	46,347,729.64	
5-31-36	17,197,933.29	1,524,827.98	18,722,761.27	65,070,490.91†
5-31-35	16,084,300.21	1,040,652.38	17,124,952.59	
5-31-34	15,414,698.18	989,112.13	16,403,810.31	33,528,762.90
5-31-33	15,851,112.56	836,948.12	16,688,060.68	
5-31-32	22,785,428.37	1,099,663.38	23,885,091.75	40,573,152.43
5-31-31	26,300,959.72	1,155,845.60	27,456,805.32	
5-31-30	14,962,570.66	1,143,448.48	16,106,019.14	43,562,824.46
	Domestic and Foreign			
5-31-29		17,999,191.73		
5-31-28		20,427,852.82		38,427,044.55
5-31-27		20,473,292.30		
5-31-26		19,110,520.19		39,583,812.49
#5-31-25 & 5-31-24		35,929,504.57		35,929,504.57
5-31-23		17,181,657.51		
5-31-22		16,352,212.60		33,533,870.11
##5-31-21		4,176,483.81		
‡11-30-20		12,413,263.42		
11-30-19		15,317,893.21		27,731,156.63

2 Year Period.

6 Month period to mark change of fiscal year from that ending Nov. 30th to the present basis ending May 31st.

‡ 12 Month period; final fiscal year ending Nov. 30th.

† First biennium including self-assessing taxes. Year ended 5-31-37 included two years of capital stock tax revenue in one.

Note: The above amounts are those collected in the years indicated. The amount for a particular year not necessarily indicate the capital stock tax imposed for the year immediately preceding. Some figures may include tax for two or three or even more preceding years. Court appeals, tardy settlements, etc., may delay final payment of tax beyond the year of normal settlement.

It was found in the first half of the nineteenth century the revenues derived from sale of public lands, surveys of boundary lands, rents reserved to the Commonwealth, etc., were insufficient to meet the ever-expanding expenses of the state. Domestice corporations as a class were decided upon as a new source of revenue.

The Act of June 11, 1840, P. L. 612 marked a distinct and radical departure in the public policy of the Commonwealth. Although bank dividends had been taxed since 1814 corporations were the first time set apart as a separate class for the purpose of taxation. This act imposed for a period of five years from January 1, 1841 a tax upon "the capital stock paid in of all banks, institutions and companies whatsoever, incorporated by or in pursuance of any law of this Commonwealth. . . ."

Joint stock associations were added to the list of taxables by the Act of March 21, 1843, P. L. 121. Under this act and the act it amended, that of 6-11-40, P. L. 612 the Capital Stock of such domestic corporation and Joint stock associations on which dividends or profits of one per cent or more per annum were made or declared were alone subject to the new tax at the rate of (a) one-half mill on every dollar of the value thereof and in addition (b) at one-half mill for each per cent of dividend or profit made or declared. If no profit was earned no tax was imposed.

The tax was imposed on the shareholder until changed by the Act of April 24, 1874, P. L. 68 when it was levied directly upon the corporation. This feature of having the treasurer of the corporation or joint stock association

deduct the amount of the tax from the dividends or profits made or declared is similar to that of the present Corporate Loans Tax wherein the corporation treasurer is required to withhold the amount of the tax when paying interest to the holder of the taxable indebtedness. It does not appear, however, that in case the treasurer failed to withhold the tax the corporation became liable therefor as is provided in the Loans Tax Act.

The Act of April 29, 1844, P. L. 486 changed the no profit no tax feature of the Act of 1840 by providing that "where any such . . . company shall fail to make and declare any dividend or profit or shall make or declare . . . a profit of less than 6% per annum the cashier or treasurer and a majority of the directors or managers thereof . . . shall estimate and appraise the capital stock . . . at its actual value in cash . . . and pay a tax of 3 mills on such value." The provision of the Act of 1840 as to a tax of one-half mill for each per cent of dividend remained in force in all cases where the dividend or profit was 6% or more. The rates set by this Act remained in force until changed by the Act of June 8, 1891, P. L. 299, a period of almost fifty years.

In the Act of April 12, 1859, P. L. 529 was provided a method of collecting the tax when the dividends payable to stockholders were not sufficient to pay the tax due the State. The treasurer was empowered, after notice and demand upon the shareholder, and due advertisement, to sell the shares of stock at public sale to realize the amount of the tax.

For 15 years from 1844 to 1859 the law remained unchanged. In the latter year (Act of April 12, 1859, P. L. 529) banks of deposit and discount, or savings banks became subject to the capital stock tax. All companies liable to the capital stock tax and a tax on dividends, except banks of issue, were exempt from the latter tax. This act also provided for an exemption to building and loan associations, plank road, and turnpike companies, when dividends were not made or declared.

By the Act of May 1, 1868, foreign corporations were for the first time made subject to the capital stock tax. Banks and saving institutions and foreign insurance companies were expressly exempted. The exemption from the tax on dividends to corporations which paid a capital stock tax was continued.

An effort was made to exempt manufacturing, mining and quarrying corporations which paid a capital stock from the 3% tax on net earnings. This failed and an amendment was proposed to exempt manufacturing, mechanical, mining and quarrying companies paying the 3% tax on net earnings and income from the capital stock tax. This also was defeated. It apparently marked, however, the first effort to exempt manufacturing corporations from the capital stock tax.

By the Act of April 24, 1874, P. L. 68, a more definite measure or test was provided for determining the value of the capital stock. Under this Act the value should not be less than the average selling price of the shares. This measure of value has remained through the years and forms today one of the three tests for determining the value of the capital stock. The fiscal officers of the Commonwealth were authorized to revalue the capital stock when not satisfied with the value as appraised by the corporation officers. On certain transportation companies was imposed a special rate of a tax at 9/10 of a mill for each one per cent of dividends made or declared with a minimum rate of 6 mills on actual value of capital stock when dividends were not made or declared. This was in contrast to the votes of ½ mill and 3 mills respectively as applied to all other companies. Building Associations were expressly exempted from the capital stock tax.

The Act of March 20, 1877 repealed the Act of 1874 but substantially re-enacted its provisions.

What amounts substantially to a corporation tax code was incorporated in the Act of June 7, 1879, P. L. 112. A safeguard was thrown about the method prescribed by previous acts in arriving at a value of capital stock for capital stock purposes. Apparently the practice had grown up of not declaring and paying dividends to stockholders but carrying them into a surplus or sinking fund account. The Act of 1879 provided that profits added to sinking fund should be regarded as having been paid to the stockholders and so taxed. Another definite measure of capital stock valuation was provided in that the valuation should be not less than the value indicated by the amount of dividends made or declared.

A new provision of the Act of 1879 was to impose for the first time the capital stock tax on limited partnerships. It expressly provided, however, that the tax should not be imposed on limited partnerships organized for manufacturing or mercantile purposes. This was the first time the policy of encouraging manufacturing in Pennsylvania appeared in the statutes. From a date some six years later it was applied to corporations and continued without interruption for a period of fifty years.

An Act passed in 1874 had provided for the formation of limited partnerships but they enjoyed an immunity from state taxes until 1879. In the legislative session of that year there was some considerable opposition to imposition of a state tax on limited partnerships. Opponents charged a breach of promises held out to capital by the Act of 1874 which in effect invited formation of limited partnerships. The danger of having the Act declared unconstitutional as an improper classification of taxable subjects was mentioned repeatedly. Harm to industries of the State was feared by the opposition. The proponents of the bill cited the special privilege of limited liability enjoyed by the members of the limited partnerships as compared to those of a general one; unfairness to corporations which had been paying a capital stock tax since 1840; the loss of corporation tax revenue—which was claimed as great a shrinkage as 65%—by many corporations giving up their charters and becoming limited partnerships. A determined effort was made to limit the tax, which was imposed on the actual value of capital stock—the interest of the partners being regarded for the purposes of this act as capital stock, to limited partnerships which were to be organized "hereafter." The Assembly, however, imposed it on those already in existence as well. Comparatively little resistance in both the House and Senate was made to the provision which exempted manufacturing and mercantile limited partnerships from the tax.

The policy of the Commonwealth of fostering manufacturing by corporations within it, adhered to for a period of fifty years and abandoned in 1935 because of the acute need for additional revenue caused principally

by the relief demands incident to the economic depression, had its origin in the Act of June 30, 1885, P. L. 193. The presentation of the exempting provisions of the bill to the legislative assembly, at least, to the House, was somewhat unusual. House Bill 514 which provided for a penalty on banks and saving institutions for failure to file their annual reports and to pay the four mill tax was passed and sent to the Senate. On third reading in the latter body after extended debate it was amended to exempt all manufacturing corporations, limited partnerships and joint stock associations, except gas companies and those engaged in the manufacture of malt, spiritous or vinous liquors. In explanation of the manner of presenting the question of amending House Bill 514, it was stated in the Senate that, because of the lateness of the date, there was no prospect at the current session of passage of any of the several bills before the House repealing the State Tax on capital stock. In the debate those favoring the manufacturing exemption dwelt upon the salutory effect of the amendment, which equalized the burden of state taxation upon corporations and limited partnerships, upon formation of new corporations which were then becoming limited partnerships and the cessation of changing of existing corporations to this form of business enterprise. A leading manufacturer of the State in a letter read in the Senate cited the revenue of—bonus from charters in 1883 as only $7500, according to a report of the Secretary of the Commonwealth, and in 1884 probably only half of that sum and prophesied if the manufacturing exemption were passed such revenue would rise to $150,000 or $200,000 in a single year.

The manufacturing exemption was defended as a direct benefit to employers and employees of industry and an indirect benefit to agricultural classes because it provided a home market for their products. Fostering manufacturing corporations was claimed to be the only solution of labor troubles—declared to be the worst in Pennsylvania of any State in the country—as the wage-earner is given a chance to become a partner. Attention was called to the fact that the adjoining states of New Jersey, Ohio, and Delaware imposed no similar state tax on corporations. The principal opposition to the bill as amended developed in the House after it was sent from the Senate for concurrence in the amendment. It was strenuously contended the bill was unconstitutional because its original purpose was changed in its passage through the Senate in violation of Section 1 of Article III of the State Constitution and because it contained more than one subject in violation of section 3 of the same article. Another objection was the loss of revenue to the Commonwealth. This was answered by the claim that the increase in revenue provided by other measures in the same session would be three times the amount lost by the extension of the manufacturing exemption to corporations. The bill was finally passed without further amendment and sent to the Governor. Later it was recalled from the Governor because of the question of its Constitutionality and in its stead House Bill 513 was finally passed and became law.

House Bill 513 which finally became the Act of June 30, 1885, P. L. 193, supplemented the Act of 1879 and dealt principally with the tax on Loans and the four mill tax on personal property. It passed the House with such provisions and was sent to the Senate. There it was amended on final passage by including the penalty provision on banks and saving institutions of House Bill 514 and Section 20 which extended the manufacturing exemption to all corporations except gas companies and those engaged in the manufacture of malt, spiritous or vinous liquors. Similar arguments were advanced in the deliberations of this bill in the Senate and House as in the case of House Bill No. 514 discussed above. One interesting statement made was that nine-tenths of all employees of corporations in Pennsylvania except railroad companies, work for manufacturing corporations.

The present Capital Stock Tax Act is the Act of June 1, 1889, P. L. 420, as amended. Although the Act has been amended frequently in the last fifty years it has never been repealed entirely. Sections 20, 21 and 22, which are the heart of the Act, are for the most part a re-enactment of the pre-existing law. Section 20 sets forth the corporations required to file reports and outlines the form of the annual report—a form of report practically unchanged until 1915. Section 21 imposes the tax which was arrived at as in prior acts, being based on a variable rate of one-half mill on each dollar of the value of the capital stock for each per cent of dividend made or declared when such dividend was six per cent or more and on a flat rate of three mills upon each dollar of the actual value of the capital stock when the dividends earned or declared were less than 6%. Section 22 imposes a penalty for failure to file reports and possible loss of charter for failure to file for three successive years. Under this Act for the first time mortgages, bonds and other securities owned by a corporation in its own right were exempt from further taxation.

The manufacturing exemption was continued but was limited to corporations, limited corporations and joint stock associations, organized exclusively for manufacturing purposes and actually engaged in manufacturing in the state. The exemption was not allowed companies engaged in brewing, or distilling of spirits or malt liquors or to those enjoying and exercising the right of eminent domain. In the discussion on the measure an amendment was proposed which would repeal entirely the manufacturing exemption. The debate that ensued was more extended than in 1885 when the exemption was first provided for. The proponents of the amendment were mostly rural members and the advocates of continuance of exemption came from the cities and industrial centers. All of the old arguments were repeated and new ones were advanced. The question of the constitutionality of the exemption was again raised.

Section 1 and 2 of Article I, which provided that general laws may exempt from taxation public property used for public purposes, would be violated, it was argued. A House member from Mercer County contended "to classify for taxation is constitutional, to classify for exemption is not." It was argued the farmer was over-taxed and needed relief. To continue the exemption would not aid him but make his burden heavier by removing the tax from an element better able to bear it. The opposition maintained the farmer would be aided for he would have a larger home market for his products by reason of the influx of workers neighboring manufacturing centers. In favor of the manufacturing exemption it was argued capital in manufacturing companies benefits the great middle class investor and the laborer by giving the one a chance to invest his small savings and the other employment. Com-

petition was encouraged by encouraging manufacturing corporations. Wages of labor in Pennsylvania were higher than in neighboring states—Massachusetts and the South were cited—but repeal of the exemption would force the lowering of wages to the level of these other states. One member of the lower house advanced the rather novel argument that he was not a friend of the corporations as opposed to the individual but he did not favor discrimination against individuals who had associated themselves together in corporations. On the other side it was contended corporations should pay for the special privileges they are allowed by the state, such as limited liability and perpetual existence; most manufacturing corporations have the protection of the tariff system; monopolies are encouraged in various industries by the failure to apply the Capital Stock Tax to all corporations, manufacturing corporations are declaring dividends from 240% to 600% in one year; manufacturing industry was not ruined by the Capital Stock exacted from corporations prior to 1885; border states all have taxes of other kinds which would discourage our manufacturing companies from migrating. The bill was finally passed by both houses after adopting the conference report which limited the exemption to those companies organized exclusively for manufacturing purposes and actually engaged in manufacturing in the state with the exceptions noted above.

In the debate on the measure in the House it was brought out that a "strong effect" had been made in the Constitutional convention of 1873 to insert a provision in the Constitution which would have placed the manufacturing exemption beyond the reach of adverse legislation. Advocates of exemption, while a majority, were divided into two camps. One wanted the exemption provided for in the Constitution while the other wanted the Legislature to provide it. The Constitutional clause was stricken out by a vote of 71 to 38.

The Act of June 8, 1891, P. L. 229, marks the most important change in the Capital Stock Tax Law. It amended sections 20 and 21 of the Act of 1889 by changing the basis for determining the amount of tax. It provides for a flat tax of 5 mills on each dollar of actual value in cash of the capital stock of taxable corporations—except fire and marine insurance companies taxed at 3 mills—regardless of whether dividends are earned or declared. According to the preambles of the Act certain corporations were escaping their share of the tax under the old system of imposing the tax when dividends less than 6% were earned or declared. These preambles recite there is a widespread demand for "equalization of taxation" and relief of real estate from "local taxation" and "moneyed capital" taxable under the Act of 1889 "does not bear its just proportion of the burdens of local taxation," and a flat tax of 5 mills is necessary to make taxes more uniform. The valuation measure was changed to provide that the stock should be valued "at its actual value in cash, not less however than the average price which said stock sold for during said year, and not less than the price or value indicated or measured by net earnings or by the amount of profit made and either declared in dividends or carried into surplus or sinking fund . . . ."

The Act of June 8, 1893, P. L. 353 provided that manufacturing exemption should be allowed on capital "invested in and actually and exclusively employed in carrying on manufacturing within the State." This change from the Acts of 1889 and 1891 allowed the exemption to corporations not organized exclusively for manufacturing purposes. Under the Act of 1889 and also the Act of 1891 a corporation which included in its charter a non-manufacturing purpose was not entitled to exemption under judicial interpretation even if it was engaged exclusively in manfacturing and never exercised the non-manufacturing privilege.

The Act of July 15, 1897, P. L. 292, imposed a Capital Stock tax of ten mills on companies incorporated for the purpose of distilling liguors and selling them at wholesale. This act was not an amendment to the Act of 1889 but an independent statute.

The Act of June 7, 1907, P. L. 430, purported to exempt companies paying capital stock tax from any further payment on bonds, mortgages, etc., in which the whole body of the shareholders as such had the entire equitable interest in remainder, but was held unconstiutional because of defective title in Provident Life & Trust Co. v. Hammond, 230 Pa. 407 (1911).

The Act of June 7, 1911, P. L. 673, Sec. 21 was successful in accomplishing what the Act of June 7, 1907, supra, had attempted. It was held constiutional in Provident Life & Trust Co. v. Klemmer, et al., Apps. 257 Pa. 91 (1917). It provided for the exemption recited supra and also expressly exempted domestic building and loan associations. The exemption originally granted these organizations by the Act of 1859, supra, was apparently lost in the subsequent revisions of the law.

The exemption from further tax of securities owned by a corporation paying a Capital Stock Tax is discussed more at length in Volume 1 of "Corporation Taxation and Procedure in Pennsylvania" by Stradley & Krekstein at page 86. Exemption was first provided under the Act of 1889 for securities owned by a corporation in its own right. The County of Philadelphia tried to impose a Pensonal Property Tax upon securities of Provident Life and Trust Company representing investments of surplus funds held by the company as a reserve to meet policy obligations. This corporation was engaged in a combined life insurance and trust company business under a special charter. The company appealed the imposition of the tax and the Supreme Court in Provident Life and Trust Company v. Durham, 212 Pa. 68 (1905) held the securities were exempt as they were held by the company in its own right and were under its absolute control.

The Act of June 7, 1907, P. L. 430, referred to above was passed apparently to permit the imposition of the Personal Property Tax by the County of Philadelphia against Provident Life and Trust Company. Accordingly the County made another attempt to collect such tax but failed because the Act of 1907 was held unconstitutional as noted. The latter Act purported to amend Section 21 of the Act of June 27, 1879, whereas there was no such Act. The Act of 1911 also referred to above enabled the County of Philadelphia to impose the Personal Property Tax upon the securities which had been set aside for the protection of the policyholders of the corporation.

The Act of July 22, 1913, P. L. 903, extended the provisions of the manufacturing exemption so as to include corporations engaged in the business of laundering. The history of this amendment is interesting. Previously the

State Supreme Court in Commonwealth v. Keystone Laundry Company, 203 Pa. 289, held that a corporation organized to conduct and conducting a laundering business was not entitled to the manufacturing exemption. In the legislative session of 1913 House Bill 1341 was introduced amending the Act of 1879, supra, and its supplements, defining a laundry company as a manufacturing corporation and entitled to manufacturing exemption. In the debate on the measure the report of the Legislative Commission of 1911 was cited as classifying laundry business as manufacturing. It was similarly classified by the bulletin report of the U. S. Census Bureau. The bill was passed finally by both houses and sent to the Governor. He vetoed the bill saying in his veto message "I see no reason why a corporation incorporated to conduct a laundry should be relieved of taxation under guise of being a manufacturing company when it manufactures nothing. This would open the door on any class of corporations being declared manufacturing corporations for the purpose of being relieved from taxation."

Later Senate Bill 1305 was amended so as to exempt laundering corporations from the capital stock tax not as manufacturing companies but as an additional class of corporations, the bill providing for exemption of "laundering or manufacturing corporations." In the debate on this measure the Governor was quoted as saying he had made a mistake in vetoing the earlier bill as he did not give it sufficient thought. According to the Legislative Journal the Governor suggested the amendment to the bill to correct his mistake.

The Act of June 2, 1915, P. L. 730, made important changes in the capital stock law. A new form was provided for the making of the annual report to the Auditor General. From this year there was included in the form a schedule calling for a history of the corporation's earnings and dividends for 5 years. The form has called for this schedule each year since but it has received little attention from the taxing officers of the fiscal departments in the last five years. The Act also provided for the filing of annual reports on a fiscal year basis for corporations that ended their year on a basis other than calendar year and so reported to the Federal Government. The present statutory rules for fixing the valuation of the capital stock of a reporting company by adding the third valuation factor, were provided by this Act:

". . . at its actual value in cash as it existed at the close of the year for which the report is made; not less, however, than, first, the average price at which the stock sold for during the year; and second, not less than the price or value indicated or measured by net earnings or by the amount of profit made, and either declared in dividends, expended in betterments, or carried into surplus or sinking fund; and third, not less than the actual value indicated or measured by consideration of the intrinsic value of its tangible property and assets, and of the value of its good will and franchises and privileges as indicated by the material result of their exercise taking also into consideration the amount of its indebtedness . . ."

The Act of July 15, 1919, P. L. 948, made minor changes such as the right to file fiscal reports to joint stock associations and limited partnerships and for extension of time for filing reports, etc.

The Act of April 20, 1927, P. L. 311, pertained to the Capital Stock Tax Act although it was not an amendment thereto. By its terms corporations owning shares of stock of other corporations were granted exemptions upon such shares represented by tangible assets located outside Pennsylvania provided such other companies were engaged in a business auxiliary to the owning corporation. This Act was a direct result of the decision of the Pennsylvania Supreme Court in the case of Commonwealth of Pennsylvania v. Sunbury Converting Works, 286 Pa. 545 (1926). In this case the Court held taxable shares of a foreign subsidiary corporation even if the tangible property of the subsidiary, if held by the parent outright, would be exempt because it was located outside the Commonwealth.

The Act of May 4, 1927, P. L. 713, changed the date capital stock reports were due from February 28 to March 15 in the case of calendar year corporations. Another Act passed the same day, that of May 4, 1927, P. L. 742, exempted "first class corporations and cooperative agricultural associations without capital stock" from the filing of capital stock tax reports. Subsequently by an opinion of the Attorney General it was held the phrase "without capital stock" did not apply to first class corporations so that these corporations were exempt from the filing of reports even though they had capital stock.

The Act of April 25, 1929, P. L. 657, transferred to the Revenue Department, created by the Act of April 9, 1929, P. L. 343, all the powers possessed by the Auditor General's Department in reference to the administration of the Capital Stock Tax. House Bill 1942 which subsequently became this Act was amended on third reading in the Senate to exempt from the Capital Stock Tax corporations, etc., engaged in "processing and curing meats, their products and by products." This amendment was the result of the decision of the Pennsylvania Supreme Court in Commonwealth of Pennsylvania v. Consolidated Dressed Beef Co., 242 Pa. 163 (1913).

Prior to 1929 it was the practice of the fiscal departments in settling capital stock tax to allow an exemption of so much of the value of the capital stock as the value of exempt assets bore to the value of total assets. Two decisions of the State Supreme Court rendered in that year cast a doubt upon the validity of such practice. Accordingly the Act of June 22, 1931, P. L. 685, was passed to remove any doubt as to the legality of the practice. In the discussion on the measure in the lower branch of the General Assembly it was brought out that the bill was twice reported to the House from the Ways and Means Committee by a very close vote. Opponents to the bill claimed it increased taxes at a time when the Governor was under obligation not to raise them; that it amounted to double taxation on shares of Pennsylvania corporations; that it would increase unemployment; that the budget didn't need increased revenue. The proponents of the bill cited the confusion incident to the upsetting of the old method of settling the capital stock tax, the need for the revenue that would be lost as a result of the court decisions, revenue that was necessary for increase to hospital appropriations and mothers pension fund.

The Act of June 22, 1931, P. L. 687, changed the exemption allowed for shares of a subsidiary company under the Act of April 20, 1927, P. L. 311, by limiting it to those corporations which held a majority of the shares of the total issued and outstanding voting stock of the subsidiary corporation. The latter corporation was no longer required to be engaged in an auxiliary business.

The most radical and far-reaching change in the Capital Tax Law in recent times was accomplished by the Act of May 16, 1935, P. L. 184, which repealed for two years the exemption previously granted to manufacturing corporations for a period of fifty years and to laundering companies and those engaged in the processing and curing of meats for shorter periods. By the terms of this act, which was not an independent and separate act, but an amendment to the Act of June 1, 1889, P. L. 420, foreign corporations, joint-stock associations and limited partnerships were relieved from the Capital Stock Tax and were made liable to a new Franchise Tax Act, intended to enable the Commonwealth to get a more equitable tax from such companies. Under the Capital Stock Tax Law these corporations escaped tax altogether on the portion of their capital stock represented by intangibles as they had as their tax situs the domicile of the corporations regardless of which the physical evidences of their existence might be located. Foreign distilling corporations, joint stock associations and limited partnerships were still taxable under the Act of July 15, 1897, P. L. 292, regardless of this amendment of 1935.

The proponents of the changes of 1935 cited the need of greater revenues to carry the relief burden caused by the wide-spread unemployment. In the belief that this condition was temporary the repeal of the manufacturing exemption was enacted for a period of two years. The substitution of the Franchise Tax for the Capital Stock Tax as to foreign corporations, however, was made permanent. It had been the judgment of tax authorities in the fiscal departments for some years that such corporations were escaping their just share of taxation under the Capital Stock Tax law.

There was little opposition to the amendments in the House. In the Senate they were limited to a two year period. A proposed amendment was introduced to eventually repeal the capital stock tax by gradually reducing the rate—3 mills for years 1936 and 1937 (on reports filed in the years 1937 and 1938); one mill for 1938 and 1939 (on reports filed in the years 1939 and 1940); and no tax for 1940 and succeeding years. It was defeated. A motion to give parties interested in the amendments a chance to appear at a public hearing was defeated presumably on grounds that passage of the bill was necessary without further delay to provide the State's share of relief funds insisted upon by Federal officials in Washington. Opposition to the bill was based upon the claim it would increase unemployment, delay a return to normalcy and place an unnecessary burden on manufacturing corporations of the State. The prosperity of the State during the past 40 years was cited and attributed to a wise system of taxation. Under it Pennsylvania became the greatest manufacturing state in the union. The effect of the bill in causing loss of industries to Beaver County in particular was mentioned. Passed and sent to House for Concurrence in amendments. Passed House. Signed by Governor and became law.

The Act of April 8, 1937, made permanent the repeal of the manufacturing exemption. This act also exempted non-profit corporations which had been previously exempted as first class corporations under the Act of May 4, 1927, P. L. 742. Under the Corporation Code of 1933 this classification was substituted for the old first class corporation type.

Legislative History Personal Property Tax

Date of Act	Principal Changes from Prior Act	Rate
3-25-1831 P. L. 206		1 mill
6-11-1840 P. L. 612	Omitted ground rents Added securities of other states, furniture, etc.	On intangibles; ½ mill for each % of div. or int.
7-27-1842 P. L. 444	Actual value of securities used	2 mills
4-29-1844 P. L. 486	Added horses, mules, etc. ..... Added bonds, etc. of counties ..	Varied On intangibles, 3 mills
4-16-1845 P. L. 532	Added State of Pa. bonds, etc.	Varied; On State bonds ½ mill for each % of int.
4-22-1846 P. L. 486	Added vehicles	Varied; On vehicles, 3 mills
3-15-1847 P. L. 396	Exempted book accts. for goods sold or work done	Varied
5-18-1857 P. L. 571	Rate changed	On intangibles, 2½ mills
1-3-1868 and 4-4-1868	Expressly exempted corporations and all mtgs. etc. from all taxes except for State purposes	Varied
6-2-1871 P. L. 281	Exempted salaries, etc.	Varied
3-21-1873	Exempted horses, mules, etc. .	Varied
4-9-1873 P. L. 68	Exempted municipal securities	Varied
6-7-1879 P. L. 112	Reclassified personal property of Act of 1844	4 mills
6-10-1881 P. L. 99	Repealed & reenacted Act of 1879; simplified & clarified it .	4 mills
6-30-1885 P. L. 193	Enumerated clearly classes of per. prop. subject to tax—attempted to set this tax apart from loans tax	3 mills
5-1-1887 P. L. 114	Repealed tax on furniture, watches, pleasure carriages ..	3 mills
6-1-1889 P. L. 420	1/3 tax returned to counties ..	3 mills
6-8-1891 P. L. 229	3/4 of tax returned to counties	4 mills
5-1-1909 P. L. 298	Exempted B. & L. Assos. and savings institutions without C. S.	4 mills
5-11-1911 P. L. 265	Exempted fire companies, labor unions, beneficials, etc.	4 mills
6-17-1913 P. L. 507	Tax became a county tax as to entire revenue realized	4 mills
7-15-1919 P. L. 955	Taxes only personal property not subject to Sec. 17 of 1913 Act	4 mills
7-11-1923 P. L. 1038	Assumpsit provided as additional means of collection;	4 mills
5-31-1923 P. L. 474	Reassessment allowed in case of false returns	
5-13-1927 P. L. 985	Allowed to go back 5 yrs. where no returns or incorrect returns filed	4 mills
4-30-1929 P. L. 871	Exempted personal property from outside Pa. held in trust by	
5-2-1929 P. L. 509	resident for benefit of non-residents and securities of brokers for trading	4 mills
6-12-1931 P. L. 544	Reenacted Acts of 1923 and 1927 correcting defective titles	4 mills
4-21-1933 P. L. 54	Exempted bank accounts bearing interest	4 mills

Personal Property Tax—Continued

Date of Act	Principal Changes from Prior Act	Rate
6-22-1935 P. L. 414	New State personal property tax Act—not an amendment to prior acts	1 mill
7-17-1936 P. L. 51	Added equitable interests with nonresident trustees	4 mills
5-18-1937 P. L. 633	Added ground rents; exempted stages, cabs & other vehicles and B. & L. Assos.	4 mills
5-5-1939 P. L. 76	Exempted ground rents and personalty held by resident executor of nonresident decedent	4 mills
6-19-1939 P. L. 413	Amended Act of 1913—personalty held by resident exec. of nonresident decedent exempted	4 mills

Receipts from State Personal Property Tax 1936-1939 (inclusive)

Year Ended	Tax	Rate
5-31-1939	$12,095,284	4 mills
5-31-1938	11,919,750	4 mills
5-31-1937*	17,794,517	see note
5-31-1936**	518,787	1 mill

* Rate: 1 mill June 1, 1936 to Dec. 31, 1936
4 mills Jan. 1, 1937 to May 31, 1937
** 5-month period

Originally this tax was a state tax and continued so until passage of the Act of June 17, 1913, P. L. 507, even though prior thereto a portion of the tax was returned to the county. Beginning with the Act of 1913, however, the tax became a county tax and has remained so.

By the Act of June 22, 1935, P. L. 414, entitled the "State Personal Property Tax Act" the Legislature imposed, for a two year period, tax of one mill for state purposes upon the same classes of property as had heretofore been taxable only for county and city and county purposes under Section 1 of the Act of 1913. This State tax was increased to four mills by the Act of July 17, 1936, P. L. 51, and extended for another four years, that is, for the years 1938 to 1941 inclusive by the Acts of May 18, 1937, P. L. 633, and May 5, 1939, P. L. 76. Technically, therefore, there are at present in force a local and a state personal property tax each with a rate of four mills and each imposed upon the same classes of personal property but imposed and collected by different taxing authorities. For all practical purposes, however, we have a tax on personal property at the rate of eight mills per annum.

The first act imposing the tax was that of May 25, 1831, P. L. 206, which provided that the following classes of personal property should be subject to taxation for state purposes at the rate of "one mill on every dollar thereof, to be assessed in the same manner as county rates and levies," viz: ground-rents, moneys at interest, debts due from insolvent debtors, whether by promissory note (except bank notes), penal or single bill, bond, judgment, mortgage, and stock in corporations (wherein shares have been subscribed in money) on which dividend or profit is received by the holder, and public stock (except those issued by this Commonwealth), and all pleasure carriages, kept for use. By an express provision in the Act it was to remain in force for five years from the date thereof. Eastman in his work on taxation in Pennsylvania says that the reason for this limit was the general belief that the earnings of the great public works then in course of construction such as canals, railroads, etc., would, by the expiration of that time, defray all expenses of the State Government and make further imposition of the tax unnecessary. This Act was repealed by the Act of February 18, 1936, P. L. 36 just before the expiration of the limit fixed in the 1831 act. From 1836 to 1840 there was no state tax on personal property.

The Act of June 11, 1840, P. L. 612, again imposed a state personal property tax. All taxable personalty contained in the Act of 1831 was included in the 1840 Act except ground-rents and in addition tax was imposed on loans or investments on interest to citizens of other states, securities of other states, public loans or stocks (except those issued by this Commonwealth), household furniture (including gold or silver plate of a value exceeding $300) and watches. Bank notes and notes or bills given for goods sold were excepted.

By the Act of July 27, 1842, P. L. 444, the rate of tax for the use of the Commonwealth was increased by one mill. This Act required the actual value of stocks, mortgages and other securities to be used in assessing the tax. The next Act including personal property tax is that of April 29, 1844, P. L. 486. Section 32 of this Act provided for the imposition of the tax on various classes of personal property included in the prior Acts and in addition horses, mares, geldings, mules and meat cattle over the age of four years were made subject to the tax. The Act of March 21, 1873, P. L. 46, repealed this latter provision, however. It likewise included salaries and offices, posts of profit, professions, trades and occupations except that of farmers. As was said by one of the State Supreme Court Justices, in a case deciding that stock of national banks was taxable for state purposes in the hands of the stockholders under the Act, its purpose was to tax money in every form of investment. The rates of tax under this Act varied, that on intangibles being three mills although for the year 1844 only it was set at four mills. Section 42 of this Act assessed the tax on script, bond or certificate of indebtedness issued by a county, city district and borough. This type of personal property continued to be taxed under this Act until passage of the Act of June 1, 1889, P. L. 420.

The Act of April 16, 1845, P. L. 532, provided for the taxation of all public loans and stocks issued by the Commonwealth of Pennsylvania. Such intangibles had been exempt up to this time. The rate provided was one-half mill on each dollar of the value thereof, on which one per cent per annum of interest shall accrue to the holder, and an additional one-half mill for every additional one per cent of interest. This tax was to be withheld by the State Treasurer when he paid interest to the holder.

Under the provisions of the Act of April 22, 1846, P. L. 486 all vehicles used to transport passengers for hire, all annuities over $200 except those granted by Pennsylvania or the United States, and all property, real or personal—not taxed under existing laws—held, owned, used or invested by any person, company, or corporation, in trust for the use, benefit or advantage of another person, company or corporation, except that held in trust for religious

purposes, were assessed a tax of three mills on the value thereof, In interpreting the Act of 1846, the Act of March 15, 1847, P. L. 396, provides that said act "shall not be so construed as to impose a tax on the running or book accounts of merchants or others, for goods sold or work done."

The Act of April 25, 1850, P. L. 572, exempted from any taxes levied for borough and township purposes all moneys owing by solvent debtors "liable to be assessed and taxed for any purpose."

The rate of the personal property tax imposed by the Act of April 29, 1844, was reduced from three to two and one-half mills by the Act of May 18, 1857, P. L. 571.

Mortgages, recognizances, and moneys owing upon articles of agreement for the sale of real estate were subject to both local and State taxation by the Act of 1844. By the Act of April 4, 1868, these subjects, except those given by corporations, were restricted to taxes for State purposes in certain named counties. These provisions were extended to additional counties by the Acts of March 18, 1869, P. L. 415; April 10, 1869, P. L. 850; April 13, 1869, P. L. 901; February 12, 1870 P. L. 144; and March 1, 1870, P. L. 278.

The State tax imposed by Act of 1844, on salaries or emoluments of public offices and on incomes of tradesmen, occupations and professions was repealed by the Act of June 2, 1871, P. L. 281.

Municipal securities exempted from the State tax by prior acts were made taxable by the Act of April 9, 1873, P. L. 68. The Act contained a proviso that it should "not apply to any bonds negotiated into the hands of innocent holders."

The Act of March 24, 1877, P. L. 44, provided: "The Script, bonds and certificates of indebtedness in any County of this Commonwealth, owned by any public corporation within such county, and the income from which is by law appropriated exclusively to the support of the poor and the maintenance of the public roads of such county, be and the same are hereby exempted from taxation for State purposes."

The Act of June 7, 1879, P. L. 112, in Section 17, was the first to bring together the different subjects made taxable by the Act of 1844 and subsequent acts and to provide a general measure applicable to all such classes of personal property. The rate was increased from three to four mills. Personal property was taxable only when held by "any person or persons" construed by the courts to exclude corporations. Trust funds were not taxed and mortgages, judgments, etc., were exempt from all taxation for state purposes.

The Act of June 10, 1881, P. L. 99, repealed Section 17 of the Act of 1879 and reenacted it in another form; that is by using practically the same language but arranging it in a less confused, more convenient and more logical way.

The Act of June 30, 1885, P. L. 193, codified and reenacted with some modifications all previous acts. It reduced the rate to three mills. Section 1 was a reenactment of Section 1 of the 1881 Act. It imposed the personal property tax, enumerating the property liable to the tax and exempting therefrom interest-bearing agreements and accounts for work and labor done, obligations to banks for loans, bank notes and loans or stock issued by Pennsylvania or the United States. All taxable subjects included by its provisions were exempted from all taxation except for state purposes and building and loan associations were expressly exempted from its application. In order to prevent double taxation it provided "the taxable person shall not include in said return obligations of public or private corporations, the tax upon which is required by law to be collected from the holder of such obligations and paid into the State Treasury by the corporation. The Act of 1885 was passed to correct the confusion which followed the Supreme Court decision in the case of Com. v. Lehigh Valley R. R. Co., 104 Pa. 90. The Court held under the Acts of 1879 and 1881 "it was the duty of the local assessors in making the general assessment . . . to value and assess corporate bonds, wherever found, in the hands of resident owners." Under this line of reasoning it was presumed the local assessors had included the bonds of corporations held by resident owners—and collected the State tax on such bonds and the corporation, being only a collector could not be charged with duty of collecting the tax a second time. This was in spite of the provisions of Section 17 of the 1879 Act that corporations were required to deduct the tax when paying interest to holders of taxable loans for state purposes and the Act of 1881 that they were required to deduct the tax from the interest on loans whether secured by bond, mortgage, recognizance or otherwise.

All taxes on watches, household furniture, and pleasure carriages for whatever purpose were removed by the Act of May 1, 1887, P. L. 114.

The Act of June 1, 1889, P. L. 420, amended the Act of 1879 and imposed tax on 1. personal property, 2. corporate loans, 3. capital stock, and 4. gross receipts. Section 1 in substantially the same language reenacted Section 1 of the 1885 Act which had replaced Section 17 of the Act of 1879 but added to taxables "any joint-stock company or association, limited partnership, bank or corporation, whatsoever." This was done for the purpose of including companies that might have mortgages or other assets not properly part of their capital stock but investments of reserve fund or surplus, which would not be reached by the capital stock tax. Also there were companies without capital stock which had mortgages, etc. The rate of the tax was continued at three mills. Section 16 of this Act provided that one-third of the personal property tax should be returned to the counties.

The Act of June 8, 1891, P. L. 229, amended the Act of 1879 and again increased the rate from three to four mills. It also returned to the counties three-fourths of the personal property tax to the counties instead of one-third as provided by the Act of 1889.

The Act of May 1, 1909, P. L. 298, exempted from the personal property tax building and loan associations or savings institutions without capital stock. It also provided that if any person or corporation agreed to issue securities free and clear of the four mill tax, or agree to pay the same, nothing in the act should be construed so as to relieve him, it or them from paying the said tax on any of such securities held or owned by or owing to such savings institutions without capital stock.

The Act of May 11, 1911, P. L. 265, amended the Act of 1879 by exempting from its provisions, "fire companies,

firemens relief associations, secret and beneficial societies, labor unions and labor union relief associations, etc.

The basis of the present so-called "four mills tax" for county purposes is the Act of June 17, 1913, P. L. 507. This Act gave the entire personal property tax to the counties both as to the tax collected and as to the work of levying and collecting it. The first sixteen sections of the act deal with the classes of property taxable and the taxpayers subject to the tax, and the machinery for assessment and collection thereof. Section 17 pertains to the corporate loans tax. Considerable confusion followed the enactment of this Act because of the fact the language of Sections 1 and 17 overlapped. Both taxed the same property. The confusion was increased by two Supreme Court decisions in the cases of Com. v. Lehigh and New England R. R. Co., 268 Pa. 271 and Com. v. Roxford Knitting Co., 268 Pa. 266.

The Act of July 15, 1919, P. L. 955, amending the Act of 1913 at least partly cleared up the confusion by defining that all script, bonds, certificates and evidences of indebtedness made taxable under Section 17 (the Loans Tax section) are not taxable under Section 1 (personal property tax section) of the Act of 1913 and that only evidences of indebtedness that cannot be made taxable under Section 17 are to be taxed under Section 1.

The Act of July 11, 1923, P. L. 1038, provided the additional remedy of the action of assumpsit against the owner or owners of personal property subject to the four mills tax, to first and second class cities before a magistrate, justice of the peace or court of record depending upon amount involved. Another act passed in the same year, that of May 31, 1923, P. L. 474, provided for collection by the county of any additional tax found owing where the assessor had made a return and the county commissioners added a penalty or failed to add one. It also allowed a reassessment where "in every case" a false return had been made for any former year or years.

The Act of May 13, 1927, P. L. 985, provided in a case where an incomplete return was made by an assessor or no return by him because of refusal or failure on part of taxable (including a corporation—not in prior act) there was no estoppel against county or city for assessment and collection from the taxable or estate of decedent so failing or refusing to pay tax due or additional tax due. It was duty of officers to assess or reassess any such personal property for any prior years not exceeding five and collect tax or balance thereof with interest at 6%. Executors and administrators required to file an affidavit in duplicate at time of filing with Register or Orphans Court Clerk inventory and appraisal or affidavit of real and personal property, giving items listed in such inventory or affidavit which may be liable to tax during last complete taxing period. Officers required to send a copy to county commissioners or board of revisions of taxes.

Act of April 30, 1929, P. L. 871, amended Section 1 of Act of 1913 and provided "That the provisions of this section shall not apply to personal property of the class hereinabove enumerated, hereafter received from any person or persons, co-partnership or unincorporated association or company, non-resident in, or not located within the Commonwealth, or from any joint stock company or association, limited partnership, bank or corporation formed, erected or incorporated by, under, or in pursuance of any law of the United States or of any state or government other than this Commonwealth, and not doing business in this Commonwealth, by any person or persons, corporation, union corporated association, company, joint stock company or association, ... as active trustee, agent .... for the use, benefit or advantage of any person .... non-resident in or not located within this Commonwealth or for use .... of any joint stock company formed .... any law of U. S. or any state other than this Commonwealth, and not doing business in this Commonwealth."

Act of May 2, 1929, P. L. 1509, amended Section 1 of Act of 1913 by providing the Section shall not apply to . . . . "nor to loans, shares of stock and other securities held by bankers or brokers solely for trading purposes nor to accounts or debit balances owing by customers of bankers or brokers in the usual course of business."

Act of June 12, 1931, P. L. 544, reenacted with corrected title the Acts of May 31, 1923, P. L. 474, and May 13, 1927, P. L. 985, which the Northampton Co. Common Pleas Court had declared unconstitutional because of defective titles. These later acts had amended Section 5 of Act of 1913.

Act of April 21, 1933, P. L. 54, added to list of exemptions by providing the tax did not apply to interest bearing accounts in any bank or banking institution, savings institution or trust company.

The Act of June 22, 1935, P. L. 414, as mentioned above was an entirely new act. Section 1 was similar in its provisions to corresponding section of Act of June 17, 1913, P. L. 507, and its supplements. The rate was one mill. Returns were to be made to Department of Revenue and tax paid thereto. Act of 1913 was not repealed. The tax is a state tax and is additional to the four mill tax. Effective for calendar years 1936 and 1937 as to personal property tax.

Act of July 17, 1936, P. L. 51, amended Act of 1935 to include equitable interests in property held by non-resident trustees, etc., and to broaden scope of the exemption in favor of shares of stock subject to the capital stock tax by inserting the words "bank and trust company, national banking association, savings institution, building and loan association" between word "Bank and corporation" in the seventh paragraph. Rate increased to four mills and administration of tax was revised. Returns now due February 15 and tax made selfassessing due when return was due. Department can make reassessment in case of erroneous returns or in correct computation of tax. Duplicate returns required, one copy being sent by Revenue Department to County Commissioners. Taxable value of personal property is "actual" value.

Act of May 18, 1937, P. L. 633, amending Act of 1935 made ground rents taxable, deleted shares of stock in building and loan associations, and stages, omnibuses, hacks, cabs and other vehicles formerly included in taxable list. The principal value of all annuities was substituted for "all annuities yielding over $200." Section 3 provided the act shall not apply to "personal property held for use .... of any resident who shall have in each of preceding ten calendar years, given or contributed all of his net income to any corporation organized or operated exclusively for religious, charitable, scientific, literary or educational purposes."

Act of June 19, 1939, P. L. 413, amending Act of June 17, 1913, P. L. 507, defined, clarified and limited certain exemptions imposed tax on value of certain equitable interest, personal property held or possessed by certain executors, administrators or fiduciaries and by employees, thrift or saving association, personal property held by trustees for religious, charitable, etc., for non-resident and foreign corporations. Section 1 exempts from taxables resident as executor, etc., of a non-resident decedent, and trustee for resident or non-resident, charitable, religious, educational organization, no part of which inures to benefit of any stockholder or individual. Exempts from taxable property—"assets held in commercial department of bank, etc., and owned in own right, in liquidation. 2. Shares of stock of building and loan association to parallel state act. 3. Personal property held for use of resident who in ten preceding calendar years gave all his net income to charity, etc.

Provide measure of equitable interest.

Tax on personal property owned by decedent at time of death and held by executor or administrator to be paid to county of domicile notwithstanding residence of executor or administrator or beneficiary or place where security is kept. Personal property held, owned or possessed by trustee, etc., by two or more persons, etc., all of which are residents of Pennsylvania but not domiciled in same county return shall be made in each county where any of same are domiciled and apportioned according to number of trustees in each county bears the total number thereof notwithstanding domicile of beneficiary or place where such personal property is kept.

Act of May 5, 1939, P. L. 76, amended Act of June 22, 1935, P. L. 414, the State Personal Property Act by deleting ground rents from list of taxables and excepting personal property held by an executor, etc., of a non-resident decedent or by a trustee for a religious, etc., organization.

Legislative History

Transfer Inheritance and Estate Tax

Summary

Date of Act	Principal Changes from Prior Act	Rate
4-27-1826 P. L. 227		2½%
2-24-34 P. L. 70	Authorizes refunds of collateral inheritance tax	Same
3-22-41 P. L. 99	Registers required to collect tax	"
3-17-42 P. L. 95	Construes Act of 1841	"
5-6-44 P. L. 565	Receipt of register required for credit by executor	"
4-16-46 P. L. 358	Borough, etc. assessors required to act	"
4-22-46 P. L. 483	Commissioners required to publish accounts of registers	"
4-22-46 P. L. 489	Rate	5%
4-10-49 P. L. 571	Real estate and personality of non-residents subject to tax	Same

Transfer Inheritance and Estate Tax—Continued

Date of Act	Principal Changes from Prior Act	Rate
3-11-50 P. L. 170	Tax on estates in remainder need not be paid until possession by tenant in remainder	Same
5-15-50 P. L. 772	Act of 1849 not to apply to estates of decedents dying prior to its passage	"
5-4-55 P. L. 425	No penalty to be imposed if settlement of estate is prevented by litigation, etc.	"
6-12-78 P. L. 206	Authorizes refund of taxes paid in error	"
5-6-87 P. L. 79	Compilation of prior laws	"
5-14-91 P. L. 59	Registers' Commission changed	"
6-26-95 P. L. 325	Changed compensation of appraisers	"
5-12-97 P. L. 56	First direct inheritance tax provided for	a-5% b-2%
3-22-99 P. L. 20	Collateral inheritance tax refunds authorized	Same
3-25-01 P. L. 59	Period for collateral inheritance tax refunds extended	a-5%
5-11-01 P. L. 173	Refunds of unconstitutional direct inheritance tax authorized	Same
3-5-03 P. L. 12	Bequests for care of burial lots exempt from collateral tax	"
4-22-05 P. L. 258	Exempted estates "to or for use of children of a former husband or wife"	"
5-5-11 P. L. 112	Exempted from tax estates to adopted children	"
7-11-17 P. L. 832	Direct inheritance again provided for	a-5% b-2%
6-20-19 P. L. 521	Direct and collateral tax laws incorporated into single transfer tax act	Same
5-4-21 P. L. 341	Rate for collateral tax	a-10% b-2%
5-17-21 P. L. 893	Refund of tax authorized to person "legally dead" who reappears	Same
5-16-23 P. L. 244	Additional deductions to arrive at "clear value" of estates	"
7-12-23 P. L. 1078	Provides for tax collection from delinquent executors, etc.	"
6-29-23 P. L. 932	Increased daily compensation of appraisers	"
5-15-25 P. L. 806	Transfer tax to be at least equal to 25% of Federal estate tax	"
5-7-27 P. L. 859	Pa. estate tax provided	"
3-28-29 P. L. 118	Exempts proceeds from life insurance policies not payable to estate of decedent	"
4-9-29 P. L. 343	Procedural changes under Fiscal Code	"
5-2-29 P. L. 1258	Provided for reciprocal exemptions with other states	"
5-8-29 P. L. 1673	Permits refunds of tax paid on proceeds of Federal War Risk Insurance Policy	"
5-16-29 P. L. 1782	Requires filing with register copy of executor's Federal Estate tax return	"
5-16-29 P. L. 1795	Taxes transfers made one year prior to decedent's death	"
5-12-31 P. L. 114	Requires copy of change in Federal tax to be filed with register	"

Transfer Inheritance and Estate Tax—Continued

Date of Act	Principal Changes from Prior Act	Rate
6-12-31 P. L. 553	Exemptions of bequests for free exhibitions broadened	Same
6-22-31 P. L. 640	Provides pro rata method for taxing stock of Pa. corporations owner by non-resident	"
6-22-31 P. L. 689	Limits objections to appraisement in appeal	"
6-22-31 P. L. 690	Requires notice of death of joint tenant of bank account	"
5-22-33 P. L. 839	Reciprocal relations provided in taxing estates of non-residents	"
7-15-35 P. L. 1026	Estates taxes may be paid under protest where Federal Government asserts deficiency	"
7-15-35 P. L. 1028	Taxes may be paid in full without prejudice in appeal from appraisement-resident decedent	"
7-15-35 P. L. 1031	As above—non-resident decedent	"
6-4-37 P. L. 1597	Register's commissions restricted	"
6-5-37 P. L. 1701	Exempts from tax devises, etc. to national libraries	"
7-2-37 P. L. 2762	Apportionment of tax allowed in certain cases	"
6-21-39 P. L. 619	Provides for release of tax lien on sale or mortgage	"
6-24-39 P. L. 721	Supplemental appraisements provided for	"
6-24-39 P. L. 724	Exemption from tax of funds for free exhibition of works of art	"
6-24-39 P. L. 725	Interest and penalties on taxes not paid at specified time	"

a—Collateral inheritance tax.
b—Direct inheritance tax.

Transfer Inheritance and Estate Tax
Receipts
1928-1940

Years ended May 31	Amount Collected Resident	Non-Resident	Rate
1940	$19,209,162	$135,155	a-2% b-10%
1939	20,960,505	116,106	Same
1938	28,519,904	178,298	"
1937	16,745,683	111,476	"
1936	19,473,776	74,728	"
1935	19,238,323	132,459	"
1934	14,372,612	98,053	"
1933	31,699,524	145,208	"
1932	19,776,683	137,760	"
1931	39,408,326	234,547	"
1930	27,367,085	465,732	"
1929	16,905,939	620,127	"
1928	16,362,828	796,347	"

a—On direct heirs.
b—On collateral heirs.

Transfer Inheritance and Estate Tax

The first inheritance tax imposed by the Commonwealth of Pennsylvania was the tax on collateral inheritances. The Act of April 27, 1826, P. L. 227 which provided for such tax was the first passed by any of the American Commonwealths. In the intervening years other states followed Pennsylvania's example so that in 1938 every state in the Union except Nevada had an inheritance tax. In that year Pennsylvania's tax amounted to $2.80 for each man, woman and child in the State[1] and in 1930 to $0.96 for each $1000 of capital in the Commonwealth.[2]

No attempt was made to impose a tax upon estates of decedents passing to lineal heirs until the passage of the Act of May 12, 1897, P. L. 56. This act was held unconstitutional as will appear below, principally because of the provisions therein exempting estates under $5000 from the operation of the tax. No further attempt was made to tax direct inheritances until the Act of July 11, 1917, P. L. 832, which imposed such a tax at the rate of 2% with no exemption from the operation of the act.

From 1917 to 1919 there were in force a tax of 5 per cent on collateral inheritances under the Act of May 6, 1887, P. L. 79 and its amendments and a tax of 2% on direct inheritances under the Act of July 11, 1917, P. L. 832. The Act of 1919, P. L. 521, repealed both of these acts and provided for the present Transfer Tax, which is in fact a succession tax, with a rate of 5% on property passing to collaterals, which was changed to 10% by the Act of May 4, 1921, P. L. 165, and 2% on property passing to non-collaterals.

The collateral inheritance tax according to a very early case "is not to be viewed as a tax assessed upon the estate of the decedent or of any one, but a restriction upon the right of acquisition by those, who, under the law regulating the transmission of property, are entitled to take as beneficiaries without consideration. The state is made one of the beneficiaries. It lays its hands upon estates under such circumstances and claims a share, and whether the same is exacted as a tax or duty or whatever else . . . it is of no consequence.[3]" "The tax does not attach to the very articles of property of which the deceased died possessed . . . It is on the net succession to the benficiaries, and not on the securities in which the estate of the decedent was invested."[4]

According to another decision, it is "not a tax on the property or money bequeathed, but a diminution of the amount that otherwise would pass under the will or other conveyance, and hence that which the legatee really received is not taxed at all."[5]

In a later case the lower court said "Though called a tax or duty, it has been uniformly held that the toll of the state is in the nature of a bonus for upholding the right of succession or acquisition and that an estate so 'passing,' as provided in the original or supplementary acts, is to be distinguished from the property comprising such estate, or the purposes for which such property is to be used."[6]

The tax is imposed upon the transfer of any property real or personal, or of any interest therein, or income therefrom, except real property and tangible personality, without the state.[7]

The first section of the Act of April 7, 1826, P. L. 227 imposed the tax at the rate of 2½%. Estates of less than $250 were exempt. Section 2 provided that payment of the tax to be made to the County Treasurer by whom duplicates were to be given, of which one the executor or administrator was to lodge with the register of wills for

[1] Tax Policy League, "State Tax Yield Statistics," New York 1938.
[2] National Industrial Conference Board, "Bulletin," February 20, 1932.
[3] Strode v. Com., 52 Pa. 181 (1866).
[4] Orcutts Appeal, 97 Pa. 179 (1881).
[5] Finnen's Estate, 196 Pa. 72 (1900).
[6] Jewell's Estate, 20 D. R. 1055 (1911).
[7] Chamberlain's Estate, 257 Pa. 113; Re Hogg's Estate, 284 Pa.; Paul's Estate, 303 Pa. 330.

transmission to Auditor General. The third section requires the county Commissioners to have the real estate assessed by the local assessors.

The Act of February 24, 1834, P. L. 70, section 69, provided for the refunding of the tax where by reason of subsequent discovery of claims against the estate, the legacy or distributive share has been reduced or altogether taken away.

Under the Act of March 22, 1841, P. L. 99, registers of wills were required to issue citations to executors and administrators of estates subject to tax, who failed to file accounts within a year; registers received the tax after being bonded.

The Act of March 17, 1842, P. L. 95, construed the Act of 1841 as requiring the register to collect the tax upon all real estate subject thereto.

Under section 3 of the Act of May 6, 1844, P. L. 565, credit for payment of collateral inheritance tax should not be allowed an executor or administrator unless vouched for by receipt of register countersigned by Auditor General.

The Act of April 16, 1846, P. L. 358, made it a duty of the assessors of the townships, boroughs, wards, etc., when required by the Commissioners or register to make a valuation and return of any property designated to them as liable to the tax.

The Act of April 22, 1846, P. L. 483, required the publication by commissioners of accounts of registers for collateral inheritance tax as settled by county auditors.

Under another act of the same year, that of April 22, 1846, P. L. 489, the rate of the tax was increased from 2½% to 5%.

Under section 11 of the Act of April 10, 1846, P. L. 571, property passing to a wife or widow of a son of a decedent shall not be subject to the tax. It was held, however, a legacy to the widow of the son of the testator, remarried in the testator's lifetime, her second husband being alive at the time of the testator's death was taxable.[8] Section 13 required payment of the tax upon estates in remainder, after life estates not subject to tax, immediately. Real estate and personalty of persons not domiciled in the Commonwealth were made subject to tax. Section 14 imposed a penalty of 12% on taxes not paid in year and allowed a deduction of 5% on taxes paid in three months.

Sec. 1 of Act of March 11, 1850, P. L. 170 provided that the tax on estates in remainder need not be paid until tenant in remainder came into actual possession, security for the tax with interest at 6% being given in the meantime. Section 3 provided for tax upon estates of persons domiciled in the state and construed the Act of 1826.

The Act of May 15, 1850, P. L. 772, section 1, provided the Act of April 10, 1849, P. L. 571, should not apply to estates of decedents dying prior to its passage.

Under Act of May 4, 1855, P. L. 425, no penalty was to be imposed where the settlement of the estate was prevented by litigation or other unavoidable cause and the rate of interest was not to exceed that realized by the estate. This act also made it a misdemeanor for an appraiser to take a fee from an executor or administrator.

The Act of June 12, 1878, P. L. 206, authorized the State Treasurer to refund a collateral inheritance tax paid in error within two years of such erroneous payment.

[8] Com. v. Powell, 51 Pa. 438 (1866).

The next act affecting the collateral inheritance tax is that of May 6, 1887, P. L. 79, which is chiefly a compilation and re-enactment of former laws on the subject and does not subject to the tax other or different estates from those subject thereto under the provisions of the previous acts.[9]

Section 3 of this act provided, however, that interest on the tax should not run against persons entitled to estates in remainder until the right of possession accrues. There were a number of other changes in other sections, such as, right of appeal to Orphans Court from appraisal of State appraisers (Section 12); increased punishment for taking fees from executor or administrator by appraisers (Section 13); proceedings for collection of unpaid taxes to take place in Orphans Court instead of Common Pleas (Section 14); registers returns to be made 1st Mondays of April, July, October and January (Section 19); lien period to be 5 years instead of 20 years (Section 19).

The exemption of estates of less than $250.00 in the Act of 1887 would have been void for lack of uniformity in the operation of the tax, under Section 1, Article IX of the Constitution except for the fact that the Act of 1887 merely re-enacted a provision that existed in the Act of 1826.[10]

The rate of commission allowed registers of wills for collecting the collateral inheritance tax was changed to a graduated percentage, depending on the amount of tax collected, by the Act of May 14, 1891, P. L. 59.

The Act of June 26, 1895, P. L. 325, provided for the compensation of collateral inheritance tax appraisers appointed by registers of wills and the appointment and compensation of expert appraisers, when found necessary.

The next important act relating to the inheritance tax was that of May 12, 1897, P. L. 56, which imposed a direct inheritance tax. The tax was imposed on "personal property of whatsoever kind and nature which shall pass by will or by the intestate laws of this State, from any person who may die seized or possessed of same . . .: Provided, That personal property to the amount of five thousand dollars shall be exempt." The personalty was "subject to a tax of two dollars on every one hundred dollars of the clear value of such personal property, after deducting the debts of the decedent and costs of administration . . ." The act caused the tax to be imposed upon such portions of estates of persons theretofore deceased as has not actually been distributed and paid to persons entitled thereto prior to its passage as well as estates of persons who died thereafter. According to the proviso of Section 16 of the Act the intention was "to impose a direct inheritance tax upon all estates or parts of estates not subject to the act or acts providing for the collecting of collateral inheritance taxes." This act was held unconstitutional principally because of its exemption of estates under $5000.00 from the operation of the tax.[11]

The Act of March 22, 1899, P. L. 20, provided for the refund by the State Treasurer of collateral inheritance tax paid where it appears the estate is not subject to a collateral inheritance tax because of a discovery of lineal heirs. No time limit is mentioned.

The Act of March 25, 1901, P. L. 59, amends the Act of 1878 by allowing an extension of the 2 year period for application of refund of collateral inheritance tax paid

[9] Cooper v. Com. 127 Pa. 435 (1889).
[10] Cope's Estate, 191 Pa. 1 (1899).
[11] Cope's Estate, 191 Pa. 1 (1899). Portuondos Estate, 191 Pa. 28 (1899).

in error under certain conditions, for instance, where the estate was in whole or part a partnership or involved in litigation and there is over-valuation of the portion of the estate on which tax was paid. The extended period is one year from the end of the litigation.

Under the Act of May 11, 1901, P. L. 173 the Auditor General is authorized and directed to issue to executors and administrators, who paid the direct inheritance tax under the Act of 1897, subsequently declared unconstitutional, refunding checks for the taxes paid.

Bequests and devices in trust, the income from which is for the care and preservation of family burial lots of the donors are exempted from the collateral inheritance tax by the Act of March 5, 1903, P. L. 12.

The Act of April 22, 1905, P. L. 258, amending Section 1 of the Act of May 6, 1887, exempted from the collateral inheritance tax estates "to or for the use of children of a former husband or wife."

Under the Act of May 5, 1911, P. L. 112, all estates "passing from any adopting parent . . . or any part of such estate or estates, . . . to or for the use of any legally adopted child or any legally adopted children,—shall not be subject to the collateral inheritance tax . . ."

The direct inheritance tax again appeared in the Act of July 11, 1917, P. L. 832. The tax was imposed at 2% upon the clear value of all estates "to or for the use of father, mother, husband, wife, children, lineal descendants born in lawful wedlock, children of a former husband or wife, or the wife or widow of the son, of a person dying seized or possessed thereof, or to legally adopted children." It also applied to an estate passing from a mother to an illegitimate child, his wife or widow or from the child to the mother. No estates were exempt from the operation of the act. Provisions for the administration of the law, similar to those provided in the collateral inheritance tax acts, were included.

This act was approved by the Governor but he states, in a memorandum attached to the act and made a part thereof, "with the greatest reluctance." He felt "constrained to do so solely because the necessities of the Commonwealth require the raising of additional revenue." It was evidently his opinion that the additional revenue necessary should have been raised by a tax upon coal, oil, natural gas and a one mill tax upon the capital stock of manufacturing corporations. Bills providing for such taxes passed the House by a large vote but were defeated in Senate Committees. He further recommended the people adopt in 1919 a Constitutional amendment permitting a graduated inheritance tax, resolution for which had passed the 1917 Legislative Assembly. It is stated in the memorandum "the approval of this bill is in its last analysis, based upon the fact that this Assembly has passed a resolution providing for an amendment to the Constitution which will correct the injustices of this measure."

This act was not retroactive and did not apply to persons dying before its passage.[12] The widow's exemption granted by the Act of June 7, 1917, P. L. 447, is not subject to the direct inheritance tax.[13]

The Act of June 20, 1919, P. L. 521, repealed both the collateral inheritance tax act of 1887, as amended, and the direct inheritance tax act of 1917 and provided for what is known as a "Transfer Tax." This tax is in fact a succession tax, imposed at the rate of 5% on the "clear value" of property passing to collateral heirs and at 2% on the "clear value" of property passing to direct heirs. In the language of the act the "tax shall be, and is hereby, imposed upon the transfer of any property, real or personal, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations" in the cases specified. The tax on transfers of future estates "shall not be payable, nor shall interest start to run thereon, until the person liable for the same shall come into actual possession of such estate." The tax "shall be assessed upon the value of the estate at the time the right of possession accrues to the owner but the owner may pay the tax at any time prior to his coming into possession. In such cases the tax shall be assessed on the value of the estate at the time of payment of the tax after deducting the value of the life-estate or estates for years."

In arriving at the "clear value" of property the only deductions allowable are debts of the decedent, reasonable and customary funeral expenses, including cost of tombstones, and expenses of administration.[14] Deduction was not allowed, however, on bequest for care of family burial lot, which provides that the balance is to go to the cemetery.[15]

The rate of tax on property passing to or for the use of collateral heirs, "bodies corporate or politic" was increased from 5% to 10% by the Act of May 4, 1921, P. L. 341.

The Act of May 17, 1921, P. L. 893, provided for the refund of transfer inheritance tax paid on property or estate of a supposed decedent, adjudged legally dead by a court of record, who later reappears and has court order rescinded. Application for such refund must be made within six months from such order of the court.

Under the Act of May 16, 1923, P. L. 244, additional deductions were allowed in arriving at the clear value of taxable estates. They were "the expenses of the burial of the decedent and the expenses of erecting at the grave of the decedent a suitable tombstone, monument or marker."

The Act of July 12, 1923, P. L. 1078, provides for the additional deductions noted in the paragraph immediately above in these words, "reasonable and customary funeral expenses, bequests or devises in trust, in reasonable amounts, the entire interest or income from which is to be perpetually applied to the care and preservation of the family burial lot or lots, their enclosures and structures erected thereon, reasonable expenses for the erection of monuments or gravestones, grave and lot markers." This act also outlines the necessary proceedings for collection on the failure of executor, etc. to file inventory or make payment of tax within time prescribed and the duties of register and Auditor General.

The daily compensation of inheritance tax appraisers actually engaged in making appraisement of property subject to the tax was increased by the Act of June 29, 1923, P. L. 932, amending the Act of June 20, 1919, P. L. 521.

The Act of May 15, 1925, P. L. 806, amended Section 2 of the Act of June 20, 1919, P. L. 521, which provided for the rates of the transfer tax, by adding to the phrase

[12] Gilmer's Estate, 26 D. R. 949 (1917).
[13] Hildebrand's Estate, 262 Pa. 112 (1918).
[14] Re Lines, 155 Pa. 378; Nead's Estate, 55 Pa. Super. 573; Mellor's Estate, 286 Pa. 149.
[15] Lefevre's Estate, 9 D. & C. 654.

"all taxes imposed by this act" the words "shall be imposed upon the clear value of the property subject to the tax and shall in each estate be equal to twenty-five per centum of the estate tax imposed upon the net estate of such decedent under the provisions of section 301 of the Revenue Act of 1924 of the United States, but if said section of said Revenue Act is repealed or if no tax is imposed upon such estate by said section of said act or if 25 per centum of the tax imposed by said section amounts to less than the following rates, then in either event the taxes imposed by this act "shall be at the rate of 2% for direct descendents and at the rate of 10% for collateral descendents.

In order for the Commonwealth to receive the benefit of the Federal Act of 1926 or similar legislation which grants a credit on the Federal estate tax for inheritance taxes and transfer inheritance taxes paid to the state governments, the Act of May 7, 1927, P. L. 859, was passed.[16] This act provided for additional transfer taxes for State purposes in the following cases, viz:

> "Whenever in any estate the total tax paid or payable to the Commonwealth and any other states or territory, at the rates fixed under the inheritance tax law, shall be less than the total credit allowed by the Federal law for taxes paid to the states, then the tax imposed by this act upon the transfer of such property shall be an amount equal to the difference between the total credit, allowable by the Federal law for taxes payable to the State governments and the total taxes actually paid or payable to the Commonwealth and any other state or territory under the inheritance tax laws, and the portion of the increased tax, so imposed, which shall be chargeable to each of the respective beneficiaries shall be ascertained by multiplying the total amount of such increase in tax by a fraction, the numerator of which shall be the amount actually paid or payable by the respective beneficiary to the Commonwealth and any other state or territory under the said inheritance tax laws and the denominator of which shall be the total taxes paid by all beneficiaries to the Commonwealth and any other state or territory under said inheritance tax laws."

Under the Act of March 28, 1929, P. L. 118, amending the Act of 1919, the proceeds of life insurance policies, payable otherwise than to the estate of the insured, were exempted from the transfer inheritance tax. Under prior acts it had been held that proceeds of insurance are taxable when made payable to the estate but not taxable when payable to a named beneficiary.[17] Proceeds of an adjusted service certificate of the United States are not subject to inheritance tax, although made payable to the estate.[18]

Where a deed of trust of life insurance policies names no beneficiaries of the trust but provides that the principal shall be distributed in accordance with the terms of the settlor's will, and reserves to the settlor the right to revoke or alter the trust, to withdraw property from it and add to it, and to receive all dividends and other cash distributions on account of the policies named in the trust, the proceeds of such policies are subject to the transfer inheritance tax.[19]

Sections 724, 725 and 726 of the Fiscal Code, the Act of April 9, 1929, P. L. 343, provided respectively for monthly statements by registers, returns by transferees of future interest in non-resident decedent's estate, and notice of property in Pennsylvania passing from a non-resident decedent to be filed with the newly created Department of Revenue. Sections 1201 and 1202 provided for the exercise of certain powers and the performance of certain duties in reference to the collection of tax on transfers of resident and nonresident decedents, theretofore exercised and performed by the Auditor General.

The Act of May 2, 1929, P. L. 1258, provided the transfer inheritance tax shall not be payable in the case of personal property (except tangible personal property having an actual situs in this Commonwealth), if the state of which the transferor was a resident, reciprocated in not taxing similar property therein of Pennsylvania residents.

The Act of May 8, 1929, P. L. 1673, appropriated the sum of $1200 to the Board of Finance and Revenue for the purpose of refunding any transfer inheritance tax paid on the proceeds of a Federal War Risk Insurance Policy on the life of a decedent.

The Act of May 16, 1929, P. L. 1782, expressly named the additional taxes, imposed by the Act of May 7, 1927, P. L. 859, "estate taxes." The act also required a copy of the executor's return with the Federal Government to be filed with the register of wills of the proper county.

Under the Act of May 16, 1929, P. L. 1795, amending Section 1 of Act of 1919 as amended, transfers of property made one year prior to the death of the grantor, etc. without adequate valuable consideration are to be considered as having been made in contemplation of death, "unless shown to the contrary" and therefore taxable.

The act does not apply to gifts which were fully executed before its passage.[20] A specific sum of money payable to the wife of a decedent from his estate under an antenuptial agreement, is not subject to the tax.[21]

Under the collateral inheritance tax act of 1887 it was held the right of the Commonwealth to collect the tax was not defeated by a conveyance or transfer of title to property during the lifetime of the owner nor by possession taken under such conveyance if the enjoyment of the property conveyed is not intended to take effect until the death of the grantor.[22]

This act also provides for the portion of property held jointly, except as tenants by the entirety, owned by decedent to be subject to transfer inheritance tax in hands of survivor. It was held under this act that property held in joint names, or a joint bank account where the transaction was consummated or the joint bank account created prior to passage of the act, is not subject to the tax.[23]

Amending the Act of May 16, 1929, P. L. 1782 the Act of May 12, 1931, P. L. 114 required a copy of any communication from the Federal Government making any final change in the return for Federal estate tax pur-

[16] For a general discussion of this act as to its validity and application, see Knowles Estate. 295 Pa. 571.

[17] Murphy's Estate, 21 Pa. Superior 384; Folmer's Appeal, 87 Pa. 133; Swann's Estate, 30 W. U. C. 479.

[18] Smith's Estate. 8 D. C. 639.

[19] Myer's Estate, 309 Pa. 581.

[20] Oliver's Estate, 273 Pa. 400.

[21] Fridenberg's Estate, 8 D. & C. 705.

[22] Line's Estate, 155 Pa. 378 (1893).

[23] Leach's Estate, 282 Pa. 545.

poses, to be filed with the register of wills of the proper county.

Manuscripts, specimens of natural history, or other scientific collections are added to those articles, passing to any municipality etc. for the sole use of the public by way of free exhibition within the state, exempt from any collateral inheritance tax by the Act of June 12, 1931, P. L. 553, amending Section 1 of the Act of July 9, 1919, P. L. 794.

As to shares of capital stock of a corporation incorporated in more than one state, including Pennsylvania, only that portion of the value of such shares shall be deemed, for inheritance tax purposes, as property of a non-resident decedent within Pennsylvania as the value of the property of such corporation located within Pennsylvania bears to the entire value of the property according to the Act of June 22, 1931, P. L. 640, amending section 32 of the Act of June 20, 1919, P. L. 521, as amended.

The Act of June 22, 1931, P. L. 689 amending section 13 of the Act of 1919, limited the objections to the appraisement of property of a resident decedent in an appeal filed with the Orphans' Court to those objections specified in the appeal.

The title of the Act of June 20, 1919, P. L. 521, was amended by the Act of June 22, 1931, P. L. 690, by including notice in the title that said act taxes transfers made in contemplation of death. This act also required banks to notify Department of Revenue of the death of one of joint tenants, except husband and wife as tenants by entireties, owning personal property deposited in such banks in joint names. Where deposits are made in a bank by husband payable to himself or wife or to himself and wife the account is held "by entireties" and the legal ownership thereof vests in the survivor.[24]

The Act of 1931 is a valid exercise of legislative power.[25]

The Act of May 22, 1933, P. L. 839, provided for reciprocal relations in respect to death duties in taxation of estates of non-resident decedents.

Provision is made for payment of estate taxes, whether decedent is a resident or non-resident of the Commonwealth, under protest where Federal Government asserts deficiency tax by the Act of July 15, 1935, P. L. 1026 amending the Act of May 7, 1927, P. L. 859.

By the Act of July 15, 1935, P. L. 1028 amending the Act of 1919 as amended, in appeal to the orphans' court from an appraisement of the property of a resident decedent, permission is given to pay the full amount of tax assessed without prejudice to file and prosecute the appeal.

Similar provision in the case of non-resident decedents is made by the Act of July 15, 1935, P. L. 1031, amending the Fiscal Code, the Act of April 9, 1929, P. L. 343.

The Act of June 4, 1937, P. L. 1597, amends section 21 of the Act of June 20, 1919, P. L. 521, by limiting the total commissions due registers of wills for collection of transfer inheritance tax in the case of resident decedents to $10,000 per year.

By the Act of June 5, 1937, P. L. 1701, amending the Act of July 20, 1917, P. L. 1143, "all gifts, devises . . . to a national library . . . shall be free from collateral inheritance tax."

An apportionment of estate tax was provided for in certain cases by the Act of July 2, 1937, P. L. 2762, amending the Act of June 7, 1917, P. L. 447.

The Act of June 21, 1939, P. L. 619, amending section 3 of the Act of 1919, provided for the release of lien on remainder interests in real property in the case of sale and conveyance or mortgage, if fiduciary shall enter into security for the payment of the tax to the satisfaction of the Revenue Department. Assessments of inhreitance tax against previously mortgaged property do not disturb the lien of the mortgage; the inheritance tax assessment is only a charge upon the equity of redemption which belonged to the deceased owner.[26]

Supplemental appraisements are provided for by the Act of June 24, 1939, P. L. 721, amending the Act of 1919 as amended. Prior to this act it had been held that where a final appraisement had been made for the purpose of assessing the inheritance tax, a second appraisement is without authority in law.[27] Deductions for debts are further restricted.

The exemption from the collateral inheritance tax of works of art for free exhibition was extended to funds given in connection therewith by the Act of June 24, 1939, P. L. 724, amending the Act of 1919, as amended.

The Act of June 24, 1939, P. L. 725, amending the Act of May 7, 1927, P. L. 859, as amended, imposed interest and penalties upon estate taxes not paid as specified time.

Legislative History

Shares Tax, National and State Banks and Savings Institutions

Summary

Date of Act	Principal Changes from Prior Act	Rate
5-21-1814 P. L. 154		6% (of dividends)
4-1-35 P. L. 99	Rate; tax on dividends continued	Varied according to dividends paid
6-11-40 P. L. 612	Capital Stock Tax added to tax on dividends	On dividends-Varied On Capital Stock-½ mill for each % of dividend
4-29-44 P. L. 486	Rate on capital stock	On dividends-Varied On Capital Stock-As above if dividend is 6% or more; 3 mills if dividend is less
4-16-45 P. L. 507	Clarified Act of 1844	Same
3-15-49 P. L. 168	Rate on dividends	Varied (8% to 30%)
4-16-50 P. L. 457	Rate on capital stock	On dividends-Varied On Capital Stock-4½ mills
4-27-52 P. L. 443	Rate	As 1844 Act
4-12-59 P. L. 529	Tax on dividends abolished .	On capital stock-as in 1844 act
3-24-60 P. L. 250	Clarified Act of 1859 as to elimination of tax on dividends	Same
2-23-66 P. L. 82	Rate; Tax to be collected from shareholders	1% of par value of capital stock
4-12-67 P. L. 74	Rate; Tax a shares tax in case of National Banks	State banks-as Act of 1866 National-3 mills on value with optional rate of 1% on par value
4-2-68 P. L. 55	Change in method of appraising value of shares of National Banks	Same
12-22-69 P. L. 1373	Rate; Tax becomes a share tax in case of state banks ..	3 mills on value of shares 1%-optional rate

[24] Sloan's Estate, 254 Pa. 346.

[25] Bietsch's Estate, 22 D. & C. 600.

[26] Scranton Lackawanna Trust Co., to use v. Scranton Lackawanna Trust Co., Guardian, et al, 310 Pa. 125.

[27] Moneypenny's Estate, 181 Pa. 309; Rowell's Estate, 315 Pa. 181.

Date of Act	Principal Changes from Prior Act	Rate
3-21-70 P. L. 42	Tax of 1% on par value ordered refunded to all banks paying same	Same
6-7-79 P. L. 112 6-10-81 P. L. 99	Rate; Annual Tax reports to be filed with Auditor General	4 mills 6 mills-optional rate
6-30-85 P. L. 193	Rate	3 mills 6 mills (optional)
6-1-89 P. L. 420	Exemption from further taxation limited to local taxation	Same
6-8-91 P. L. 239	Rates	4 mills 8 mills (optional)
7-15-97 P. L. 292	Rate	4 mills 10 mills (optional)
5-2-25 P. L. 497	Option to pay on par value of Shares eliminated	4 mills
4-25-29 P. L. 677 4-9-29 P. L. 343	Reports to be filed with Dept. of Revenue	4 mills
5-31-33 P. L. 1130	Filing date of reports changed to March 15th	4 mills
7-28-36 P. L. 76	Rate; Filing date of reports changed to Feb. 15th	8 mills
4-8-37 P. L. 254	Continued rate of 8 mills for years 1937 and 1938	8 mills
5-4-39 P. L. 53	Continued rate of 8 mills for years 1939 and 1940	8 mills

Shares Tax, National and State Banks and Savings Institutions
Receipts—1930-1940

Year ended May 31	Amount Collected National	State	Total	Rate
1940	$4,445,373.36	$164,900.26	$4,610,273.62*	8 Mills
1939	4,134,496.11	139,246.53	4,273,742.64*	8 "
1938	5,444,552.98	211,249.84	5,655,802.82*	8 "
1937	1,177,048.29	203,863.59	1,380,911.88*	8 "
1936	1,010,656.48	110,771.99	1,121,428.47	4 "
1935	1,118,875.29	72,206.62	1,191,081.91	4 "
1934	482,893.76	22,474.10	505,367.86	4 "
1933	1,121,570.67	122,126.01	1,243,696.68	4 "
1932	1,511,645.12	136,967.46	1,648,612.58	4 "
1931	2,486,088.88	268,687.37	2,744,776.25	4 "
1930	1,079,324.40	317,874.64	1,397,199.04	4 "

* Emergency Shares Tax of 3 mills not included.

Tax on Shares

National and State Banks and Savings Institutions

The Pennsylvania State Tax imposed on National and State Banks and Savings Institutions has been primarily a tax on the shareholders of such institutions instead of the institutions themselves. This was true prior to the Act of 1897, except as to the capital stock tax of those early years when banks were required to pay a capital stock tax. It was also true under the Act of 1897 and its amendments. As to national banks the Commonwealth is without power to levy a tax upon their capital.[1] It has, however, the power to levy a tax upon the property of its citizens and can do so notwithstanding that this property may exist in the form of shares of stock in national banks.[1] In that it is not a tax on the corporation, the tax on bank shares is similar to the corporate loans tax.

National banks which are given fiduciary powers by the Federal Reserve Board and State banks given like powers by the Act of 1919, P. L. 1032, are not taxable as trust companies under the Act of 1907, but as banks under the Act of 1897.[2] It has been held that a savings bank having power to "accept the appointment of certain trusts," where the business done under such authority was incidental to its savings bank business and less than 2% of its receipts from all business is taxable as a savings bank rather than a trust company.[3]

Banks were the first class of corporations selected for taxation in Pennsylvania. The first act imposing a tax upon banks as a distinct class is that of May 21, 1814, P. L. 154. Section 10 of this act imposed a tax of 6% on the whole amount of dividends declared. The act further provided, "if the said bank shall, at any time, be exempted from the payment of tax or duty to the United States, then and during such exemption, an additional sum of two per cent on the dividends of each bank shall be transmitted, as aforesaid, to the State Treasurer for the use of the Commonwealth." Under this act, if a bank did not pay the tax or declared no dividends in any year, its charter was declared forfeited.

Under the Act of April 1, 1835, P. L. 99 it is provided that "the several banks in the Commonwealth now subject by law to the payment of a tax on their dividends shall hereafter pay into the treasury of this Commonwealth, in the manner now directed by law, eight per cent on all dividends which do not exceed 6% per annum; nine per cent on all dividends exceeding 6 and not exceeding 7% per annum; ten per cent on all dividends exceeding 7 and not exceeding 8% and eleven per cent on all dividends exceeding 8% per annum."

In addition to the tax on dividends banks were made subject to the state capital stock tax by the Acts of June 11, 1840, P. L. 612 and April 29, 1844, P. L. 486. That the tax on capital stock was in addition to the tax on dividends imposed by the Act of 1835, is apparent from the 6th section of the Act of April 16, 1845, P. L. 507, which provides that the 33d section of the Act of 1844, the capital stock tax act, shall not be construed to release the banks and savings institutions of this Commonwealth from the payment of a tax on their dividends, respectively, according to the several laws in force at the time of the passage of said act.

The rate per cent to be paid on the amount of dividends declared imposed by the Act of 1835 was increased by the Act of March 15, 1849, P. L. 168. They ranged from 8% when dividends paid were not more than six per cent to 30% when the dividends exceeded twenty per cent.

Section 21 of the Act of April 16, 1850, P. L. 457, required banks to pay a tax on dividends at varying rates as high as 30%. In addition Section 46 of the Act imposed a tax of 4½ mills on the capital stock paid in. This latter provision replaced the capital stock tax imposed by the Act of April 29, 1844 and remained in force until its repeal by the Act of April 27, 1852, P. L. 443 when the Act of 1844 again became effective as to banks.[4]

The Act of April 12, 1859, P. L. 529 which imposed a capital stock tax upon corporations generally provided that any company liable for a tax on capital stock and also upon dividends shall be exempt from the tax on dividends. This provision, in effect, abolished the tax on dividends. This construction was supported by the express provisions of the Act of March 24, 1860, P. L. 250 that the Act of 1859 should not be so construed that

[1] Northern Trust Co. v. McCoach, 215 Fed. 991 (1914).
[2] Opinions of Atty. General, 1919-1920 Page 76.
[3] Com. v. Miners Savings Bank, 14 Dau. 95 (1911).
[4] Allegheny Co. v. Schoenberger, 1 Grant 35 (1853). Mintzer v. Montgomery Co., 54 Pa. 139 (1867).

banks of deposit and discount or savings banks shall be liable to a tax on dividends.

Under Section 1 of the Act of February 23, 1866, P. L. 82 a tax of one per cent upon the par value of the capital stock "of every bank" was imposed, to be collected annually from each shareholder by the cashier of the bank and to be paid into the State Treasury. Banks were exempted from all other taxation on their capital stock. It was not until the passage of this act that banks ceased to be the principal corporations subject to the tax on capital stock.[5]

The Act of April 12, 1867, P. L. 74, repealed the part of the Act of 1866 that applied to the taxation of national bank capital stock and provided for the taxation of the shares of such banks. It was provided under Section 1: "That all the shares of stock held by any person in any bank incorporated by or in pursuance of any law of the Government of the United States are hereby declared subject to taxation in the hands of the holders of such shares, at the same rate as the shares, or stock, of banks incorporated by, or under, any law of the Commonwealth of Pennsylvania are now taxable, in the hands of the individual holders of such shares, and at no other, or greater, rate; that is to say, a tax of three mills upon every dollar of the value of such shares or stock shall annually be assessed and collected in the manner hereinafter provided." The 5th section of the Act of 1867 provided that should any bank, national or state, pay to the State Treasurer a tax of one per cent per annum on the par value of its capital stock, the shareholders of the bank should be exempt from all other taxation on the value of said shares. The tax on shares of state banks remained at one per cent as per the Act of 1866 until 1869.

Under the Act of April 2, 1868, P. L. 55 the method was changed of appraising the shares of national banks by assessors as provided in the Act of 1867.

The Act of December 22, 1869, P. L. 1870, P. 1373 provided that the shares of state and savings bank should be subject to the same tax as was imposed on national bank shares by the Acts of 1867 and 1868. By collecting a tax of one per cent of the par value of the shares from the shareholders and paying same to the Commonwealth, the bank was exempted from all other state taxes on the shares, capital and profits.

The Act of March 21, 1870, P. L. 42 directed that the State Treasurer repay to each bank, that had paid the tax of one per cent on the par value of all their shares of stock such tax paid, "after first deducting the tax of 3 mills upon such assessed value." The Act of 1870 also provided that national banks should be taxable for county, school, municipal and local purposes, at the same rate as other moneyed capital in the hands of citizens of the state.

By the Act of June 7, 1879, P. L. 112, supplemented by the Act of June 10, 1881, P. L. 99, the tax on shares of bank stock was increased from 3 to 4 mills. The system of assessment created by the Act of 1867 was abolished and replaced by a new one whereby reports were required to be filed with the Auditor General. State and national banks were allowed to elect to pay a tax of 6 mills upon their par value and to pay such tax to the State Treasurer by March 1st of each year. Such election exempted from further taxation their shares and so much of their capital and profits as was not invested in real estate. In the absence of such election the President or Treasurer of each state and national bank was required to file a report with the Auditor General on or before June 20th furnishing certain information including the value of the stock of the bank and a list of names and addresses of the shareholders with their holdings. The state fiscal officer then made a settlement against each shareholder. The lists and settlements were then forwarded to the several county commissioners and used in assessing taxes against the shareholders at the increased rate of four mills.

The Act of June 30, 1885, P. L. 193, substantially reenacted the Act of 1881. The rate of four mills was, however, reduced to three in the case where no election was made to pay the 6 mills tax on shares by March 1st. Trust, Safe Deposit, Guarantee, Surety, and Real Estate Insurance or Trust Companies were also given the option of choosing to pay the 6 mill tax in lieu of other taxation on their stock.

In construing the Act of 1885 a lower court held that the shares of stock of banks failing to pay the optional 6 mills tax on or before June 20th in each year, were taxable to the bank and the shares thereof taxable in the hands of the holders.[6] In another case involving the construction of the same act the court said:

> "The fact remains, however, that no intent is apparent in our legislation upon this subject treating the different statutes as a scheme of taxation, to tax both the capital stock and the shares of stock in the hands of the shareholders. Such taxation, notwithstanding the subtle distinction of the court below, would be substantially double taxation. Conceding the power of Legislature to tax in this manner, its exercise is never to be presumed. The intent to impose double taxation must be clearly expressed."[7]

Under the Act of June 1, 1889, P. L. 420, the last mentioned option was taken away from Trust, Safe Deposit, etc. Companies. As to State and National Banks choosing to pay the 6 mill tax the exemption "from further taxation upon their shares and so much of their capital and profits as shall not be invested in real estate" was limited to "local taxation under the laws of this Commonwealth."

The Act of June 8, 1891, P. L. 239 Sections 6 and 7, substantially re-enacted the Act of 1889, Sections 24 and 25. The rates were changed, however, the rate which could be paid on or before March 1st being increased from 6 to 8 mills and the rate which applied when the option to pay on the par value of the shares was not exercised, being raised from ? to 4 mills.

The next change in the tax on shares of banks was made by the Act of July 15, 1897, P. L. 292. This is the basic act for the present-day state taxation of banks. Section 1 provides:

> "That from and after the passage of this act every bank or savings institution, having capital stock, incorporated by or under any law of this Commonwealth

[5] Com. v. N. Y. P. & O. RR Co., 188 Pa. 169 (1898).

[6] Gorley v. Bowlby, 8 Pa. C. C. 17 (1890).

[7] Penna. Co. for Ins. on Lives, etc. v. Com. 22 W. N. C. 340 (1888).

or under any law of the United States, and located within this Commonwealth shall, on or before the 20th day of June in each and every year, make to the Auditor a report in writing, verified by the oath or affirmation of the president, cashier, or treasurer, setting forth the full number of shares of capital stock subscribed for or issued by such bank or savings institution, and the actual value thereof, which shall be ascertained as hereinafter provided; whereupon it shall be the duty of the Auditor General to assess such shares for taxation at the same rate as that imposed upon other moneyed capital in the hands of individual citizens of the state: that is to say, at the rate of four mills upon each dollar of the actual value thereof, the actual value of each share of stock to be ascertained and fixed by adding together the amount of capital stock paid in, the surplus and undivided profits, and dividing this amount by the number of shares. . . . It shall be the duty of every bank or savings institution, within a period of forty days after the date of such settlement by the Auditor General, at its option to pay the amount of said tax to the State Treasurer from its general fund or collect the same from its shareholders and pay over to the State Treasurer . . . And provided further, that in case any bank or savings institution having capital stock, incorporated under the law of this state or of the United States, shall collect annually from the shareholders thereof of said tax of four mills on the dollar upon the actual value of all the shares of stock of said bank or savings institution, according to the rule hereinbefore stated, that have been subscribed for or issued, and pay the same into the State Treasury on or before the 1st day of March in each year, the shares and so much of the capital and profits of such bank or savings institution as shall not be invested in real estate shall be exempted from local taxation under the laws of this Commonwealth and such bank or savings institution shall not be required to make any report to the local assessor or county commissioners of its personal property owned by it in its own right for purposes of taxation and shall not be required to pay any tax thereon."

The Act of 1897 was intended to abolish the system of permitting the payment of an optional tax.

The Legislative Record (Journal) shows the bill passed the House of Representatives without the provision. In the discussion in the House the proponents of the bill argued that the Commonwealth was losing revenue by many banks electing the method of tax computation most favorable to them and the elimination of the option would serve to equalize the tax on all banks. In the Senate, however, the bill was amended to include the following provision.

"Except, however, that any bank or savings institution incorporated as aforesaid, in lieu of the method hereinbefore set out for ascertaining the actual value of the shares of capital stock thereof may elect to collect annually from the stockholders thereof a tax of ten mills on the dollar upon the par value of all shares of said bank that have been subscribed for or issued, and pay the same into the State Treasury on or before the first day of March in each year; and the shares of such bank or savings institution and so much of the capital and profits of such bank or savings institution as shall be invested in real estate, shall be exempted from local taxation under the laws of this Commonwealth."

The above provision replaced those of prior acts permitting the payment of an optional tax of first six (Act of 1879) and then eight mills (Act of 1891). It was not until 1925 that the election given banks to pay upon par value of their stock was abolished. The Act of May 2, 1925, P. L. 497 eliminated the option. The 1925 Report of the Pennsylvania Tax Commission to the General Assembly of the Commonwealth shows 442 state banks elected in 1924 to pay the 10 mill tax. The average rate on book value of the assets of banks choosing this method was 2.7 mills so that most of the banks so electing paid less than 4 mills upon their actual capital. These facts brought about the change in 1925 that had been proposed in 1897 but defeated in the Senate.

The method of determining the actual value of each share by adding together the amount of capital stock paid in, surplus and undivided profits and dividing this amount by the number of shares has been held constitutional.[8]

The Act of April 25, 1929, P. L. 677 and the Fiscal Code, the Act of April 9, 1929, P. L. 343, provided for the filing of annual reports by state banks and savings institutions and national banks with the newly created Department of Revenue instead of the Auditor General's Department and re-enacted the provisions of existing laws as to the valuation of the shares for the purpose of state tax.

The Act of May 31, 1933, P. L. 1130 changed the date for filing annual shares tax reports from June 20th to March 15th, thereby changing the period for which the reports were to be filed from one ending June 20th to that ending December 31st. It necessarily eliminated the provision of prior acts for the optional filing of annual reports and payment of tax prior to March first for the year ending December 31st preceding.

The Act of July 28, 1936, P. L. 76 again changed the date for the filing annual shares tax reports. They now become due February 15th instead of March 15th of the year following that for which they were filed. This act also increased the rate of tax for the calendar year 1936 from 4 mills to 8 mills upon each dollar of the actual value of the shares of stock.

The Act of April 8, 1937, P. L. 254, continued the increased rate of 8 mills for the calendar years 1937 and 1938.

The rate of 8 mills was further continued for the calendar years 1939 and 1940 by the Act of May 4, 1939, P. L. 53.

Legislative History

Shares Tax, Title Insurance and Trust Companies
Summary

Date of Act	Principal Changes from Prior Act	Rate
4-29-1874 P. L. 73		½ mill of C. S. value for each % of Dividend if dividend is 6% or more; 3 mills if Dividend is less.

[8] Com. v. Mortgage Trust Company, 227 Pa. 163 (1910).

Date of Act	Principal Changes from Prior Act	Rate
6-30-85 P. L. 193	Permitted payment of optional tax	As above Optional rate of 6 mills
6-1-89 P. L. 420	Abolished optional tax	As in 1874 Act
6-13-07 P. L. 640	Provided method of arriving at actual value of shares	5 mills
7-11-23 P. L. 1071	Changes filing date of reports; Changes date of payment of tax	5 mills
5-7-27 P. L. 853	Exempted from shares tax the owned shares of corporations relieved from C. S. Tax	5 mills
4-25-29 P. L. 673	Changes filing date of reports; Reports to be filed with Revenue Dept.	5 mills
5-31-33 P. L. 1132	Exempted from shares tax only portion of owned shares of corporations paying or relieved from C. S. Tax	5 mills
7-28-36 P. L. 73	Abolished exemption of stocks owned of corporations paying or relieved from C. S. Tax; Rate	8 mills
7-28-36 P. L. 77	Changes filing date of reports	8 mills
4-8-37 P. L. 251	Continued increased rate for 1937 and 1938	8 mills
5-4-39 P. L. 48	Continued increased rate for 1939 and 1940	8 mills

Shares Tax, Title Insurance and Trust Companies
Receipts—1930-1940

Year Ended May 31	Amount Collected	Rate
1940	$1,708,541,38*	8 mills
1939	1,784,532,36*	8 "
1938	2,848,977.18*	8 "
1937	1,225,940.58*	8 "
1936	538,383.30	5 "
1935	1,929,212.91	5 "
1934	1,187,020.82	5 "
1933	1,383,322.96	5 "
1932	1,974,908.21	5 "
1931	2,355,710.49	5 "
1930	2,702,456.77	5 "

* Emergency Shares Tax of 3 mills not included.

Shares Tax

Title Insurance and Trust Companies

As in the case of national banks and state banks and savings institutions the tax on shares of title insurance and trust companies is a tax on the shareholders of the institutions of the companies themselves.

Trust Companies were first incorporated under the Act of April 29, 1874, P. L. 73, the general corporation act. Originally they were chartered for the purpose of engaging in the business of title insurance. Their powers were increased by the Legislature under acts passed in 1881, 1889 and 1895.

Banks incorporated under special acts and possessing in addition to their banking powers the power to transact to a limited extent the business of a trust company, which trust business they transact to a very small extent are not subject to taxation under this act, but are taxable as banks under the Act of July 15, 1897.[1] Title insurance companies are not designated in the acts imposing a tax upon gross premiums of insurance companies. Likewise trust companies are not included. Therefore, there is no authority for the imposition of a tax on the gross premiums of either company.[2]

Prior to 1885 title insurance and trust companies were subject to the capital stock tax in common with all other corporations incorporated under the general corporation act of 1874 (See Preliminary Legislative History of Capital Stock Tax.) The 3d section of the Act of June 30, 1885, P. L. 193, provided that title insurance and trust companies, in common with national and state banks and savings institutions might pay a tax of 6 mills upon the value of all their shares of stock in lieu of the capital stock tax. Payment of one of these two taxes exempted them from liability to the other.[3]

The Act of June 1, 1889, P. L. 420, omitted title insurance and trust companies from the corporations entitled to pay the optional tax of 6 mills on the par value of their capital stock. Thereafter until passage of the Act of June 13, 1907, P. L. 640 title insurance and trust companies remained subject to the capital stock tax. Thus for a period of 33 years, except for the brief period of four years (1885-1889) when they were allowed the option of paying a 6 mill tax on the par value of their capital stock, title insurance and trust companies were taxed by the Commonwealth in the same manner and at the same rate as other corporations created under the general corporation act of 1874. "They made their reports to the Auditor General under the general revenue acts of 1879, 1889 and 1891 and other statutes, just as other private corporations did, and the valuation of their capital stock was ascertained and the tax settlement made on the same basis.[4]

The Act of June 13, 1907, P. L. 640 was intended to put trust companies upon practically the same basis as banking institutions for the purpose of taxation.[5] It provided:

> "From and after the passage of this act, every company incorporated under the provisions of section 29 of an Act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved April 29th, 1874, and its supplements; for the insurance of owners of real estate, mortgages, and others interested in real estate, from loss by reason of defective titles, liens and encumbrances; . . . shall on or before the 20th day of June in each and every year, make to the Auditor General a report in writing . . . setting forth the full number of shares of the capital stock subscribed for or issued by such company, and the actual value thereof, which shall be ascertained as hereinafter provided; and thereupon it shall be the duty of the Auditor General to assess such shares for taxation at the rate of 5 mills upon each dollar of the actual value thereof, the actual value of each share of stock to be ascertained and fixed by adding together the amount of capital stock paid in, the surplus and undivided profits and dividing this amount by the number of shares . . ."

[1] Com. v. Peoples Bank of Wilkes-Barre, 14 Dau. 85. Com. v. Anthracite Savings Bank of Wilkes-Barre, 14 Dau. 91.
[2] Opinion Attorney General: 20 Dauphin 211 (1917).
[3] Penna. Co. for Ins. on Lives, etc. v. Com. 2 Mona 694 (1889).
[4] Com. v. Mortgage Trust Co., 227 Pa. 163 (1910).
[5] Com. App. v. Union Trust Co. of Pittsburgh, 237 Pa. 353 (1912).

It was further provided by this act that if the company should collect such tax from

> "the shareholders thereof, or from the general fund of said company, said tax of 5 mills on the dollar upon the value of all the shares of stock of said company, the value of each share of stock to be ascertained and fixed by adding together so much of the capital stock paid in, the surplus, and undivided profits, as is not invested in shares of stock of corporations liable to pay to the Commonwealth a capital stock tax or tax on shares, and dividing this amount by the number of shares of title insurance or trust company, and pay said tax into the State Treasury, on or before the first day of March in each year, the shares and so much of the capital stock, surplus, profits, and deposits of such company as shall not be invested in real estate, shall be exempt from all other taxation under the laws of this Commonwealth."

The method of arriving at the actual value of each share by adding together capital stock paid in, surplus and undivided profits and dividing by the number of shares was held constitutional.[6]

As to the rate of 5 mills compared to the rate of 4 mills imposed on banks and savings institutions it is suggested by Ruslander and Main in "Pennsylvania Corporation Taxes," 3d Edition, on page 171 that "The tax on shares of title and trust companies was framed at a time when the trust companies could engage in a variety of financial transactions which were withheld from the banks, and as a charge for their extra privileges they were taxed at a higher rate than banks." It is to be noted, however, that the rate of the capital stock tax, which the tax on shares replaced according to the provisions of the Act of 1907, was 5 mills.

The Act of July 11, 1923, P. L. 1071, changed the time for filing annual reports from the 20th day of June to the last day of February. It also changed the period after the date of settlement of the tax within which it was to be paid from 40 to 60 days. This act also changed the method of arriving at the actual value of the shares. It was now determined by adding together "so much of the capital . . . surplus, and undivided profits as is not invested in shares of stock of corporations liable to pay . . . a capital stock tax or tax on shares" regardless of whether the tax on shares was paid by March first as per the Act of 1907.

The Act of May 7, 1927, P. L. 853, enlarged the portion of the capital stock paid in, surplus and undivided profits exempt from the shares tax, which exemption had previously included only shares of stock of corporations liable to pay to the Commonwealth a capital stock tax, or a shares tax by adding the words "or relieved from the payment of capital stock tax."

The Act of April 25, 1929, P. L. 673, again changed the time for filing annual shares tax reports from the last day of February to the 15th day of March and provided that such reports should be filed with the newly created Department of Revenue instead of the Auditor General's Department as theretofore. Similar provisions were included in Section 712 of the New Fiscal Code, the Act of April 9, 1929, P. L. 343.

The Act of May 31, 1933, P. L. 1132 provided a slightly different method of arriving at the actual value of the shares of title insurance and trust companies for taxation. Prior legislation provided the actual value of the shares should be found by adding together so much of the capital stock paid in, the surplus and undivided profits "as is not invested in shares of stock of corporations liable to pay the Commonwealth a capital stock tax, or relieved from the payment of capital stock tax or tax on shares." The Act of 1933 changed the above quoted language to read "As is not invested in shares of stock of corporations liable to pay the Commonwealth a tax on shares; or as is not invested in such portion of the capital stock of corporations liable to pay to the Commonwealth a capital stock tax as the capital stock of such corporation employed in this Commonwealth and liable to a capital stock tax bears to the total capital stock of such corporation; or as is not invested in such portion of the capital stock of corporations specifically relieved under the laws of this Commonwealth from the payment of a capital stock tax as the capital stock of such corporation employed within this Commonwealth and relieved from the payment of a capital stock tax bears to the total capital stock of such corporation—" This change was to conform to the Act of June 22, 1931, P. L. 685 which provided for settlement of Capital Stock Tax by use of a statutory formula. It provided that so much of the value of the capital stock should be exempted as the value of the exempt assets bears to the value of total assets.

In practice no exemption was allowed by the taxing authorities of the Commonwealth for United States Securities and national bank stock owned. Upon an appeal to the United States Supreme Court from a decision of the Pennsylvania Supreme Court[7] approving this practice such court reversing the Pennsylvania Court held it to be discriminatory against such securities not to allow an exemption.[8]

The Act of July 28, 1936, P. L. 73 abolished the exemption just noted in the Act of May 31, 1933, P. L. 1132. In other words, the actual value of the shares for taxation was ascertained by adding together the amount of capital stock paid in, the surplus, and undivided profits. The act relieved from filing annual tax reports "any such corporations, all the shares of capital stock of which (other than shares necessary to qualify directors) are owned by a corporation which is liable to pay to the Commonwealth a tax on shares." This act increased the rate of the tax on shares of title insurance and trust companies for the calendar year 1936 from 5 to 8 mills. It also changed the last date for filing annual reports without penalty from March 15 to February 15.

This act was intended to remove the discrimination against U. S. Securities objected to by the United States Supreme Court in Schuylkill Trust Com. v. Com. of Pa. by denying exemption to shares of Pennsylvania corporations. In practice a deduction is allowed for shares of national banks owned.

The Act of July 28, 1936, P. L. 77 amended section 712 of the Act of April 9, 1929, P. L. 343, the Fiscal Code, to provide for the change in filing date from March 15 to February 15.

The Act of April 8, 1937, P. L. 251 continued the new

[6] Com. v. Mortgage Trust Co., 227 Pa. 163 (1910).

[7] Com. v. Schuylkill Trust Co., 315 Pa. 429.

[8] Schuylkill Trust Co. v. Com. of Pa., 80 Law Ed. 15.

rate on shares tax of 8 mills for the calendar years 1937 and 1938 and made the rate thereafter 5 mills.

The Act of May 4, 1939, P. L. 48 continued such new rate of 8 mills for the calendar years 1939 and 1940 and thereafter the rate is reduced to 5 mills.

Legislative History—Municipal Loans Tax
Summary

Date of Act	Principal Changes from Prior Act	Rate
4-29-44 P. L. 501		3 mills
4-30-64 P. L. 218	Provided for annual reports to Auditor General	3 mills
5-11-11 P. L. 236	Bonds, etc. of school districts added to taxable subjects	4 mills
6-17-13 P. L. 507	Municipal Loans Tax (also Corporate Loans Tax) and Personal Property Tax imposed by same act but clearly distinguished	4 mills
7-15-19 P. L. 954	Imposed tax when interest is paid for prior years	4 mills
7-15-19 P. L. 955	Imposed tax on indebtedness "assumed or on which interest shall be paid"	4 mills
4-9-29 P. L. 343	Time and place of filing annual report changed	4 mills

Municipal Loans Tax

Receipts—1928-1939

Years Ended May 31	Amount Collected	Rate
1939	$1,485,107	4 mills
1938	2,737,951	4 "
1937	4,445,971	4 "
1936	1,902,795	4 "
1935	3,139,466	4 "
1934	2,453,422	4 "
1933	2,561,410	4 "
1932	2,681,999	4 "
1931	2,334,762	4 "
1930	2,566,165	4 "
1929	1,455,057	4 "
1928	2,747,957	4 "

Municipal Loans Tax

A state tax analogous to the Corporate Loans Tax is that imposed on indebtedness of counties, cities, boroughs, townships, school districts or incorporated districts, sometimes called the "Municipal" Loans Tax or the "County and Municipal" Loans Tax. It was first imposed by Section 42 of the Act of April 29, 1844, P. L. 501, an act that provided according to its title, for the reduction of the debt of the Commonwealth and the incorporation of the Pennsylvania Canal and Railroad Company. This section provided ". . . It shall be the duty of the treasurer of each county, incorporated city, district, and borough of this Commonwealth, on the payment of any dividend or interest, to any holder or agent claiming the same, on any scrip, bond or certificate of indebtedness issued by said incorporated city, district, and borough aforesaid to assess the tax herein made and provided for state purposes, upon the nominal value of each and every said evidence of debt; said tax to be deducted by the said treasurer on the payment of any interest or dividend aforesaid, and the same shall be held by him until paid over to the state treasurer; . . ."

The next legislation relating to this tax was the 4th section of the Act of April 30, 1864, P. L. 218. Under the terms of the Act the burgess or other chief officer of each incorporated district or borough was required to report to the Auditor General the amount of scrip, bonds, etc. outstanding by said county, city, etc. together with rates of interest and other information. The Auditor General was then required to settle annually the accounts of each county, city, etc., fix the state tax due, and unpaid and send notice of the amount to the officers making such returns. It was made the duty of the treasurer of each county, city, etc., to deduct the state tax on payment of any interest or dividend on debts due by the county, city, etc. and pay the tax to the State Treasurer within 30 days after interest or dividend became due.

Section 4 of the Act of 1864 does not provide for any assessment of obligations for taxation. Its constitutionality was accordingly attacked.[1] The court, however, found its purpose to be the supplying of the provision, omitted by Section 42 of the Act of 1844, "requiring the treasurer of counties and cities to report to the Auditor General the amount of indebtedness on which interest was paid and tax became due, so that he might know whether all the tax had been deducted and paid over to the State Treasurer;" and the correction of the "failure to give him express authority to settle accounts for the tax unpaid." The court held further the last clause of Section 4 of the Act of 1864 reenacted Section 42 of the Act of 1844. Thus one act is made the supplement of the other. Not only did this opinion hold that the 42d section of the Act of 1844 was not repealed by the 4th section of the Act of 1864 but it was not repealed by the Act of April 2, 1846 or the Act of June 7, 1879, P. L. 112. (See Preliminary Legislative History of Corporate Loans Tax).

The tax on county and municipal loans was imposed by authority of the Acts of 1844 and 1864 until passage of the Act of May 11, 1911, P. L. 236 which amended the 4th section of the Act of 1864 by adding to the taxable subjects the indebtedness of school districts. It is to be noted school districts were not specifically included by the terms of the Act of 1844 or the Act of 1864. The accounting officers of the Commonwealth in practice did not regard school districts as included in the term "incorporated district." In 1908, however, the Attorney General ruled that the bonds of school districts should be returned by the treasurers of such districts to the Auditor General for taxation instead of being returned by the holders thereof to local assessors to be subject to the state tax on personal property.[2] In order to further clarify the matter the Act of May 11, 1911 was passed.

It is not clear what rate was used in imposing the Municipal Loans Tax from 1879 to 1913. The Act of April 30, 1864, P. L. 218, is silent as to the rate as is the Act of May 11, 1911, P. L. 236. It is believed, however, that in practice the same rate was applied as in the case of the Corporate Loans Tax, that is, 4 mills under the Act of June 7, 1879, P. L. 112, and June 10, 1881, P. L. 99; 3 mills under the Acts of June 30, 1885, P. L. 193 and June 1, 1889, P. L. 420; 4 mills under the Act of June 8, 1891, P. L. 229 and thereafter. In referring to the rate during the period from passage of the Act of 1891 to 1913, Eastman in "Taxation in Pennsylvania," Vol. 2, page 709, says "The tax being that 'made and provided for state

[1] Com. v. Phila. City and County, 157 Pa. 558 (1893).
[2] School District Bonds, 35 Pa. CC. 606.

purposes' on bonds, mortgages and similar personal property, the rate thereof is 4 mills under the provisions of Section 1 of the Act of June 8, 1891, P. L. 229, as amended by the Act of May 1, 1909, P. L. 298 on the nominal value of loans."

The next legislation applicable to this tax is the 17th section of the Act of June 17, 1913, P. L. 507. This Act which also provides for the imposition of the Personal Property Tax (first 16 sections) and the Corporate Loans Tax is not an amendment of any previous acts but a new independent act which expressly repeals prior acts relating to Personal Property Tax and Corporate Loans Tax. It does not, however, expressly repeal the Acts of 1844, (April 29, P. L. 501) 1864 (April 30, P. L. 218) or 1911 (May 11, P. L. 236) that formed up to this time the basis for the Municipal and County Loans tax.

Section 17 of the Act of 1913 after enumerating the classes of indebtedness subject to the Corporate Loans Tax sets forth identical classes of indebtedness issued by the political subdivisions as subject to the county and municipal loans tax, to wit; "and all scrip, bonds, or certificates of indebtedness." These classes of indebtedness were made taxable for the year 1914 and annually thereafter at the rate of 4 mills on each dollar of the nominal value. This act provided that none of the classes of property made taxable by this section for state purposes shall be taxed for county, school or other local purposes. The tax for state purposes imposed by Section 17 was, by the provisions of Section 18 to be collected in the same manner as the tax theretofore imposed for state purposes upon such obligations.

The Act of July 15, 1919, P. L. 954 provided that "whenever any public . . . corporation . . . required by existing laws to deduct or collect and pay over to the Commonwealth taxes upon scrip, bonds, certificates and evidences of indebtedness by such corporation issued or assumed, shall make payment of interest on any scrip, bonds, certificates and evidences of indebtedness, issued or assumed by them, which payment shall include interest due and payable for prior years it shall be the duty of the treasurers . . . paying such interest to forthwith report the same to the Auditor General, indicating the amount thereof, the years covered thereby . . .; and it shall be their further duty to deduct from such interest four mills on every dollar of the full amount of such obligations to the extent that such obligation might have been required to have been made under existing law had the interest actually been paid during such prior years when due . . ."

The Act of July 15, 1919, P. L. 955, amended the 17th Section of the Act of 1913 by adding to the list of taxable indebtedness of political subdivisions "all scrip, bonds, certificates and evidences of indebtedness assumed or on which interest shall be paid" by any county, city, borough, township, school district or incorporated district of the Commonwealth. The following provision was also added to this section "It is the intent of this act that all scrip, bonds, certificates and evidences of indebtedness made taxable under this section are not taxable under section one (1) of the act to which this is an amendment, and that only each scrip, bonds, certificates and evidences of indebtedness which cannot be made taxable under this section are to be taxed under section one (1) of said act."

The next legislation applicable to Municipal Loans tax was Section 709 of the Act of April 9, 1929, P. L. 343, the "Fiscal Code." This section provided for the filing of the annual report on or before the 15th day of March of each year with the Department of Revenue instead of the Auditor General's Department of the "amount of scrip, bonds or certificates of indebtedness, outstanding by such county, city, borough, school district or incorporated district, as the same existed on the first day of January . . ."

The rate of the Municipal Loans Tax was not increased in 1935 as was the Corporate Loans Tax but remained at 4 mills.

Legislative History—Corporate Loans Tax
Summary

Date of Act	Principal Changes from Prior Act	Rate
4-29-1944 P. L. 486		3 mills
5-1-54 P. L. 535	Bonds, etc. of railway corporations expressly taxable	3 mills
4-30-64 P. L. 218	Tax withheld from interest on taxable securities	3 mills
5-1-68 P. L. 108	Tax based on interest paid	5% (of interest)
3-21-73 P. L. 46	Tax imposed directly upon corporation	5% (of interest)
4-24-74 P. L. 68	Corporate Loans tax abolished	None
6-7-79 P. L. 112	Tax on principal of indebtedness through corporation as agent	4 mills
6-10-81 P. L. 99	Tax imposed on corporation but reimbursement permitted	4 mills
6-30-85 P. L. 193	Act provided for tax on interest; Rate	3 mills
6-1-89 P. L. 420	Tax is on value of indebtedness	3 mills
6-8-91 P. L. 229	Rate	4 mills
5-1-09 P. L. 298	Loans issued free and clear of tax taxable if held by Savings Institutions without Capital Stock	4 mills
6-17-13 P. L. 507	Clarifies separation of corporate loans tax from personal property tax	4 mills
7-15-19 P. L. 954	Loan taxable if interest is paid for prior period	4 mills
7-15-19 P. L. 955	Indebtedness "assumed" and "on which interest was paid" added to taxable subjects	4 mills
7-15-19 P. L. 958	Foreign corporations made subject to corporate loans tax even if Treasurer is non-resident	4 mills
7-21-19 P. L. 1067	Filing date for Reports Changed	4 mills
7-13-23 P. L. 1085	Provided corporation assuming a mortgage may be exempt if required notice is given	4 mills
5-4-27 P. L. 741	Exempted first class corporations from tax	4 mills
4-25-29 P. L. 669	Loans tax reports to be filed with Department of Revenue	4 mills
6-1-31 P. L. 318	Change in filing date of fiscal year corporations	4 mills
6-22-35 P. L. 414	New corporate loans tax on addition to prior acts	1 mill (5 mills for both taxes)
7-17-36 P. L. 51	rate	4 mills (8 mills for both taxes)
5-18-37 P. L. 633	Two Loans Taxes combined	8 mills
5-5-39 P. L. 76	First class or non-profit corporations exempt—Rate continued for 1939 and 1940	8 mills

Date of Act	Principal Changes from Prior Act	Rate
5-25-39 P. L. 202	Loans Reports showing interest paid for prior years filed with Revenue Dept.	8 mills

Corporate Loans Tax

Receipts—1928-1939

Years Ended May 31	Amount Collected	Rate
1939	$6,457,885	8 mills
1938	7,930,090	8 "
1937	11,148,834	8 " *
1936	3,242,156	5 " †
1935	5,242,197	4 "
1934	5,489,807	4 "
1933	3,992,539	4 "
1932	4,858,306	4 "
1931	5,957,934	4 "
1930	4,663,048	4 "
1929	4,592,453	4 "
1928	4,194,973	4 "

* Extra 3 mills attacked in court appeal.
† Extra 1 mill held invalid for year 1935, that is, reports for 1935 filed in 1936. Com. v. Chester County Light and Power Co., 339 Pa. 97. Part of the tax above of $3,242,156 will be refunded to the corporation taxpayers under this decision.

Pennsylvania Corporate Loans Tax

The Pennsylvania Corporate Loans Tax is more or less closely linked with the Personal Property Tax, the latter, at least in the later acts, being intended to complement the former. It is not a tax laid on the company, nor on the bondholders thereof as a body, but on each resident bondholder as an individual; and the corporation or its treasurer is merely the agent of the Commonwealth or instrument of collection for the convenience of the State[1] but in the case of the failure of the corporation through its treasurer to collect the tax the corporation is liable therefor.[2]

The loans of private corporations were first made a separate subject of taxation by Section 3 of the Act of April 30, 1864, P. L. 218. It is to be noted, however, that the bonds of a railroad company chartered by the Commonwealth were held taxable by court decision under Section 32 of the Act of April 29, 1844, P. L. 486, an early personal property tax act,[3] although corporate bonds were not mentioned by name in the act. Also the Act of May 1, 1854, P. L. 535 taxed "all bonds or certificates of loans of any railroad company incorporated by this Commonwealth." Under the Act of April 30, 1864, P. L. 218, the officer of the corporation which paid interest to its depositors, bondholders, or other creditors, on loans upon which a state tax is imposed, is required to withhold from such depositors, bondholders or creditors the amount of the state tax and pay it over to the State Treasurer.

Section 3 of the Act of April 30, 1864, P. L. 218 was repealed by Section 11 of the Act of May 1, 1868, P. L. 108 which provided that the officers of every corporation doing business in Pennsylvania except domestic banks or savings institutions, which pays interest to its bondholders or other creditors, shall, before the payment of the same, retain a tax of 5% upon every dollar of interest paid. It should be noted that the tax is based on the interest paid and not on the principal of the indebtedness. In construing the Act of May 1, 1868, P. L. 108, the Pennsylvania Supreme Court held the tax must be collected from non-resident bondholders as well as individuals residing within Pennsylvania.[4] Upon appeal to the U. S. Supreme Court, however, the decision of the State Supreme Court was reversed.[5]

The fourth section of the Act of March 21, 1873, P. L. 46 repealed the 11th section of the Act of May 1, 1868, P. L. 108 and imposed the loans tax directly on the corporation. The tax was again 5% of the interest paid as in the case of the Act of 1868.

Approximately a year later Section 4 of the Act of 1873 was repealed by Section 11 of the Act of April 24, 1874, P. L. 68 and the corporate loans tax was entirely abolished. For the next five years there was no corporate loans tax imposed on either the holders of corporate indebtedness or the corporations themselves.

The corporate loans tax was re-established and imposed on the principal sum of the corporate indebtedness and not on the interest paid on said principal by the 17th section of the Act of June 7, 1879, P. L. 112 by providing that:

"All corporations paying interest on loans hereby taxed for state purposes only shall deduct the said tax from the said interest and pay the same into the state treasury." This Act avoids taxing nonresidents.

This 17th Section of the Act of June 7, 1879, P. L. 112 was reenacted by Sections 1 and 2 of the Act of June 10, 1881, P. L. 99. This latter act differed from the Act of 1879 in that the tax was imposed primarily on the corporation but the latter was allowed to withhold the tax from the interest paid on the corporae indebtedness, in which case the latter became exempt from other taxation in the hands of the holders. In the 1879 Act the tax was imposed on the holder of the corporate indebtedness through the corporation as agent for the Commonwealth.

In the case of Com. v. Lehigh Valley R. R. Co. 104 Pa. 89 (1883) Section 17 of the Act of 1879 and Section 2 of the Act of 1881 were held unconstitutional because they contained no provision for the assessment and valuation of the loans taxed and therefore did not constitute an independent scheme of taxation of corporate loans.

The Act of June 30, 1885, P. L. 193, corrected the defect of the Acts of 1879 and 1881 which was responsible for them being declared unconstitutional. This Act of 1885 reduced the corporate loans tax from 4 to 3 mills and expressly restricted the tax to obligations in the hands of residents of Pennsylvania. The Act of 1881 (June 10, P. L. 99) also contained such restriction. Although the Act of 1885 provided that the tax shall be deducted "on every dollar of the interest paid as aforesaid" as had been provided by the Act of May 1, 1868, P. L. 108, the tax was construed by court decision to be upon the principal sum of corporate obligations and not on the interest paid thereon, that is, the tax "is the state tax imposed and provided on mortgages, money owing by solvent debtors, etc."[6]

The next act applicable to the corporate loans tax was

[1] Com. v. Phila. & Reading R. R. Co., 150 Pa. 312 (1892); Com. v. Lehigh Valley R. R. Co., 104 Pa. 89 (1883).
[2] Com. v. Wilkes-Barre & Scranton R. R., 162 Pa. 614 (1894).
[3] Com. v. Wilkes-Barre & Scranton R. R., 162 Pa. 614 (1894).
[4] D. L. & W. R. R. v. Com. 66 Pa. 64 (1870).
[5] State Tax on Foreign Held Bonds 82 U. S. 300.
[6] Delaware Div. Canal Co. v. Com. 123 Pa. 594 (1889). Com. v. Wilkes-Barre & Scranton Rwy., 162 Pa. (1894).

that of June 1, 1889, P. L. 420, supplementing the Act of 1879. It provided a complete system for taxation of personal property, tax on corporate loans and tax on capital stock and on gross receipts. It continued the rate of 3 mills on corporate loans.

The Act of June 8, 1891, P. L. 229 re-enacted many of the provisions of the Act of June 1, 1889, P. L. 420. It changed the rate of corporate loans tax from 3 to 4 mills at which it remained until 1935.

The Act of May 1, 1909 P. L. 298, Section 1, amended Section 17 of the Act of June 1, 1889, P. L. 420 by providing the act should not apply to savings institutions having no capital stock and also making loans owned by said savings institutions without capital stock taxable if issued clear of and free from the 4 mills tax.

The Act of June 17, 1913, P. L. 507 is the basis of the present-day corporate loans tax. Theretofore there was no distinct statutory separation of the tax on corporate indebtedness from the personal property tax on mortgages; moneys owing by solvent debtors; interest bearing accounts, etc. The prior acts had imposed for state purposes a four mill tax on the various kinds of personal property enumerated therein. This tax was collected locally and paid over to the Commonwealth which then remitted to the counties three-fourths of the tax collected. The first 16 sections of the Act of 1913 were concerned with the imposition and collection of the four mill tax as it related to all kinds of taxable personal property theretofore taxed except corporate indebtedness. By express provisions these enumerated subjects were made taxable for county purposes only and no part of the tax was paid over to the Commonwealth.

The reasons for the change in the personal property tax from a state tax with the counties sharing in it to the extent of three-fourths of the amount collected to a county tax are brought out in the discussion in the House just prior to the passage of the bill. The City of Philadelphia found itself greatly handicapped because of a lack of transit facilities. It was unable to extend such facilities because the amount of outstanding bonds approached the limit set by the Constitution at a definite percentage (7%) of assessed values for local taxation. The Act of 1913 would provide more taxes for the counties and incidentally the cities coextensive with the counties (Philadelphia) and also increase their borrowing capacity. In the discussion on the bill it was stated $40,000,000 of actual cash would be available for Philadelphia rapid transit improvements. In the original bill Section 18 provided that all moneys realized from the sale of bonds the issue of which was made possible by the increase in personal property taxable for county purposes, should be limited to leasing, locating, constructing and equipping transit facilities. Because of the possibility of the section being unconstitutional as a part of the Act it was stricken from the Act of 1913 and incorporated in a separate bill by the Senate.

Section 17 of the Act of 1913 provided that all scrip, bonds or certificates of indebtedness issued by private corporations incorporated under the laws of Pennsylvania or the laws of any other state or of the United States and doing business in Pennsylvania should be taxable for the year 1914 and annually thereafter at the rate of four mills on each dollar of the nominal value. It also provided that none of the classes of property made taxable by this section for state purposes shall be taxed for county, school or other local purposes. The tax for state purposes imposed by Section 17 was, by the provisions of Sec. 18, to be collected in the same manner as the tax theretofore impased for state purposes upon such obligations.

In the Cumulative Supplement (1909-1921) to "Taxation in Pennsylvania" (Eastman) it is stated "It was generally believed that the intention of the General Assembly was in enacting Section 17 of the Act of June 17, 1913, P. L. 516, to leave the obligations of corporations to be taxed for state purposes, as theretofore. It seems, however, that only such corporate obligations remain subject to state taxation as fall within the language scrip, bonds, or certificates as used in said 17th Section of the Act of 1913, and that if any corporate obligation comes more particularly within the enumeration of a clause of Section 1 of said act, it is then subject to taxation for county purposes. Thus, car trust certificates are subject to county taxation[7] and promissory notes discounted by unincorporated banks or private banks.[8] It was also held in a court decision interpreting the 1913 Act that corporate indebtedness not represented by an obligation given by it to the person to whom the indebtedness is due, but appearing only in the statement contained in the company's books, was not subject to the corporate loans tax.[9]

The decisions above noted as well as other questions raised in practice before the Fiscal Departments required further clarification of the law relating to the Corporate Loans Tax. Accordingly four Acts were passed by the Legislative Session of 1919 to accomplish this end. The Act of July 15, 1919, P. L. 955, amended Section 17 of the Act of 1913 by adding to the list of taxable corporate indebtedness "all scrip, bonds, certificates and evidences of indebtedness assumed or on which interest shall be paid." To this section was also added the following:

"It is the intent of this act that all scrip, bonds, certificates and evidences of indebtedness made taxable under this section are not taxable under section one (1) of the act to which this is an amendment, and that only such scrip, bonds, certificates, and evidences of indebtedness which cannot be made taxable under this section are to be taxed under section one (1) of said act." Thus the three Supreme Court decisions referred to above were overruled. Even book accounts of corporations were taxable corporate indebtedness if interest was paid thereon.[10]

The Act of July 15, 1919, P. L. 954, was an independent act in that it did not amend a previous act. It provided that corporate indebtedness on which interest was paid in a particular period for a prior year or years should be reported to the Auditor General together with certain prescribed information necessary for the correct settlement of the Corporate Loans Tax, and tax deducted from such interest and paid into the State Treasury.

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[7] Com. v. Lehigh & N. E. R. R. Co., 268 Pa. 271 (1920).
[8] Com. v. Roxford Knitting Co., 268 Pa. 266 (1920).
[9] Com. v. Lancaster Light, Heat & Power Co., 268 Pa. 209.
[10] Com. v. Imperial Woolen Co., 290 Pa. 526.

The Act of July 21, 1919, P. L. 1067, amended the Act of June 30, 1885, P. L. 193, Section 4. It added to taxable corporate indebtedness any "evidence" of indebtedness to conform with the Act of July 15, 1919, P. L. 955. It also changed the filing date for Corporate Loans tax reports from the first Monday in November to the last day of February for the calendar year next preceding. It provided for a tax of four mills to be deducted on every dollar of the interest paid and returned into the State Treasury within 60 days from the date of settlement instead of 3 mills as in the Act of 1885. The words "on every dollar of the interest paid" were also included in Section 4 of the Act of 1885 but were held by court decision to mean "off every dollar of the interest paid".[11] In practice the tax was imposed under the Act of 1919 upon the nominal value of the indebtedness and not on the interest. The Act also provides by its own terms for the rate of compensation allowed the treasurer of a corporation for services in withholding the tax when paying interest. Paragraph 2 of Section 4 provides for the settling of estimated corporate loans taxes by the Auditor General when no reports are filed; paragraphs 3 and 4 for fiscal year reports and the final paragraph for extension of time in the filing of annual reports.

The act of July 15, 1919, P. L. 958 amending Section 18 of the Act of 1913, P. L. 507 contained the rather startling provision "That the provisions of this section shall apply to all foreign corporations, duly registered, and doing business in this State, without regard to whether the treasurers or other fiscal officers of such corporations whose duty it may be to pay the interest on obligations of the character aforesaid may be residents or non-residents of this Commonwealth." The Act was held unconstitutional by the Dauphin County Court in Com. v. American Ice Co. 24 Dauphin 453 (1921) and the decision was apparently not appealed by the Commonwealth.

The Act of July 13, 1923, P. L. 1085 amending Section 17 of the Act of 1913, P. L. 507, as amended by the Act of July 15, 1919, P. L. 955, provided whenever a corporation should assume a mortgage or other evidence of indebtedness or pay interest thereon it should give written notice within 10 days to any person who may be liable for the payment of the personal property tax upon such indebtedness, that the corporation had assumed such indebtedness and will deduct and impose the Corporate Loans Tax. Similar notice is required annually for the period the corporation is liable for the payment of such interest. When the corporation assumes the indebtedness or the payment of interest thereon prior to October first and gives the required notice, it is relieved from the duty of deducting and paying the Corporate Loans imposed for the balance of the year but is required to deduct the tax for the ensuing year. When the corporation assumes the indebtedness or payment of interest thereon on or subsequent to October first and gives the required notice, it is relieved from the duty of deducting and paying the tax for the balance of such year and for the ensuing year. The person to whom notice is given is required to pay the personal property tax for the period for which the corporation is relieved. Penalties are provided for failure to give the required notice.

The Act of May 4, 1927, P. L. 741, amending the 4th section of the Act of June 30, 1885, P. L. 193, provided for an exemption of "corporations of the first class and cooperative agricultural associations not having capital stock and not conducted for profit" from the filing of Corporate Loans Tax reports. This exemption has been construed by the Attorney General of the Commonwealth to relieve all first class corporations from filing the reports regardless of whether they have capital stock and are conducted for profit. In other words, the words "not having capital stock and not conducted for profit" apply only to agricultural associations.

The Act of April 25, 1929, P. L. 669, amending the Act of June 30, 1885 and its supplements, provided for the filing of annual Corporate Loans Tax reports with the newly created Department of Revenue instead of the Auditor General's Department in accordance with the new scheme of administering state taxes as prescribed by the Fiscal Code, the Act of April 9, 1929, P. L. 343. The filing date for calendar year corporations was changed from the last day of February of the year following that for which the report was due to March 15th of said year. It also added to the list of taxable corporate indebtedness that upon which the corporation is liable for the payment of the interest.

The Act of June 1, 1931, P. L. 318 amending Section 702 of the Fiscal Code of 1929, provided the filing date of Corporate Loans Tax reports of corporations on a fiscal year basis should be 75 days from the end of the fiscal year instead of 60 days as theretofore.

Section 19 of the Act of June 22, 1935, P. L. 414, known as the "State Personal Property Tax Act" imposed a tax of one mill for state purposes upon "all scrip, bonds, certificates, and evidences of indebtedness issued, and all scrip, bonds, certificates, and evidences of indebtedness assumed, or on which interest shall be paid by any and every private corporation." This tax was in addition to the 4 mill corporate loans tax. The Act of 1935 was not an amendment of prior acts but a new law imposing new personal property and corporate loans taxes which, however, were similar in every respect, except rate, to the existing personal property and corporate loans taxes. The terms of the Act are contradictory as to the first year of its operation. The Department of Revenue attempted to make the Act retroactive to January 1, 1935 but was overruled by the Supreme Court in Com. v. Chester County Light and Power Company 339 Pa. 97. For 1936, therefore, the Corporate Loans Tax amounted to a total of 5 mills on the nominal value of corporate indebtedness, 1 mill under the Act of 1935 and 4 mills under the Act of 1913 as amended.

In the 1936 Special Session of the Legislature the rate of the new Corporate Loans Tax was increased from 1 to 4 mills. Section 18 of the Act of July 17, 1936, P. L. 51 amended Section 19 of the Act of June 22, 1935, P. L. 414, and provided for the 3 mill increase in rate "during the calendar year 1937 on reports filed for the calendar year 1936 or the fiscal year beginning in the calendar year 1936." The Department of Revenue is attempting to make this law retroactive to January 1, 1936. It is believed since the Act contains the same unworkable provisions as that of the 1935 Act that it will upon appeal to the Supreme Court, meet a similar fate as the latter Act. If such event happens, the Act will become operative January 1, 1937, that is, for calendar year reports of 1937 filed in 1938.

[11] Com. v. Delaware Division Canal Co., 123 Pa. 594.

The Act of May 18, 1937, P. L. 633 amended the Act of June 22, 1935, P. L. 414, the Personal Property Tax Act. Section 17 amended Section 18 of the 1935 Act by using the word "State" in the title of the Section to designate the kind of tax and so further differentiate it from the County Personal Property tax. The law as to foreign corporations is further clarified by making the indebtedness on which interest is paid taxable if the foreign corporation has a "resident corporate treasurer." The rate of the tax is made 8 mills for the years 1937 and 1938 on reports for these years filed in 1938 and 1939 and four mills for 1939 and every year thereafter on reports filed for such year in 1940 and every year thereafter. The rate of 8 mills is the rate of 4 mills provided by the Act of June 17, 1913, P. L. 507, as amended combined with the rate of four mills provided by the Act of June 22, 1935, P. L. 414 as amended by the Act of July 17, 1936, P. L. 51. In other words there is now a single Corporate Loans Tax with a rate of 8 mills, provided for by a single Act, instead of 2 Corporate loans taxes of 4 mills each, provided by 2 separate series of legislative acts. Sections 17 and 18 of the Act of June 17, 1913, P. L. 507, and their amendments, all of which relate to the Corporate Loans tax of 4 mills, are repealed by Section 18 of the Act of 1937. "Employes thrift or savings associations, whether operated by employes or the employer" are added to the subjects to which the act does not apply.

The Act of May 5, 1939, P. L. 76 further amended the Act of June 22, 1935, P. L. 414, the "State Personal Property Tax Act," as amended. Section 17 of the 1939 Act again exempted from Corporate Loans Tax indebtedness of first class or non-profit corporations. In the Act of June 17, 1913, P. L. 507 and its amendments first class corporations and agricultural associations without capital stock and not conducted for profit were similarly exempt. In the Act of 1935 (State Personal Property Tax Act) the exemption was omitted as it was from the amending Act of May 18, 1937, P. L. 633 which combined the two "separate" Corporate Loans Taxes of 4 mills each into one tax of 8 mills and repealed Section 17 of the Act of 1913 and its amendments. This act continues for 1939 and 1940 the rate of 8 mills on reports filed for such years in 1940 and 1941 and reduces the rate to 4 mills for the year 1941 and every year thereafter on reports filed for such years in 1942 and every year thereafter. It also exempted from the Corporate Loans Tax corporate indebtedness held by a corporation as executor or administrator of the estate of a non-resident decedent, and as trustee for a "resident or non-resident religious, charitable, or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individual."

The Act of May 25, 1939, P. L. 202 amends the Act of July 15, 1919, P. L. 954 by providing treasurers of corporations in paying interest on corporate indebtedness in a particular year for prior years should report to the Department of Revenue instead of the Auditor General. Instead of deducting from such interest 4 mills the act provides for the deduction of "the proper amount of tax."

Foreign Bonus

Although foreign corporations were required to register with the Secretary of the Commonwealth prior to 1901 they were not subject to a bonus charge until the Act of May 8, 1901, P. L. 150 required them to pay a bonus of one-third of one per cent upon the amount of capital actually employed or to be employed wholly within the Commonwealth and a similar bonus upon any increase in capital so employed. Foreign bonus is not an annual tax but the price paid upon actual capital invested therein (Pennsylvania) and upon subsequent increase of such capital.[1] It is the consideration exacted from a foreign corporation for the privilege of doing business in the State just as domestic bonus is the consideration paid for the right to exist as a Pennsylvania corporation.

Legislative History—Foreign Bonus

Summary

Date of Act	Principal Changes from Prior Act	Rate
5-8-01 P. L. 150	Bonus imposed on capital employed in Pa. or increase thereof	3⅓ mills
4-9-29 P. L. 343	Change in filing date of bonus reports	3⅓ mills
6-10-31 P. L. 490	Bonus paid credited on Domestic bonus when a corporation domesticates	3⅓ mills
6-20-39 P. L. 473	Act of June 10, 1931 re-enacted	3⅓ mills

Foreign Bonus

Receipts—1930-1939

Years Ended May 31	Amount Collected	Rate
1939	$294,198	3⅓ mills
1938	426,283	3⅓ "
1937	497,918	3⅓ "
1936	148,285	3⅓ "
1935	189,235	3⅓ "
1934	206,835	3⅓ "
1933	192,794	3⅓ "
1932	414,285	3⅓ "
1931	584,664	3⅓ "
1930	417,678	3⅓ "

The Act applies to corporations employing capital in Pennsylvania subsequent to the enactment of the Act of 1901. Capital employed prior thereto was not liable to bonus.[2] The decisions go even further. Foreign corporations whose capital was employed in Pennsylvania prior to the passage of the act are not liable to bonus even if they acquired new capital in the State subsequent to the passage of the Act of 1901.[3]

The rate of one-third of one per cent has remained the same from 1901 to the present time. The reduction in rate on bonus from one third to one-fifth of one per cent by the Act of April 20, 1927, P. L. 322 does not apply to foreign bonus.

The Act of May 8, 1901, P. L. 150 follows:

Section 1. Be it enacted, etc., That from and after the

[1] Opinion of Attorney General: 4 Dauphin 232 (1901).

[2] Com. v. Crucible Steel Co. of America, 207 Pa. 308; Com. v. Danville Bessmer Co., 207 Pa. 302.

[3] Com. v. American Steel Hoop Co., 226 Pa. 6; Com. v. Danville Bessmer Co., 207 Pa. 302.

passage of this act all corporations, limited partnerships or joint stock associations, except foreign insurance companies, chartered or created by or under the laws of any other State, or of the United States, or of any foreign country, whose principal office or chief place of business is located in this Commonwealth, or which have any part of their capital actually employed wholly within this State, in addition to complying with the laws now in force as to such corporations, limited partnership or joint-stock associations, shall pay to the State Treasurer, for the use of the Commonwealth, a bonus of one-third of one per centum upon the amount of their capital actually employed or to be employed wholly within the State of Pennsylvania, and a like bonus upon each subsequent increase of capital so employed.

Section 2. That in addition to the duty of complying with the other laws now in force, no corporation, limited partnership or joint-stock association liable to pay bonus under this act shall go into operation or transact any business in this Commonwealth without having first made a report under oath to the Auditor General[4] stating specifically:

First: The State or country in which incorporated or created.

Second. The date of incorporation or organization.

Third. The location of its chief office in this State.

Fourth. The name and address of its president and treasurer.

Fifth. The amount of its bonded indebtedness.

Sixth. The amount of its authorized capital stock.

Seventh. The amount of capital paid in.

Eighth. The amount of capital employed wholly in the State of Pennsylvania.

And each of said corporations, limited partnerships or joint stock associations, shall make a similar report annually thereafter, not later than the thirtieth day of November of each year.

Section 3. The Auditor General and State Treasurer are hereby authorized to settle, in the usual manner and have collected, an account against any corporation, limited partnership or joint-stock association violating the provisions of this act, with a penalty of fifty per centum for failure to make report and pay the said bonus.

In the early years of the act's existence there was a number of court decisions interpreting "capital actually employed within the State." It has been defined as "doing business" in Pennsylvania.[5] "Capital" has been construed as tangible property.[6] It does not include money due either upon a note or open account.[7]

The Act of May 8, 1901 has not been amended. It has, however, been directly affected by the amendments of a number of other acts. Section 706 of the Act of April 9, 1929, P. L. 343 required that Bonus Reports be filed within the time required for the filing of Capital Stock Tax instead of "not later than Nov. 30th" as provided by the Act of 1901. For calendar year corporations this meant by March 15th and for fiscal year companies not later than 75 days after the end of the fiscal year.

[4] See Com. v. Crucible Steel Co. of America, 7 Dau. 20 (1903) interpreting this section.
[5] Com. v. Lycoming Improvement Co., 6 Dauphin 103 (1903); Com. v. Tonopah Mining Co., 12 Dauphin 91 (1909).
[6] Com. v. Imperial Pneumatic Tool Co., 20 Dau. 1 (1916); Com. v. S. & S. Co. of America, 20 Dau. 7 (1916).
[7] Com. v. G. W. Ellis Co., 237 Pa. 328.

Section 202 of the Act of April 9, 1929, P. L. 343 provides for the filing of bonus reports with the Department of Revenue and the settlement by such department.

The Act of June 10, 1931, P. L. 490 amending the Act of June 9, 1881, P. L. 89 provided for credit of foreign bonus, paid by a corporation when it domesticates, on domestic Bonus imposed against it. This act was undoubtedly intended to over-rule the opinion of the lower court which held that a foreign corporation which domesticates itself under the Act of 1881 must pay bonus as a domestic corporation without credit for bonus paid as a foreign corporation.[8]

Following the passage of the Business Corporation Law of 1933 the Attorney General's Department in an opinion to the Secretary of the Commonwealth ruled that the operation of the Act of June 9, 1881, P. L. 89 and its amendment of June 10, 1931, P. L. 490 was so restricted by the repeal of the Act of 1874, upon which they depended, by such Business Corporation Law that a foreign corporation could no longer be domesticated under the Act of 1881, even if the latter were not repealed by the Business Corporation Law of 1933.[9] Although the same result could be arrived at by the officers or others interested in the foreign corporation forming a new domestic corporation under the Business Corporation Law of 1933 no credit may be allowed for bonus paid by the foreign Corporation as was permitted under the Act of 1931.

The Act of June 20, 1939, P. L. 473, amending the Act of April 20, 1927, P. L. 322, as amended, provided for the crediting of foreign bonus paid by a corporation which later becomes a Pennsylvania corporation by exempting from payment of bonus, capital stock equal to the capital upon which such foreign corporation has theretofore paid bonus. This act would seem to over-rule the opinion of the Attorney General's Department, supra. It provides that "any corporation, created by or under the laws of any other state and authorized by a certificate of authority to do business in this Commonwealth, becoming a corporation of this Commonwealth in the manner provided by law" is entitled to the credit mentioned. This provision would seem to impose only two conditions for bonus credit. 1. Possession of a certificate of authority to do business in Pennsylvania by the foreign corporation. 2. Formation of the new domestic corporation according to the Business Corporation Law of 1933.

Legislative History—Domestic Bonus

Summary

Date of Act	Principal Changes from Prior Act	Rate
2-18-1836 P. L. 36		$2,000,000 ("In lieu of all taxes on dividends")
4-7-49 P. L. 563	First general Act applying to a class of corporations	.5 mills
4-21-54 P. L. 437	Bonus imposed on increase in capital stock	.5 mills
4-20-63 P. L. 191	Added corporation manufacturers of mineral oil to 1849 Act	.5 mills

[8] National Metal Edge Box Co. v. Com., 30 CC 273 (1904).
[9] Opinion of Attorney General, 19 D. & C. 704 (1933).

Legislative History—Domestic Bonus—Continued

Date of Act	Principal Changes from Prior Act	Rate
5-1-68 P. L. 108	Payment of first installment of bonus necessary before charter granted; Rate	2½ mills
3-21-73 P. L. 28	Bonus exacted from iron and steel manufacturing companies	2½ mills
4-18-73 P. L. 76	Coke, glue, woolen goods, paper manufacturing companies made subject to bonus	2½ mills
4-18-74 P. L. 61	Provided for bonus on authorized increases of capital stock	2½ mills
4-29-74 P. L. 73	Bonus on corporations generally except railroad, canal, first class etc. corporations	2½ mills
5-22-78 P. L. 97	Provided for bonus when capital stock is reduced	2½ mills
4-10-79 P. L. 16	Mutual savings fund and building and loan associations exempt	2½ mills
5-7-89 P. L. 115	Agricultural societies exempt	2½ mills
6-15-97 P. L. 155	Rate; installment payments abolished	3⅓ mills
5-3-99 P. L. 189	All corporations made subject to bonus except first class and bldg. and loan asscociations	3⅓ mills
2-9-01 P. L. 3	Bonus on actual increase of capital stock	3⅓ mills
5-8-01 P. L. 149	Bonus imposed on partnership associations and limited partnerships	3⅓ mills
5-29-01 P. L. 349	Provided for bonus of corporation formed by consolidation or merger	3⅓ mills
5-3-09 P. L. 408	Bonus provisions similar to those of Act of 5-29-01	3⅓ mills
5-28-13 P. L. 357	Provisions similar to Act of 5-29-01 but applicable to banks and trust companies	3⅓ mills
7-12-19 P. L. 914	Arbitrary value of $100 per share set for no par stock for bonus purposes	3⅓ mills
5-17-21 P. L. 682	Bonus owing by insurance companies must be paid before Letters Patent issue	3⅓ mills
4-20-27 P. L. 322	Rate; Bonus imposed on "Stated Capital" in case of stock without par value	2 mills
4-25-29 P. L. 671	Partnerships increasing capital required to pay bonus to Dept. of Revenue	2 mills
6-10-31 P. L. 490	Credit of foreign bonus paid allowed against domestic bonus upon domestication	2 mills
4-21-37 P. L. 315	Credit unions exempt from Bonus	2 mills
6-20-39 P. L. 473	Bonus provisions of Act of 1931 reenacted	2 mills
6-21-39 P. L. 609	Annual bonus report required: "Stated Capital" re-defined	2 mills

Domestic Bonus Receipts—1930-1939

Years Ended May 31	Amount Collected	Rate
1939	$108,390	2 mills
1938	337,096	2 "
1937	438,177	2 "
1936	206,911	2 "
1935	131,960	2 "
1934	154,236	2 "
1933	143,643	2 "
1932	190,942	2 "
1931	425,867	2 "
1930	820,772	2 "

Domestic Bonus

Bonus imposed on corporations organized under the laws of the Commonwealth, commonly called Domestic Bonus, is not a tax but the consideration paid for a charter,[1] although one of the earlier acts, that of April 21, 1854, P. L. 437 expressly refers to the bonus as a tax.

The payment of a bonus on the charter of a corporation at the time of a grant does not exempt the grantee of the franchise from all taxation, except such as the state has reserved in the charter itself the right to impose. All such grants are taken subject to the sovereign power of the grantor.[2]

Prior to the Constitution of 1874 corporations in Pennsylvania were organized pursuant to the provisions of special acts or those of a few general acts applying to certain kinds of corporations. These special acts usually provided for the payment of a certain amount of bonus. The earliest of such acts was that of February 18, 1936, P. L. 36, incorporating the Bank of the United States as a Pennsylvania corporation after the expiration of its charter from the Federal Government. By the terms of such act this corporation was required to pay $2,000,000.00 "in consideration of the privileges granted by this act and in lieu of all taxes on dividends."[3]

The first general act fixing the payment of bonus is that of April 7, 1849, P. L. 563. The second section of such act provided that corporations organized under the act to manufacture woolen, cotton, flax or silk goods, or iron, paper, lumber or salt should pay a bonus of one-half of one per cent upon the capital stock, in five annual installments, the first of which was to be paid in one year from the time of filing the Certificate of Incorporation. A supplement to this act, that of April 20, 1864, P. L. 191 extended its provisions to corporations manufacturing mineral oils. The General Corporations Act of April 29, 1874, P. L. 73, repealed the Act of 1849 and its supplements.

The next general act pertaining to domestic bonus is that of April 21, 1854, P. L. 437, called the "Joint Tenant Act." This act provided for the incorporation of companies for the purpose of developing mineral lands but limited such corporations to joint owners, tenants in common and joint tenants of such mineral lands. Bonus, called a "tax" as noted above, was imposed at the rate of one-half of one per cent upon the capital stock and also for the first time, upon any subsequent increase thereof. Bonus was payable in four equal annual installments. In construing this act it was held that a corporation formed thereunder was not relieved from full payment of bonus

[1] Com. v. Bailey, Banks & Biddle Co., 20 Pa. Super. 210; Com. v. Large Distilling Co., 39 Dauphin 414.
[2] Minot v. Phila. W. & B. R. R. Co., 7 Phila 555 (1870).
[3] Bank of U. S. v. Com., 17 Pa. 400 (1851).

because it reduced its capital stock by one-half, under the Act of April 10, 1862, which authorized a reduction of its capital stock, two days before an installment fell due.[4]

The Act of May 1, 1868, P. L. 108, was the first one to provide generally for the payment of bonus by corporations. It applied to those formed under both general and special laws but "railroad, turnpike, bridge or cemetery companies and companies incorporated for literary, charitable or religious uses" were excepted. Bonus was imposed at the rate of one-fourth of one per cent upon authorized capital stock and was payable in two equal annual installments. Payment of the first installment was necessary before the charter could be issued. Bonus at the same rate and payable in the same manner was due on any subsequent increase of capital stock. This act repealed the Act of 1854, Section 6, so far as corporations created under it after May 1, 1868 were concerned and left it to apply only to those formed before such date.[5]

Railroads can not be incorporated under the Act of April 29, 1874, P. L. 73 but are formed under the Act of April 4, 1868, P. L. 62 which contained no provision for the payment of bonus. In later years the Attorney General's Department ruled that the exemption granted to railroad companies from the payment of bonus, both upon original capital stock and subsequent increases thereof applies only to companies constructing, owning or operating railroads not to those merely leasing or controlling them.[6]

The Act of March 21, 1873, P. L. 28, which provided for the incorporation of iron and steel manufacturing companies, exacted from such corporations a bonus of one-fourth of one percent payable in five equal installments. Companies manufacturing coke, glue, sand-paper, hair, kent, woolen goods and paper were made subject to this bonus by the Act of April 18, 1873, P. L. 76 amending the Act of March 21, 1873, P. L. 28 and the bonus was required to be paid in two installments instead of five.

The Act of April 18, 1874, P. L. 61 provided for the increase of capital stock of corporations and for the payment of bonus upon such increase at the rate of one-fourth of one per cent upon the authorized amounts, payable in two installments. This act was construed as imposing bonus upon actual increase and not authorized increase, which may never be executed.[7]

In 1874 the present constitution of the Commonwealth was adopted and the General Corporations Act, the Act of April 29, 1874, P. L. 73, was passed. This act applied to all corporations incorporated subsequent to its adoption and to all those previously chartered which accepted its provisions. Section 44 re-enacted the bonus provisions of the Act of 1868 (May 1, P. L. 108). It did not provide for bonus on railroad and canal companies as such corporations could not be incorporated under the Act of 1874 but were formed under the Act of April 4, 1868, P. L. 62 which included no provision for the payment of bonus by these two classes of corporations. Corporations of the first class (the present non-profit corporations) and building and loan associations were added to the list of exceptions contained in the Act of May 1, 1868, P. L. 108, that is, turnpike, bridge or cemetery companies and those organized for literary, charitable or religious purposes. A corporation incorporated under the Act of 1874 for a period of 20 years was held entitled to renew its charter for a similar period by paying bonus at the rate provided in the Act of 1874 and not at a higher rate.[8]

The Act of May 22, 1878, P. L. 97 amended section 44 of the Act of 1874, P. L. 73 by providing "when any corporation shall have reduced its capital stock in accordance with the provisions of the 23d section of this act, such corporation shall not be liable in the aggregate to a greater bonus than one-fourth of one per cent upon the capital stock as altered and reduced. Apparently this change was designed to apply to corporations which reduced their authorized capital stock before the second installment of bonus was due under previous acts.

Mutual saving fund and building and loan associations were exempt from payment of bonus by the Act of April 10, 1879, P. L. 16.

The Act of May 7, 1889, P. L. 115 provided for imposition of bonus upon the authorized amount of all increases of capital stock, instead of upon the actual amount of such increases, as had theretofore been the practice under court decisions.[9] Agricultural Societies were exempted from bonus under this Act.

Under the Act of June 15, 1897, P. L. 155 came the first change in bonus rate since 1868. This act provided that all corporations formed under the Act of April 29, 1874, or any of its supplements should pay a bonus of one-third of one per cent on the authorized amount of their capital stock, the full amount to be paid before the charters should issue, and a similar bonus on the authorized amount of all subsequent increases of capital stock, to be paid in full instead of in installments as theretofore, immediately after the authority for the increase had been given.

All corporations, except first class corporations and building and loan associations were made subject to bonus by the Act of May 3, 1899, P. L. 189. By its terms the Act applied to corporations created after its adoption and to all increases in capital stock authorized after its passage. Since the act omitted all mention of railway companies among the corporations exempt from bonus all domestic companies formed under the Act of April 4, 1868, P. L. 62, became liable. Prior to this act domestic railroad companies were exempt from bonus both on creation and on increase of capital stock up to the limit of $150,000 per mile as authorized by the Act of June 4, 1883, P. L. 67.[10]

The Act of February 9, 1901, P. L. 3, provided that in case of increases in capital stock bonus was to be imposed on actual increase instead of authorized increase, thus reinstating the practice that prevailed prior to the Act of May 7, 1889, P. L. 115. A return of actual increase in stock was required to be filed within 30 days from such increase and the bonus therein was required to be paid concurrently. It has been held, however, that failure to make this return and pay the bonus does not render the issue of shares void.[11] Increases in corporate indebtedness were also required to be reported but no bonus was imposed upon either corporate indebtedness or the increase thereof.

The Attorney General's Department in an opinion construing the Act of 1901 held in reference to a company

[4] Com. v. Kaolin Co., 2 Pears. 364 (1878).
[5] Com. v. Alliance Coal & Mining Co., 13 W. N. C. 324 (1883).
[6] In re: Pennsylvania Company, 2 D & C. 163 (1922).
[7] Com. v. Penna. Mfg. Mining & Supply Co., 6 Dau. 107 (1889); Com. v. Provident Life & Trust Co. of Phila., 6 Dau. 109 (1903).
[8] Com. v. Conplanter Refining Co., 40 C. C. 72 (1912).
[9] Com. v. Penna. Mfg. M. & S. Co., 6 Dauphin Co. Rep. 107 (1889).
[10] Com. v. B. & S. R. R. Co., 207 Pa. 154 (1903).
[11] Com. v. Northwestern Penna. Rwy. Co., 23 Dau. 292 (1920).

which had been incorporated with a capital of $400,000 on which bonus was paid and which later because of losses reduced the par value of its shares from $100 to $25 each and issued $300,000 worth of additional stock (the amount necessary to restore the original capital of $400,000) that there was no actual increase of capital or indebtedness and, therefore, no bonus due.[12]

A second act passed by the Session of 1901, that of May 8, 1901, P. L. 149, imposed bonus at one-third of one per cent upon the capital stock of partnership-associations formed under the Act of June 2, 1874, P. L. 271, and limited partnerships organized under the Act of May 9, 1899, P. L. 261. The Act expressly forbid Recorders of Deeds in the several counties of the Commonwealth from accepting for record an article of associations, forming a partnership association under either of the acts mentioned, or an amendment thereof "unless there be annexed thereto a receipt of the State Treasurer for the amount of bonus due." If such a partnership association failed to pay the required bonus the articles of association became void and the parties thereto became liable as general partners. Limited partnership associations formed under the Act of 1899 are subject to the payment of bonus under the Act of 1907.[13]

The Act of May 29, 1901, P. L. 349 imposed bonus at the rate of one-third of one per cent upon all of the capital stock of a corporation, formed by consolidation or merger of two or more companies, in excess of the capital stock of the several corporations so consolidating upon which the bonus required by law was previously paid. The newly formed corporation was not allowed to do business until bonus was paid. For similar bonus provisions see the Act of May 3, 1909, P. L. 408.

An act similar to that of May 29, 1901, P. L. 349, as far as bonus provisions were concerned, but limited to banks and trust companies was the Act of May 28, 1913, P. L. 357. It imposed bonus upon the authorized capital stock of the bank or trust company formed by merger or consolidation in excess of the total authorized stock of the corporations merged or consolidated.

The Act of July 12, 1919, P. L. 914, imposed bonus, in the case of corporations having stock with nominal or no-par value, upon an arbitrary value of $100 per share of the no-par stock. The Pennsylvania Supreme Court held that this act was constitutional.[14] No bonus is imposed under this act on conversion of par value stock into shares of no par value.[15] This provision for arbitrarily valuing no-par stock at $100 for bonus purposes, however, proved unsatisfactory and was finally changed by the Act of April 20, 1927, P. L. 322, as explained below.

The Act of May 17, 1921, P. L. 682, provides that insurance companies shall not have or exercise any powers nor have Letters Patent issued to them until bonus has been paid. Mutual companies, without capital stock are not subject to bonus.

The Act of April 20, 1927, P. L. 322, reduced the bonus rate to one-fifth of one per cent. It imposed bonus on par value stock as theretofore. As to no-par stock, however, the basis was changed being imposed on stated capital which was defined as the "capital with which the corporation begins business, as stated in the certificate of incorporation or reorganization or the joint agreement of merger or consolidation, or as stated or set forth in the proceedings under which such stock is issued."

According to the language of the Act bonus is imposed:

(a) Upon the amount of the capital stock which any corporation, hereafter incorporated, is authorized to have, and upon the amount of actual increase of the capital stock of any corporation heretofore or hereafter incorporated;

(b) Upon the amount of the capital stock which any corporation, other than a banking corporation, is authorized to have, upon the renewal or extension of its charter;

(c) In the case of the merger or consolidation of two or more corporations, upon the amount of the capital stock of the new or merged corporation in excess of the amount of the capital stock of the several corporations, so merging or consolidating, upon which the bonus required by law has been theretofore paid;

(d) In the case of a trust company, incorporated for the purchasing, taking over, merging, or consolidating with any other trust company, or purchasing, taking over, or consolidating with any bank, banking company, or savings institution, where such purpose is expressed in its charter, and in the case of a bank, or banking company, or savings institution, incorporated to similarly acquire a trust company, bank, banking company, or other savings institution, upon the amount of the capital stock authorized by its charter which is in excess of the amount of the capital stock of the corporation or corporations purchased, merged, or acquired, and upon which the bonus required by law has been theretofore paid;

(e) In the case of a trust company which, after its incorporation, purchases, merges, or consolidates with any other trust company, or purchases, or consolidates with, any bank, banking company, or savings institution, and, in the case of a bank, banking company or savings institution, which similarly purchases, merges, or consolidates with any other bank, banking company, trust company, or savings institution, upon the amount of the capital stock in excess of the combined capital stock of the several corporations thus acquired, merged or consolidated, and upon which the bonus required by law has been theretofore paid;

(f) Upon the amount of the capital which a partnership association, hereafter formed under the provisions of the act, approved the second day of June, one thousand eight hundred and seventy-four (P. L. 271), entitled "An act authorizing the formation of partnership associations, in which the capital subscribed shall alone be responsible for the debts of the association, except under certain circumstances," and a partnership hereafter formed under the provisions of the act, approved the ninth day of May, one thousand eight hundred and ninety-nine (P. L. 261), entitled "An act authorizing the formation of partnerships in which one or more, or all of the partners, may limit their liability for the debts of the partnership to the amount of capital subscribed by such partner, or partners, respectively and providing penalties for violation of its provisions," shall have, and upon the amount of any increase of the capital of any such partnership association or partnership heretofore or hereafter formed.

Building and Loan Associations are exempt from bonus under this act as are corporations of the first class provided

[12] In re: Franklin Fire Insurance Company, 45 C. C. 612 (1917).
[13] Limited Partnership Taxation, 28 C. C. 582 (1903).
[14] Com. v. Budd Wheel Co., 290 Pa. 380 (1927).
[15] Com. v. Wayne Sewerage Co., 287 Pa. 42 (1926).

they have no capital stock. According to an opinion of the Attorney General's Department first class corporations with capital stock were subject to bonus.[16] No-par shares may be increased in number without additional bonus provided there is no increase in stated capital. Additional bonus is imposed only on the amount of the increase of stated capital. Bonus on corporations and partnerships is payable to the Secretary of the Commonwealth as is bonus on increase of capital stock of a corporation but bonus on increase of capital stock of a partnership is paid to and return is filed with the Auditor General.

The Act of April 25, 1929, P. L. 671, amending the Act of April 20, 1927, P. L. 322 required partnerships upon increase of capital to file their returns with the Department of Revenue and pay bonus thereto also.

The Act of June 10, 1931, P. L. 490 grants a credit against Domestic Bonus for Foreign Bonus previously paid by the corporation, if and when it domesticates in Pennsylvania. It amended the Act of June 9, 1881, P. L. 89.

By the Act of April 21, 1937, P. L. 315, credit unions were excused from payment of Domestic Bonus. This act amended the Act of April 20, 1927, P. L. 322.

Under the Act of June 20, 1939, P. L. 473 a foreign corporation which domesticates in Pennsylvania is "entitled to a credit on bonus, by exempting, from the payment of bonus, capital stock equal to the capital upon which such foreign corporation has theretofore paid bonus under existing laws of this State." This Act, similar in some of its provisions to the Act of June 10, 1931, P. L. 490 referred to above, amended the Act of April 20, 1927, P. L. 322. It was apparently enacted to remove the confusion as to whether the Corporation Code of 1933, P. L. 364 had voided the Act of 1931.

The most recent change in Domestic Bonus Law was effected by the Act of June 21, 1939, P. L. 609. This Act which amended Sections 1, 2, 4 and 6 of the Act of April 20, 1927, P. L. 322, retained the bonus rate of one-fifth of one per cent but exacted a new requirement from all Pennsylvania corporations—an annual domestic bonus report. Theretofore corporations had been required to file a Treasurer's or President's return whenever an actual increase in capital stock was made. In practice some corporations inceased their capital stock but failed to file returns and since the Commonwealth had no way of checking such increases in capital stock substantial amounts of bonus remained unpaid. This Act was designed to correct this condition.

The Act also granted to a Pennsylvania corporation formed by the merger or consolidation of foreign corporations with Pennsylvania corporations a credit against the payment of domestic bonus for the foreign bonus previously paid. As mentioned above the Act of June 10, 1931, P. L. 490, provided for a credit of foreign bonus paid by a foreign corporation, when it domesticated but no recognition had been given to the situation where one or more foreign companies joined with one or more domestic corporations in a merger or consolidation. The Act put the two situations on a comparable basis.

Another major change of this Act was concerned with the definition of "stated capital." In the Act of 1927 this term as it applied to no-par shares on organization was defined as "the capital with which the corporation begins business as stated in the certificate of incorporation. . . ." This allowed a corporation to authorize the issue of a large number of no-par shares but to begin business with a small number of shares for which a nominal stated capital was fixed. When an additional number of the authorized no-par shares was issued, the increase of the stated capital could also be fixed at a nominal amount regardless of the consideration received from the sale of the newly issued stock. In the Act of 1939, however, such stated capital was defined as "the value expressed in dollars, of the entire consideration received by the corporation for or on account of its authorized shares with no par value set forth in the articles of incorporation or applicable thereto, irrespective of whether the consideration be allocated or applicable to stated capital, or to paid-in capital . . ." It is to be noted that stated capital does not include paid-in surplus and the Office of the Secretary of the Commonwealth takes the position that any part of the consideration received from the issue of no par shares which is allocated to paid-in surplus, is not subject to bonus. In both the Act of 1927 and that of 1939 stated capital as it applied to par value shares is the same, that is, "the number of shares of capital stock multiplied by the par value thereof."

Legislative History—Corporate Net Income Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
4-30-64 P. L.218		3%
5-1-68 P. L. 108	Tax imposed on unincorporated banks and savings institutions, express companies, etc.	3%
3-21-75 P. L. 46	Corporations subject to capital stock tax exempted	3%
6-7-79 P. L. 112	Corporations subject to capital stock and gross receipts taxes, etc. exempt	3%
6-1-189 P. L. 420	Re-enacts Act of 1879	3%
6-28-23 P. L. 876	New 2 year tax on all corporations except those paying gross premiums tax, etc.	½%
5-16-35 P. L. 208	New 2 year tax on all corporations except those specifically exempted	6%
8-7-36 P. L. 127	Rate	10%
4-8-37 P. L. 227	Rate; tax continued for years 1937-1938	7%
5-5-39 P. L. 64	Tax continued for years 1939 and 1940	7%

Corporate Net Income Tax

Receipts—1936-1940

Years ended May 31	Amount Collected	Rate
1940	$23,647,248	7%
1939	16,349,477	7%
1938	28,183,735	7%
1937	29,879,875	10%
1936	12,969,652	6%

[16] Opinion of Attorney General: 75 Pbgh. L. J. 824.

Corporate Net Income Tax

The corporate net income tax of 1935 was not the first tax of this kind in Pennsylvania. Although it has been operative only five years it seems to be firmly fixed in the tax system of the Commonwealth. The rate of the tax will undoubtedly be increased or decreased as the need for state revenue is more or less acute but the tax seems here to stay as it is based primarily on the "ability to pay."

The Act of May 16, 1935, P. L. 208 bears the title:

"An Act to provide Revenue for state purposes by imposing an excise tax . . . on the net incomes of certain corporations, joint stock associations and limited partnerships . . ."

The State Supreme Court in discussing the nature of the State Individual Net Income tax,[1] which was passed by the same Legislative Assembly, decided "an income tax is a property tax." This individual net income tax, which was graduated as to rate, was held to be unconstitutional as it violated the uniformity requirement of Article IX, Section 1, of the Pennsylvania Constitution.[2]

In an appeal from the settlement of the Corporate Net Income tax the Court did not discuss the nature of the tax but sustained it for the reason there could be no lack of uniformity as in the Individual Net Income Tax because the rate was uniform and not graduated. It is to be noted, as far as the nature of the Corporate Net Income Tax is concerned, that the language of the decision in the individual tax is applicable to the corporate tax also. The title of the Act of 1935 calls the tax an "excise tax", however, as does section 3 of the act.

The original State tax on net earnings or income was that of April 30, 1864, P. L. 218. This act imposed a tax of 3% upon the net earnings or income of "every incorporated or unincorporated banking and savings institution and deposit and trust company, every gas company, every express company, bridge company, insurance company, foreign insurance company, building and loan association, and manufacturing, mechanical, and mining and quarrying company and all other companies and corporations doing business in Pennsylvania, except those specified in the first section of this act, not paying a tax to the state on dividends" (exceptions: all transportation companies).

The Act of May 1, 1868, P. L. 108, section 6, imposed the tax upon "every unincorporated bank and savings institution and express company, and all corporations except those liable to the tax on tonnage, and foreign insurance companies."

All corporations subject to the payment of a capital stock tax were exempted from the tax by the Act of March 21, 1875, P. L. 46, section 2.

Under the Act of June 7, 1879, P. L. 112, section 10, all corporations "liable to a tax on capital stock or gross receipts . . . and the banks, trust companies and savings institutions having capital stock and foreign insurance companies" were exempted.

Section 27 of the Act of June 1, 1889, P. L. 420 provides for the imposition of the tax exempting (1) corporations paying a capital stock tax, (2) incorporated banks, (3) foreign insurance companies. The section was intended to apply to such corporations as, owing to their peculiar nature, might not be included among those taxed by other sections of the act. The only corporations subject to the tax under the act were those without capital stock, such as savings funds institutions.

In construing this act it was held the tax was a franchise tax and corporations subject to the tax were not subject to double taxation although the net income was derived from interest on bonds taxable under the 4th section of the Act of June 30, 1885, P. L. 193.[3]

The next Act to impose a corporate net income tax was the Emergency Profits Tax Act of 1923[4] which was in force for two years, 1923 and 1924. Tax at the rate of one-half of one per cent was imposed upon the net income of every corporation except building and loan associations and those companies required to pay a tax upon gross premiums. The net income subject to tax was based upon the net income as reported to the Federal Government except that it did not include that of corporations subject to the gross receipts tax and Anthracite coal tax. Nor did it include interest from United States and Commonwealth of Pennsylvania bonds, etc. and dividends from corporations subject to tax under this act. No allowance was made for taxes paid to the Federal Government.

In the case of corporations, the entire business of which was not transacted in Pennsylvania, the net income was allocated to this state by means of three fractions quite similar to those in the present act.

The act was held to be constitutional.[5] It was held to apply to trust companies liable to a tax on shares under the Act of June 13, 1907, P. L. 640.[6]

Subsequent to 1924 there was no state tax on corporate net income in effect except the tax on net earnings imposed by the Act of 1889 but so limited that it applied only to savings fund societies without capital stock, until the Act of May 16, 1935, P. L. 208 was passed. This act imposed a tax at the rate of 6% for the years 1935 and 1936 on the net income of both domestic corporations and foreign corporations doing business in Pennsylvania with certain corporations expressly exempt. It was doubted at the time the tax was proposed that it would be held constitutional. However, the Supreme Court held it constitutional.[7] It should be noted that no violation of the uniformity requirement of the State Constitution was alleged on the grounds that the net income of a corporation was taxed but that of a general partnership or an individual enterprise engaged in the same business was not so subject. It will be recalled in a gross receipts tax case the United States Supreme Court held such tax act was unconstitutional in so far as it imposed the tax on corporations operating taxicabs and failed to impose the tax on general partnerships and individuals engaged in the same business.[8]

The Act of 1935 provides for an allocation to Pennsylvania of income of corporations, the entire business of which was not transacted in Pennsylvania, by means of the same fractions used in the 1935 Franchise Tax formula. The first fraction has for its numerator tangible assets in Pennsylvania and for its denominator tangible

[1] Act of July 12, 1935, P. L. 970.
[2] Kelly v. Kalodner, 320 Pa. 180 (1935).
[3] Com. v. N. L. L. E. & W. R. R. Co., 150 Pa. 234 (1892).
[4] June 28, 1923, P. L. 876.
[5] Com. v. Chambersburg Engineering Co., 287 Pa. 54 (1926).
[6] Com. v. Provident Trust Co., 287 Pa. 251 (1926).
[7] Turco Paint and Varnish Co. v. Kalodner, 320 Pa. 421 (1936).
[8] Com. of Pa. v. Quaker City Cab Co., 277 U. S. 389.

assets everywhere. The second and third fractions have for their numerators wages, salaries or commissions and gross receipts respectively assigned to this Commonwealth and for their denominators total wages, etc. everywhere, and total gross receipts respectively. In determining the wages, etc. and the gross receipts assignable to Pennsylvania the act differs from the Emergency Profits Tax Act of 1923 in that the location of the office or offices "owned or rented" by the corporations is made the determining factor in the allocation while in the latter act the assignment of wages, etc. and gross receipts is made "under rulings of the Auditor General."

The Corporate Net Income Tax Act was amended in 1936 and the rate was increased from 6% to 10% and a credit granted in full against net income for dividends received from other corporations.[9]

The Act of April 8, 1937, P. L. 227 continued the tax for the years 1937 and 1938 but reduced the rate from 10% to 7%. It also limited the filing of consolidated reports to corporations permitted to file such reports with the Federal Government. Deduction for Federal taxes was limited to taxes paid for the preceding calendar year or accrued for the current year. Allocation of gross receipts to Pennsylvania was redefined so as to include expressly fees and commissions and dividends and interest received. A number of other changes were made by this act as to payment of the tax, rate of interest, fiscal year reports, etc.

Under the Act of May 5, 1939, P. L. 64, the tax was continued for the years 1939 and 1940 at the rate of 7%. Title insurance companies were expressly exempted from the tax. Corporations having capital or property employed in the Commonwealth were made subject to the tax in addition to those doing business in the State. The Dauphin County Court had held that a domestic corporation not doing business in Pennsylvania was not subject to the tax.[10]

The requirement that an office to which wages and salaries or gross receipts might be allocated must be "owned or rented" was changed by the substitution of the word "maintained" for "owned or rented" under this act. Likewise a special method of allocation of income was provided for insurance companies. Statutory authority was granted to the Department of Revenue to resettle the tax where a change by the Federal Authorities resulted in a reduction in the tax liability.

Legislative History—Alcoholic Beverage Taxes

Summary

Date of Act	Principal Change from Prior Act	Rate
2-16-26 P. L. 16	State permits to manufacture, etc. alcohol provided	A
5-3-33 P. L. 252	Beverage Licenses required ...	B
5-5-33 P. L. 284	Beverage Taxes imposed	a—½¢ per pint
11-22-33 P. L. 5 (1933-34)	State Floor Tax	—$2. per proof gallon
11-29-33 P. L. 13 (1933-34)	Liquor Control Board established	a—Same b—Same
11-29-33 P. L. 15 (1933-34)	State Stores System established	a—Same b—Same C
12-5-33 P. L. 1938 (1933-34)	Spirituous and Vinous Liquor Taxes imposed	a—Same b—Same c—$1. per proof gal. (Distilled Spirits) d—.30 per proof gal. (Rectified Spirits) e—.00½ per proof gal. (Wine)
12-5-33 P. L. 50 (1933-34)	Change in name of "Malt Beverage Tax Law" to "Malt Liquor Tax Law"	Same
12-8-33 P. L. 57 (1933-34)	Increase in permit fees	a—b—c—d—e—Same D
12-20-33 P. L. 75 (1933-34)	Name of Beverage License Law" changed to "Malt Liquor License Law"	Same
12-22-33 P. L. 91	Liquor tax to cease when State is allowed to share in Federal liquor tax	"
12-23-33 P. L. 94 (1933-34)	Extension permitted for payment of Liquor Floor Tax	"
7-9-35 P. L. 628	"Malt Beverage Tax" is changed to "Beverage Tax"	"
7-18-35 P. L. 1217	Rates of beverage license increased	a—b—c—d—e—Same E
7-18-35 P. L. 1283	Wine manufacture permitted by filing bond and securing permit	Same
6-9-36 P. L. 13	Emergency Liquor Sales Tax imposed	a—b—c—d—e—Same f—10% (Liquor Sales)
8-6-36 P. L. 92	Excise liquor tax imposed	a—b—c—d—e—f—Same g—4% (temporary excise)
4-8-37 P. L. 250	Emergency Liquor Sales Tax continued to 6-1-39	Same
4-29-37 P. L. 527	Imposed extra beverage tax on imports from other states	"
6-16-37 P. L. 1762	Changes in requirements for license transfers, etc.	"
5-4-39 P. L. 46	Emergency Liquor Tax continued to June 1, 1941	"
6-24-39 P. L. 802	Townships population range changed for $200 liquor license fee	"

A—Permit Fee $100.00.

B—Beverage License Fees—$37.50 to $150.00 for distributor; $75.00 to $300.00 for retailers.

C—Liquor License Fees—$150 to $600 for hotels and restaurants; $50 for clubs except catering clubs which are as hotels and restaurants.

D—Permit Fees $1,000 for breweries; $250 for wineries; $2,500 to $25,000 for distilleries.

E—Beverage License Fees—$1,000 for manufacturers; $400 for distributors; $900 for importing distributors; $100 to $300 for retailers.

[9] Act of August 7, 1936, P. L. 127.

[10] Com. v. Delaware River Railroad and Bridge Company, 48 Dauphin 1 (1939).

Alcoholic Beverage Taxes

Receipts

1933-1940

Years Ended May 31st	Amount Collected Liquor and Malt Liquor Tax	Liquor and Malt Liquor Licenses	Liquor Sales Tax	Rate
1940	$7,199,707	$7,342,829	$7,093,054	a—½¢ per pt. b—$1 proof. gal. c—30¢ proof gal. d—½¢ Unit of proof e—10% Sales price
1939	6,862,932	7,056,307	7,344,333	Same.
1938	7,461,214	6,795,189	7,803,386	Same
1937	7,433,971	5,733,810	7,290,262	Same
1936	6,779,291	5,033,085	.....	a—b—c—d, Same
1935	6,104,920	3,949,020	.....	Same
1934	5,461,588	2,380,517	.....	Same
1933	444,232	.....	.....	a—Same

[a] Malt Liquor Tax.
[b] Distilled Spirits Tax.
[c] Rectified Spirits Tax.
[d] Wines Tax.
[e] Liquor Sales Tax.

Alcoholic Beverage Taxes

The distribution of liquor in Pennsylvania is a state monopoly under the control of the Liquor Control Board. Thus the price of liquor is controlled by the Commonwealth and revenue is derived therefrom. In addition, excise taxes are imposed on liquor, wine and beer and all persons engaged in the handling of such products are subject to license and pay license fees.

The Constitution of Pennsylvania does not contain any provisions applicable to the taxation, licensing or regulation of the sale of alcoholic beverages. It was held that the 1935 act amending the Beverages License Act is not unconstitutional because of the incidental inclusion of criminal and revenue provisions in an act the main purpose of which is the exercise of police power or because the title covers more than one subject or because the title does not give sufficient notice that the act is regulatory of the business of a distributor by the Liquor Control Board.[1] Nor does Beverage License Act violate Act III, Section 7 of the Constitution by establishing a classification in liquor trade regulating only malt and brewed beverages and not applying to other liquor trades. The title of the act does not fail to give notice of its provisions as required by Act III, Sec. 3 of the Constitution because in Sec. 23 (1) amusement licenses are required of certain persons and in Sec. 23 (v) the sale of food below a fair value is prohibited.[2]

Prior to the repeal of the prohibition amendment to the Federal Constitution the Act of February 19, 1926, P. L. 16, provided for the issuing of permits by the State for the manufacture, etc., of any alcohol or alcoholic liquid. The fee for every permit issued under this Act was $100.

Following the repeal of the prohibition amendment the Beverage License Law, the Act of May 3, 1933, P. L. 252, was passed. Under this Act the county treasurers were authorized to issue distributors licenses and retailers licenses, etc. The license fees in case of distributors were graduated according to the population of the municipalities or townships and ranged from $37.50 in municipalities or townships with a population of less than 1500 to $150 in those having a population of 150,000 or more. In the case of retailers the license fees are also based on population and ranged in amount from $75 in the case of municipalities or townships with a population of less than 1,500 to $300 in the case of those having a population of 150,000 or more. License fees were also required from dining, club and buffet cars and boats or vessels. These latter fees were paid direct to the state treasurer through the Department of Revenue.

In 1933 in the regular session there was also passed the 1933 Beverage Tax Law, the Act of May 5, 1933, P. L. 284. This act provided for taxes on all beverages manufactured in the Commonwealth or imported into the Commonwealth. They were at the rate of ½ cent per pint. Manufacturers and distributors were made responsible for the payment of the tax to the Commonwealth. The payment of the tax was evidenced by affixing Beverage Tax Stamps or crowns to the original containers.

On November 22, 1933, there was passed the Spirituous and Vinous Liquor Floor Tax Law, P. L. 5 (1933-34). In this Act appears the notation that it was signed by the Governor at 5:35 p. m. on the 22d day of November, A. D. 1933. It provided for a state floor tax on spirituous and vinuous liquors lodged or stored within the Commonwealth at any time from the date of the Act to the date of the 21st Amendment to the Constitution of the United States, ratified by conventions in at least three-fourths of the several states. It was imposed at the rate of $2.00 on each proof gallon or wine gallon when below proof.

The Pennsylvania Liquor Control Board which manages the State Stores monopoly for the sale of liquor in Pennsylvania was established by the Act of November 29, 1933, P. L. 13, (1933-34).

The State stores system was established by the Pennsylvania Liquor Control Act, the Act of November 29, 1933, P. L. 15, (1933-34). It required all applications for hotel, restaurant or club liquor licenses to be made to the Board and the Board was given the authority to issue the license. License fees ranging from $150 in municipalities having a population of less than 1,500 to $600 in the case of those with a population of 140,000 and more were provided for in the case of hotels and restaurants. Club liquor license fees were set at $50 except clubs which cater to groups of non-members in which case the fees were the same as for hotels and restaurants located in the same municipality. Public Service Liquor Licenses were also issued by the Board to railroad or pullman companies at the rate of $20 for each car and to steamship companies for $100 for each vessel. Sacramental wine permits were also issued for a fee of $100 annually. The Board also had the authority to issue importers licenses which permitted the holders to bring or import from other states, foreign counties, etc., to be sold outside Pennsylvania and exclusively to the Pennsylvania Liquor Stores within the Commonwealth. The charge for such license was $100 per annum.

The Act of December 5, 1933, P. L. 1938 (1933-34), imposed the spirituous and vinous liquor tax. This tax was imposed on distilled spirits at the rate of $1.00 per proof gallon; on rectified spirits at the rate of 30 cents per proof gallon and on wines at the rate of ½ cent per unit of proof per wine gallon. In the case of importers the payment of taxes was evidenced by the affixing of "spirituous and vinous liquor tax stamps" to the containers.

A malt liquor tax was imposed under the provisions

[1] Bosnjak v. Grosscup, et al., 42 Dauphin 18 (1935).
[2] Com. v. Katz, 31 D. & C. 356 (1937).

of the Act of December 5, 1933, P. L. 50 (1933-34), amending the Act of May 5, 1933, P. L. 284. In this Act the word "beverage" was changed to "malt liquor" and the law is officially called the "Malt Liquor Tax Law." No changes were made in the rates of the tax.

The alcohol permit law of February 19, 1926, P. L. 16, was amended by the Act of December 8, 1933, P. L. 57 (1933-34). The permit fees were increased very substantially in the case of breweries and wineries being made $1,000 and $250, respectively, per annum. In the case of distilleries the fees were put on a graduated basis being $2,500 per annum if the authorized annual production was less than 500,000 proof gallons. Such fees increased to $25,000 per annum if the authorized annual production was 15,000,000 gallons or more. The fee for all other permits remained at $100.

The Act of December 20, 1933, P. L. 75 (1933-34), amended the Act of May 3, 1933, P. L. 252, and became known officially as "The Malt Liquor License Law" instead of the "Beverage License Law." The amounts of the license fees are not changed.

The original spirituous and vinous liquor tax law of December 5, 1933, P. L. 38 (1933-34) was amended by the Act of December 22, 1933, P. L. 91 (1933-34). No changes in tax rates were made. The Act, however, contained the following provision:

> "This act shall cease to be effective upon the effective date of any Act of Congress providing for participation by the states, or by those states which do not tax distilled spirits and the proceeds of the tax imposed and collected by the United States upon distilled spirits."

The Spirituous and Vinous Liquor Floor Tax Law, the Act of November 22, 1933, P. L. 5 (1933-34), was amended by the Act of December 22, 1933, P. L. 94 (1933-34), the rate of tax has not changed but the amendment provided "that upon written application by any person liable for the tax imposed by this Act filed with the Department, the Department may grant an extension of time for payment of such tax, in whole or in part, for a period not later than the 31st day of December, one thousand nine hundred and thirty-four." The tax, or portion thereof in respect to which the extension is granted, shall thereupon be due and payable on the date of the expiration for the period of the extension. This act several years later was held unconstitutional.[3]

The Beverage Tax Law first imposed by the Act of May 5, 1933, P. L. 284, and as amended by the Act of December 5, 1933-34, P. L. 50 (1933-34), was further amended by the Act of July 9, 1935, P. L. 628. The name of the act was again changed from "Malt Beverage Tax Law" as it appeared in the act of December 5, 1933-34, to the "Beverage Tax Law." Corresponding changes were made throughout the whole act. No changes were made in the rates of taxes.

The Act of July 18, 1935, P. L. 1217, amending the original Beverage License Law of May 3, 1933, P. L. 252, called by the first amending act that of December 20, 1933, P. L. 75 (1933-34), the "Malt Liquor License Law," again made the official name of the law the "Beverage License Law." The Act provided for the issuing of a master license to a railroad or a pullman company to cover the maximum number of cars which the company shall estimate that it will operate within the Commonwealth on any one day. The license fee for each car operated more than covered by the license was set at $10 for each extra car. The license year was changed in the case of distributors and importing distributors being made such as might be established by the Board for the particular district in which the license issued. The schedule of license fees was changed by this act. In the case of manufacture, it was set at $1,000 for each place of manufacture and in the case of a distributor the charge was $400 but in the case of an importing distributor the fee was $900. As to retailers the fees ranged from $100 in municipal units with less than 10,000 population to $300 in those with a population of 150,000 or more. Public Service license for cars was set at $10 per car for the maximum number of cars operated on any one day on which malt or brewed beverages are sold. The fee for a vessel or boat remained $50.

The alcohol permit law of 1926 as last amended by the Act of December 8, 1933, P. L. 57 (1933-34) was further amended by the Act of July 18, 1935, P. L. 1283. This act re-defined the term "distillery" and excluded therefrom wineries where alcohol is derived from by-products of wine production by distillation for the sole purpose of adding to the fermented products to fortify the same." Persons were allowed to manufacture wine in Pennsylvania by fermentation only and with no alcohol or alcoholic product added thereto by way of fortification and sell the same to a permit holding winery or to Pennsylvania State Stores upon the filing of a bond of $500 and the securing of a permit for a fee of $20 per annum.

An emergency tax of 10% of the net price of all liquors sold by the Liquor Control Board was imposed by the Act of June 9, 1936, P. L. 13. This tax was to be collected by the Board from the purchasers of the liquor at the State Stores.

By the Act of August 6, 1936, P. L. 92, an excise tax of 4% upon the purchase price of all distilled, rectified and blended spirits was enacted. The tax imposed was to be paid by persons delivering such spirits in the Commonwealth to the Board at the time of delivery. By its terms this act was to expire May 1, 1937.

The emergency tax of 10% upon liquors sold by the Board was continued until June 1, 1939 by the Act of April 8, 1937, P. L. 250.

The Malt Beverage Tax Law is further amended by the Act of April 29, 1937, P. L. 527. The rate of tax was not changed. This amendment provided for the imposition of an additional tax on beverages shipped from other states to Pennsylvania where such other states imposed a higher tax or fee upon malt or brewed beverages manufactured within or imported into such states than was imposed in Pennsylvania.

The Pennsylvania Liquor Control Act, the Act of November 29, 1933, P. L. 15 (1933-34), as amended is further amended by the Act of June 16, 1937, P. L. 1762. No change was made in the amount of the license fees however. The changes made in the amendment related chiefly to licenses, hearings, furnishing bond, etc.

The Beverage License Law is further amended by the Act of June 16, 1937, P. L. 1827. No changes were made in the amounts of fees required for licenses. Such changes in the Act were confined to requirements for transfers, applications for renewals, bonds, etc.

The emergency tax of 10% on all liquors sold by the

[3] Com. v. A. Overholt & Co., 331 Pa. 182.

State Liquor Control Board at the State Stores was continued for a further two year period expiring June 1, 1941, by the Act of May 4, 1939, P. L. 46.

The Liquor Control Act of 1933 as amended was further amended by the Act of June 24, 1939, P. L. 802. This act changed the requirement for the population of townships for which a fee of $200 is charged. Formerly townships having a population of 1500 or more but less than 10,000 were charged this fee. Under the amendment the population range for the $200 fee was from 1500 to 12,000. The fee of $300 was charged townships with a population of 12,000 or more but less than 50,000 instead of with a population of 10,000 or more but less than 50,000.

Mercantile License Tax

The mercantile license tax is a tax on the business of merchants, as measured by their gross receipts derived from their sales. It is imposed under the general power of taxation and not under the police power[1] The original tax as imposed by the Act of April 2, 1821, P. L. 241, was a license tax and not a tax on business, and remained so for some years.

It was held that the basic law under which the present tax is imposed, the Act of May 2, 1899, P. L. 184, is constitutional and is a general law within the meaning of Section 1 of Article IX of the Pennsylvania Constitution, although the mercantile appraisers who assess the mercantile tax were appointed differently in cities of the first class from those appointed in counties.[2]

Legislative History—Mercantile License Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
4-2-1821 P. L.241		Varied
3-4-24 P. L. 32	License required for each store of dealer in foreign goods	"
4-7-30 P. L. 387	Dealers classified as to amounts of sales	"
5-4-41 P. L. 307	All dealers taxed; manufacturers exempted	"
4-16-45 P. L. 533	Manufacturers' exemption removed; mechanics vending own manufactures exempt	"
4-22-46 P. L. 489	Provided for appointment of appraisers in all counties	"
3-15-47 P. L. 4496	Changed method of appointment of Allegheny Co., appraiser	"
2-27-68 P. L. 43	Construed Act of 1846	"
4-9-70 P. L. 59	Manufacturers and mechanics exempt on first $500 of goods not of own manufacture	"
4-18-78 P. L. 28	Farmers selling own produce exempt; 5 appraisers in Phila., to be appointed by recorder and treasurer	"
4-19-83 P. L. 9	Part of Act of 1878 as to appointment of appraisers repealed	"
6-5-83 P. L. 87	Manufacturers of nostrums and patent medicines taxed	"
4-20-87 P. L. 60	Repealed Act of 3-30-67, P. L. 630 providing for appointment of appraiser by Scranton City Council	"
5-2-99 P. L. 184	Imposed uniform rates on retailers, (a) Wholesalers (b) and dealers at exchanges (c)	a—$2 and 1 mill b—$3 and ½ mill c—$0.25 per $1000 gross sales
6-14-01 P. L. 565	Changed period for suits by county treasurer, etc., to collect taxes	Same
5-7-07 P. L. 175	Graduated tax imposed on stock brokers, etc. (d)	a—b—c—Same d—$10 to $100
5-25-07 P. L. 244	Tax imposed on shooting galleries, etc. (e)	a—b—c—Same d—Same e—$20 and $10
7-21-19 P. L. 1072	Auditor General to investigate incorrect and fraudulent returns	Same
6-30-23 P. L. 986	Date of payment of tax changed	"
4-30-25 P. L. 372	Provision for dealers beginning business subsequent to May 1	"
5-14-25 P. L. 700	Change in date of payment of tax in first class cities	"
4-9-29 P. L. 343	Substitution of Revenue Dept., for Auditor General in collection of tax	"
4-25-29 P. L. 681	Same as to Act of 1899	"
4-25-29 P. L. 685	Same as to Act of 4-30-25, P. L. 372	"
6-1-31 P. L. 318	Restaurants, etc., required to file reports and pay tax	"
6-12-31 P. L. 555	Changed date for suits by county treasurer, etc., for collection of tax	"
12-20-33 P. L. 75 (1933-34)	Malt Liquor licensees exempt from mercantile tax	"
5-7-37 P. L. 588	Clarified provisions of Act of 1899 as to appeals	"

[a] Includes $2 annual license tax of retailers.
[b] Includes $3 annual license tax of wholesalers.
[c] On gross business of retailers.
[d] On gross business of wholesalers.

Mercantile License Tax Receipts 1928-1940

Years Ended May 31st	Retail[a]	Wholesale[b]	Rate
1940	$2,553,572	$638,179	c—1 mill d—½ mill
1939	2,559,889	626,386	Same
1938	2,607,830	710,019	"
1937	2,353,773	740,771	"
1936	2,657,459	607,234	"
1935	2,353,607	550,834	"
1934	2,170,477	511,750	"
1933	2,473,660	630,131	"
1932	2,729,957	566,482	"
1931	2,978,434	768,488	"
1930	3,319,929	647,651	"
1929	2,928,638	851,587	"
1928	3,280,364	988,522	"

[a] Includes $2 annual license tax of retailers.
[b] Includes $3 annual license tax of wholesalers.
[c] On gross business of retailers.
[d] On gross business of wholesalers.

[1] Com. v. Thomas Potter, Sons & Co., 159 Pa. 583 (1894).
[2] Knisley v. Cotterel, 196 Pa. 614 (1900).

As originally created by the Act of April 2, 1821, P. L. 241, the tax was applicable to dealers in foreign wares or merchandise only. It was a license tax and a dealer selling foreign goods without a license was subject to prosecution. Dealers in goods sold by the importers in the original package were not required to be licensed.

Dealers in foreign goods who conducted more than one store were required to have a license for each store under the Act of March 4, 1824, P. L. 32. City and County treasurers were required to publish lists of persons subject to license. This act repealed the exemption of the Act of 1821 as to dealers in goods imported in the original packages.

The Act of April 7, 1830, P. L. 387, classified dealers subject to the license in eight groups according to their annual sales. This act exempted from its operation feme sole traders whose annual sales amounted to less than $2500 and also restored the exemption as to dealers in goods imported in the original packages which had been removed by the Act of 1824.

Under the Act of May 4, 1841, P. L. 307, Section 10, all dealers became liable to the tax whether they handled foreign or domestic goods. The act exempted all dealers whose annual sales did not exceed $1000 and those selling goods of their own manufacture or growth. It also continued the exemption of feme sole traders whose annual sales did not exceed $2500 and importers of foreign goods sold by them in the original packages.

The Act of April 16, 1845, P. L. 533, Section 5, provided for the appointment of mercantile appraisers. The 11th section of this act provided that dealers keeping a store or warehouse for the sale of merchandise, where such persons are interested in the manufacture of such merchandise shall be taxable. It contained a proviso, however, "that mechanics, who keep a store or warehouse at their own shop or manufactory, for the purpose of vending their own manufactures exclusively shall not be required to take out any license."

It was said that many dealers evaded the tax imposed by the Act of 1841 by acquiring a small interest in some manufacturing enterprise and then dealing in its product, when their main business was the keeping of a store for the sale of general merchandise. According to this story the Act of 1845 was designed to prevent such evasions.

The Act of April 22, 1846, P. L. 489, Section 12, extended the provisions of the Act of 1845, as to appointment of mercantile appraisers, to all other counties but provided for the appointment of appraisers therein by the county commissioners instead of the courts of common pleas as in Philadelphia and Allegheny Counties (Act of 1845). The 11th section of this act re-enacted the 11th section of the Act of 1845.

The method of appointment of the appraiser in Allegheny County was changed by the Act of March 15, 1847, P. L. 496, which provided for his appointment by the county commissioners.

The 11th section of the Act of 1846 was construed by the Act of February 27, 1868, P. L. 43, as follows:

"The true intent and meaning of the 11th section of an act, . . . is hereby declared to be, that a manufacturer or mechanic not having a store or warehouse apart from his manufactory or workshop, for the purpose of vending goods, such manufacturer or mechanic shall not be classified or required to pay the annual tax and license as is now required in relation to foreign dealers . . ."

There are numerous cases which construe this act of 1868. Generally the act was construed to exempt sales at the factory or workshop and to tax those made at separate stores[3] If a dealer kept separate show rooms and took orders there but made sales only at the factory the business was exempt.[4] Even where the offices and sales rooms of a corporation were separated from the factory by a street the business was held not taxable.[5]

The Act of April 9, 1870, P. L. 59, provided "hereafter manufacturers and mechanics who shall sell goods, wares or merchandise, other than their own manufacture, not exceeding the sum or value of $500 per year . . . shall not be classified or required to pay annual tax or license fee . . ."

"Farmers selling their own produce or occupying a stall or stalls, or sidewalk or part thereof, in any of the markets of a city of the first class, shall not be subject to classification or taxation for mercantile purposes" according to the Act of April 18, 1878, P. L. 28, section 5. The second section of this act provided for the appointment of five appraisers in Philadelphia by the recorder of that city and the city treasurer.

The part of the Act of 1878 providing for the appointment of the five appraisers in Philadelphia by the recorder and city treasurer was repealed by the Act of April 19, 1883, P. L. 9.

By the Act of June 5, 1883, P. L. 87, "persons engaged in the business of manufacturing or vending nostrums or patent medicines . . . shall . . . be deemed . . . to be dealers in merchandise and shall be classed and rated for a yearly license in the same manner, . . . as other dealers . . ." Druggists were taxable as venders if patent medicines.[6]

The local Act of March 30, 1867, P. L. 630, was repealed by Section 3 of the Act of April 20, 1887.[7] Said Act of 1867 referred to the appointment of a mercantile appraiser by the councils of the city of Scranton.

The next legislation relative to the mercantile license tax was the Act of May 2, 1899, P. L. 184, the basis of the present tax. This act changed the arbitrary and unscientific classifications theretofore provided for by earlier acts and imposed the tax uniformly on the basis of the amounts of sales, at different rates on dealers who are retailers, wholesalers or dealers at exchanges and boards of trade.

Section 1 of this act imposed an annual license tax of $2.00 on each retail vender of or retail dealer in goods, wares and merchandise. In addition, "all persons so engaged shall pay one mill . . . on each dollar of the whole volume, gross, of business transacted annually." Each wholesale vender or dealer was required to pay an annual license tax of $3.00 and one-half mill additional on each dollar of the whole volume gross of business transacted annually. Each dealer in or vender of goods, etc., at any exchange or board of trade was required to pay a tax of twenty-five cents on each thousand dollars worth, gross, of goods so sold.

[3] Com. v. Potter, Sons & Co., 159 Pa. 583; Com. v. Bailey, Banks & Biddle Co., 29 Pa. Super. 210.
[4] Com. v. Gillinder, 12 Dist. 635.
[5] Com. v. Eynon-Evans Mfg. Co., 48 Super. 474.
[6] Liability of Druggists to Mercantile Tax, Atty. General's Reports 1895-96.
[7] Jadwin v. Hurley, 10 Pa. Super. 104 (1899).

It is an unsettled question as to whether the Act of 1899 repealed the manufacturing exemption of the Acts of 1846 and 1868. The act was amended by the Act of May 10, 1929, P. L. 1709, so as to exempt from the tax so much of the business transacted annually by wholesalers as pertained to processing and curing of meats, their products and by-products. This amendment overruled the decision of the Supreme Court that pickling and smoking meats and hides and skins was not manufacturing.[8] The Act of 1899 was further amended by the act of June 1, 1933, P. L. 1151, to exempt from the tax so much of the whole volume gross of business transacted annually by dealers as was realized from the compounding and dispensing of medicines on prescriptions of physicians.

These amendments were evidently made to the Act of 1899 under the assumption that the manufacturer's exemption of prior acts was still in force. In a case construing the Act of April 9, 1870, P. L. 59, which exempted sales by plumbers when under $500 it was held this act was repealed by the comprehensive mercantile license act of 1899 because the Legislature revised the mercantile license tax without exemptions of any kind.[9]

The question of manufacturer's exemption was not raised directly until 1939. Prior to this case the Commonwealth taxing authorities continued to grant the exemption in cases where it had been allowed by court decisions construing acts prior to 1899 or by amendments to the Act of 1899 as noted above in the case of the curing and processing of meats and druggists prescriptions. In the case of Com. v. Peerless Paper Specialty, Inc., the court directly held that this exemption for manufacturers and mechanics had been repealed.[10] A petition for reargument of this case has been granted but no re-argument has been made to date.

The next legislation relative to mercantile license tax subsequent to the basic act of 1889 was the Act of June 14, 1901, P. L. 565. It provided that every city and county treasurer shall sue for the recovery of all licenses returned by a mercantile appraiser if not paid on or before July 1st, within thirty days after such date instead of within ten days after that date as theretofore.

The Act of May 7, 1907, P. L. 175, provided for a graduated license tax on all stock brokers, bill brokers, note brokers, exchange brokers, merchandise brokers, factors and commission merchants, real estate brokers and agents and pawn brokers. The tax ranged from $10 on those whose gross annual receipts were less than $5,000 to $100 on those who had gross annual receipts of $20,000 and upwards.

Under the Act of May 25, 1907, P. L. 244 a license tax was imposed on keepers of all shooting galleries, shuffleboard rooms, billiard or pool rooms or any other place in which any game was played on a table with the use of balls and cues and bowling alleys, nine pin alleys and ten pin alleys, etc. The license fee was $20.00 annually for the first shooting gallery etc., and $10.00 for each additional one.

Under the Act of July 21, 1919, P. L. 1072, amending Section 7 of the Act of 1899, the Auditor General was required to investigate and ascertain the character and amount or volume of business transacted by any dealer or dealers, vender or venders who by fraud, accident or mishap failed to make a full, complete and accurate return and impose the correct amount of tax indicated by the facts in each case.

The Act of June 30, 1923, P. L. 986, amended Section 7 of the Act of 1899 by changing the last day for payment of mercantile tax from July 1st to September 1st in each and every year. Every mercantile appraiser was required to certify to the county treasurer the correct list of all venders or dealers on or before July 1st instead of May 1st.

Provision was made for dealers who commenced business after May 1st of any year to take out a license for the remainder of the license period and for computing the tax for such period by the Act of April 30, 1925, P. L. 372, supplementing the Act of 1899.

Under another Act passed in 1925, that of May 14, P. L. 700 a change was made in the date for payment of the mercantile tax in cities of the first class. This date was changed from September 1st to July 1st. The mercantile appraisers of cities of the first class were required to certify to the county treasurer a list of all venders and dealers on or before May 1st instead of July 1st.

The fiscal code, the Act of April 9, 1929, P. L. 343, in Section 1204 provided for the exercise of powers and performance of duties in connection with the collection of mercantile license taxes by the newly created Department of Revenue. Theretofore, these powers had been exercised and the duties performed by the Department of the Auditor General.

The Department of Revenue was substituted for the Auditor General's Department in connection with the collection of mercantile license tax by another Act passed in 1929, that of April 25, P. L. 681. This Act amended sections 4, 5 and 6 and sections 7 and 9, as amended, of the Act of 1899.

A third act was passed in 1929, that of April 25, P. L. 685 also provided for the substitution of the Department of Revenue for the Auditor General's Department in reference to collection of the mercantile tax. This act amended the act of April 30, 1925, P. L. 372 which referred to dealers commencing business after May 1st.

Keepers of restaurants, eating houses, cafes or quick lunch businesses were required to file annual returns on forms furnished by the Department of Revenue and pay mercantile license tax by section 729 of the Act of June 1, 1931, P. L. 318.

The Act of June 12, 1931, P. L. 555, changed the date upon which the city or county treasurer was required to sue for the recovery of mercantile license taxes returned to him by the mercantile appraiser and not paid. Such date was changed from September 1st to August 1st. The Act of June 2, 1933, P. L. 1418, however, repealed the Act of June 12, 1931, P. L. 555, restoring the date to September 1st.

By the Act of December 20, 1933, P. L. 75, 1933-34, Section 9, a licensee under the Malt Liquor License Law was exempted from obtaining a mercantile license and every licensee under such Malt Liquor License Law who was a holder of a mercantile license was allowed to deduct the gross income received from the sale of the malt liquors from his gross income from all sources in making his returns for mercantile license tax purposes.

The Act of May 7, 1937, P. L. 588, clarified the provis-

[8] Com. v. Weiland Packing Co., 292 Pa. 447 (1928).
[9] Com. v. Lutz, 284 Pa. 184 (1925).
[10] 251 January Term 1939 (Supreme Court, Eastern Dist.).

ions relating to appeals in Section 6 of the Act of 1899 as amended by the Act of April 25, 1929, P. L. 681.

Legislative History—Gross Receipts Tax on Private Bankers—Summary

Date of Act	Principal Change from Prior Act	Rate
5-16-1861 P. L. 708		3%
4-30-64 P. L. 218	Imposed tax on receipts of "every private banker and broker"	Same
6-7-79 P. L. 112	Re-enacted Act of 1864	"
6-27-95 P. L. 396	Real estate brokers exempt from tax	"
6-13-01 P. L. 559	Rate; Tax imposed expressly on "gross receipts" of private bankers and brokers	1%
5-7-07 P. L. 179	Brokers of all kinds exempt from tax	Same
4-9-29 P. L. 343	Reports to be filed with Department of Revenue	"
4-9-29 P. L. 679	Similar procedural change	"

Gross Receipts Tax on Private Bankers

Receipts 1928-1940

Year Ended May 31st	Amount Collected	Rate
1940	$ 7,666	1%
1939	105,481	Same
1938	89,771	"
1937	20,785	"
1936	30,576	"
1935	46,195	"
1934	21,285	"
1933	46,556	"
1932	9,155	"
1931	6,715	"
1930	17,814	"
1929	20,996	"
1928	16,953	"

Gross Receipts Tax on Private Bankers

This tax was originally a tax on the net income of brokers and private bankers. It was first imposed by the Act of May 16, 1861, P. L. 708, which provided as follows:

> "Every stock broker, bill broker, exchange broker, real estate broker, and private banker in this Commonwealth shall . . . make a written return to the Auditor General, . . . in whcih he shall . . . set rorth the full amount of his receipts from commissions, discounts, abatements, allowances, and all other profits arising from his business, . . . and pay . . . 3% upon the aggregate amount contained in such return, for the use of the Commonwealth."

Although the Act of 1861 requires the report to include "the full amount of receipts" and the tax to be 3% of the "aggregate amount contained in such return" the State Supreme Court held the act "clearly intended to levy a tax of 3% on the profits or income of the business and was not meant to tax the capital."[1]

The Act of April 30, 1864, P. L. 218, imposed the tax on receipts of every private banker and broker" instead of "every stock broker, bill broker, exchange broker, real estate broker and private banker" as provided in the Act of 1861.

The Act of June 7, 1879, P. L. 112, Section 10, re-enacting the tax also imposed it upon the receipts of "every private banker and broker."

The Act of June 27, 1895, P. L. 396, amended the original Act of 1861 by omitting the words "real estate broker" from the taxable subjects enumerated therein.

Accordingly, following the court decision noted, under the Acts of 1864, 1879 and 1895 the tax was imposed upon the net earnings of private bankers and brokers and not upon the gross receipts.

However, the Act of 1895 was amended by the Act of June 13, 1901, P. L. 559, and the tax was expressly imposed upon the "gross receipts of private bankers and brokers." It provided:

> "Every stock broker, bill broker, exchange broker, merchandise broker and private banker in this Commonwealth shall on or before the first Monday of December next, and on or before the same day in each year thereafter make a written return, under oath or affirmation, to the Auditor General of this Commonwealth, in which return he shall exhibit and set forth the full amount of his gross receipts from commissions . . . arising from business during the year ending with the 30th day of November preceding . . . and shall pay . . . one per centum upon . . . such gross receipts."

Section 11 of the Act of May 7, 1907, P. L. 179, relieves brokers of all kinds from the tax imposing it only on private bankers.

The next change in the law was one of procedure made by the Fiscal Code, the Act of April 9, 1929, P. L. 343, which provided for the filing of reports by private bankers with the Department of Revenue instead of the Auditor General's Department.

The Act of April 25, 1929, P. L. 679, also made a similar procedural change in the law, requiring the returns to be filed with the Department of Revenue. This Act amended the Act of 1895 as last amended by the Act of June 13, 1901, P. L. 559.

Legislative History—Stock Transfer Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
6-4-1915 P. L. 828		.02 on each $100 face value
7-11-17 P. L. 790	Agents for sale of stamps provided for	Same
5-8-19 P. L. 120	Building & Loan Association Stock transfers exempt	"
4-9-29 P. L. 343	Department of Revenue to collect tax	"
5-4-33 P. L. 278	Transfers of certificates from trustee to trustee, substituted by court, etc., exempt	"
6-15-39 P. L. 403	Transfers to a broker for sale, etc., exempt	"

[1] Drexel & Co. v. Com., 46 Pa. 31 (1863).

Stock Transfer Tax

This tax of 2 cents on each $100 at the face value or fraction thereof was first imposed on "all sales or agreements to sell or memoranda of sales of stock and upon any and all deliveries or transfers of shares or certificates of stock in any domestic or foreign corporation, copartnership association, or joint stock company," by the Act of June 4, 1915, P. L. 828, "In cases where the shares or certificates of stock were issued without designed monetary value, the tax hereby imposed shall be at the rate of 2 cents for each and every share of such stock instead of being based upon the face value thereof." Agreements evidencing deposit of stock certificates as collateral security for money loaned if such stock certificates are not actually sold were exempt. The payment of the tax is evidenced by an adhesive stamp or stamps affixed either upon the books of the corporation, etc., where the evidence of the transaction is shown only by such books and upon a surrendered certificate where the transaction is effected by the delivery or transfer of a certificate.

Stock Transfer Tax

Receipts 1928-1940

Year Ended May 31st	Amount Collected	Rate
1940	$362,017	.02 on each $100 face value
1939	353,281	Same
1938	316,114	"
1937	545,036	"
1936	493,903	"
1935	245,503	"
1934	334,631	"
1933	299,168	"
1932	392,978	"
1931	479,825	"
1930	740,762	"
1929	630,537	"
1928	445,556	"

By the Act of July 11, 1917, P. L. 790, provision was made for the appointment of an agent or agents by the Auditor General for the sale of the stock transfer stamps. Such agent was allowed as compensation 2% of the par value of the stamps sold.

"The stock of building and loan associations, sales or agreements to sell or memoranda of sales of stock of said associations, and all deliveries or transfers of shares or certificates of stock thereof shall be exempt from the provisions of this Act," according to Section 1 of the Act of May 8, 1919, P. L. 120, amending the Act of June 4, 1915, P. L. 828, Section 1.

The Fiscal Code, the Act of April 9, 1929, P. L. 343, substitutes the Department of Revenue for the Department of the Auditor General in the collection of the stock transfer tax. The pertinent sections are 203 (f), 209, 722, 723, and 1709.

By the Act of May 4, 1933, P. L. 278, there were exempted from the provisions of the Stock Transfer Tax Act "transfers of certificates, otherwise taxable, from a trustee or trustees to a trustee or trustees substituted by court order or in accordance with the terms of the trust agreement, or to a surviving trustee or trustees provided, in either case, the same continue to be held by such transferee or transferees for the same purposes for which they were held prior to such transfer." Also exempt from the provisions of the law were "such transfers from a deceased person to his or her executor or administrator, from a ward to his or her guardian, from a guardian to the ward, where such transfer is made pursuant to the relationship of executor or administrator or guardian and ward."

The Act of June 15, 1939, P. L. 403, amending Section 2 of the Act of 1915 as amended, added to the exemptions from the stock transfer tax "deliveries or transfers to a broker or his registered nominee for sale, deliveries or transfers by a broker or his registered nominee to a customer for whom and upon whose order a broker has purchased the same, deliveries or transfers by a purchasing broker to his registered nominee, if the shares or certificates so delivered or transferred are to be held by such nominee for the same purpose as if held by the broker." It was provided, however, that such deliveries or transfers to or from a broker or his registered nominee shall be accompanied by a certificate setting forth the facts.

Legislative History—Cigarette Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
June 15, 1935 P. L. 341		.01c per ten cigarettes
April 8, 1937 P. L. 220	Penalty for selling cigarettes without a permit less severe; tax continued for two year period	Same
May 4, 1939 P. L. 57	Tax continued for two year period ending May 31, 1941 ..	Same

Cigarette Tax Receitps 1936-1940

Years Ended May 31st	Amount Collected	Rate
1940	$11,982,658	.01 per ten cigarettes
1939	11,158,876	Same
1938	11,291,132	"
1937	10,805,779	"
1936	8,701,805	"

Cigarette Tax

The first cigarette tax enacted by the Commonwealth of Pennsylvania was imposed by the Act of June 15, 1935, P. L. 341. As a part of the emergency revenue program of that year under this act the tax was effective for a two-year period ending May 31, 1937. The tax was imposed in lieu of the mercantile license tax theretofore imposed on the business of selling cigarettes.

The act provided that it should be unlawful for any person to engage in the sale of cigarettes at wholesale or retail within the Commonwealth unless a cigarette permit shall have been issued to him. Such permits were required annually from dealers who were also required to affix the stamps required to packages of cigarettes to be sold. The tax was imposed at the rate of one cent for each ten cigarettes or fraction thereof. It was provided that manufacturers of cigarettes located within or outside the Commonwealth and wholesale dealers in cigarettes located outside the Commonwealth might purchase stamps

from the Department and affix them to the packages of cigarettes to be sold within the Commonwealth in which case the dealer within the State receiving such stamped packages of cigarettes was not required to purchase and affix stamps on packages.

The Act makes no provision for filing reports and apparently they are unnecessary, since the tax is administered by means of the revenue stamps affixed to the packages of cigarettes. According to regulations of the Department of Revenue, the collection agency, sales of cigarettes made upon and within the confines of Federal territory, on property owned by the United States Government and to which the Commonwealth has relinquished its right of sovereignty are not taxable.[1] All sales made by the Post Exchange of Civilian Conservation Corp Camps and Army Camps to the members thereof are exempt from the tax and such Post Exchange do not need a cigarette permit. All sales of cigarettes to or by the State Emergency Relief Board for use by such Board or sale by such Board in the Transient Camps maintained and operated by such Board are not taxable.[2]

The Act of April 8, 1937, P. L. 220, amended the Act of 1935. Section 12 (a) made the punishment less severe for selling cigarettes without a permit. This Act also continued the tax for a two-year period ending May 31, 1939.

The tax was continued for a further two-year period ending May 31, 1941, by the Act of May 4, 1939, P. L. 57.

Liquid Fuels Tax

The first act to impose a state gasoline tax was that of May 20, 1921, P. L. 1021, which provided for a tax of one cent a gallon on all gasoline sold in the Commonwealth for any purpose except resale. The tax was collected by the retail dealers and returned to the Commonwealth monthly. One half of the tax collected under the act was credited to the county where it was collected to be used for construction and maintenance of roads and road bond interest.

Legislative History—Liquid Fuels Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
5-20-1921 P. L. 1021		$.01 per gal.
6-15-23 P. L. 834	Rate; tax on all liquid fuels ..	a—.01 per gal. b—.01
6-29-23 P. L. 969	Term "liquid fuels" defined ..	Same
5-13-25 P. L. 671	Emergency tax continued until 6-30-27; Part of tax paid into Motor License Fund	"
5-14-25 P. L. 695	Disposition of tax changed on basis of date of 6-1-25	"
4-13-27 P. L. 201	Rate of permanent tax changed; Emergency tax continued until 6-30-29	a—.02 b—.01
4-14-27 P. L. 287	"Liquid Fuels Permits" required of dealers	Same
4-14-27 P. L. 295	Term "Liquid Fuels" re-defined	"
4-9-29 P. L. 343	Tax to be collected by Department of Revenue	"
5-1-29 P. L. 1037	New Act; Rate	a—.04 until 7-1-30; .03 thereafter
5-3-29 P. L. 1537	Term "Liquid Fuels" re-defined	b—.00 "
5-21-31 P. L. 149	New Act; Rate; Tax imposed on distributors	a—.03 b—.00
6-1-31 P. L. 298	Term "Liquid Fuels" re-defined	Same
6-1-31 P. L. 299	Tax rate required to be shown separately on signs	"
6-1-33 P. L. 206	Permit may be revoked after hearing	"
5-22-33 P. L. 837	Fines to be paid into Motor License Fund	"
5-22-33 P. L. 917	U. S. and Com. of Pa., bonds may be substituted for surety bonds	"
6-21-35 P. L. 412	Rate	a—.03 b—.01
4-8-37 P. L. 248	Emergency tax continued until 5-31-39	Same
6-5-37 P. L. 1703	Change in discount allowed distributors	"
5-4-39 P. L. 55	Emergency tax continued until 5-31-41	"
6-21-39 P. L. 634	Purposes for use of tax returned to counties, broadened	"

a—Permanent tax.
b—Emergency tax.

Liquid Fuels Tax
Receipts 1928-1940

Year Ended May 31st	Amount Collected Permanent[a]	Permanent[b]	Emergency[c]	Rate
1940	$35,636,693	$7,125,926	$14,245,010	a & b .03 c .01
1939	35,123,040	7,068,787	13,996,411	Same
1938	34,789,345	7,023,450	13,836,148	Same
1937	33,511,596	6,698,210	13,136,842	Same
1936	29,622,064	5,921,438	9,242,919	Same
1935	27,416,128	5,476,723	.....	a & b—.03
1934	26,473,182	5,286,971	.....	Same
1933	25,672,712	5,115,010	.....	Same
1932	27,402,294	5,451,298	.....	Same
1931	27,633,026	5,072,827	.....	Same
1930	29,266,409	4,580,189	.....	a & b—.04
1929	19,932,787	4,075,820	.....	a & b—.02 c .01
1928	18,806,586	3,695,406	.....	Same

[a] 2½ cent tax to Motor Fund.
[b] ½ cent tax refunded to counties.
[c] 1 cent tax in General Fund.

The one cent State Tax was re-enacted by the Act of June 15, 1923, P. L. 834, which imposed a tax of one cent per gallon upon all liquid fuels sold in Pennsylvania except for resale. In addition an emergency state tax of one cent a gallon was imposed by this act for the two years beginning July 1, 1923, and ending June 30, 1925. The tax was collected by the retail dealer from a purchaser for his own use and not for resale and paid to the Commonwealth quarterly when reports were required.

One-half of all tax collected under the act, except the additional emergency state tax, was credited to the county where the tax was collected to be used only for the purpose of the construction, etc., of roads and highways

[1] Regulation No. 6.
[2] Ibid.

and payment of interest on county road bonds. The balance of the one cent tax and all of the emergency tax were placed in the General Fund. The Act of 1921 was expressly repealed.

By the Act of June 29, 1923, P. L. 969, the term "liquid fuels" as used in the Act of June 15, 1923, P. L. 834, was construed to mean "all liquids ordinarily, practically and commercially usable in internal combustion engines for the generation of power, except kerosene, fuel and gas oil . . ."

The one cent state tax was re-enacted and the emergency one cent tax was continued for another two years, that is up to and including June 30, 1927, by the Act of May 13, 1925, P. L. 671. Instead of the remaining one half of the permanent tax and all of the emergency tax being placed in the General Fund as theretofore it was, under this act, paid into the Motor License Fund created by Section 12 of the Act of June 30, 1919, P. L. 678, and was "specifically appropriated for the same purposes as said Motor Vehicle Fund is appropriated by the provisions of existing or future laws."

The Act of May 14, 1925, P. L. 695, clarified the tax disposition feature of the Act of May 13, 1925, P. L. 671, by providing the remaining 50% of the permanent tax and all of the emergency tax should be paid into the General Fund prior to June 1, 1925, and thereafter into the Motor License Fund.

The rate of the permanent tax was increased by the Act of April 13, 1927, P. L. 201 from one to two cents per gallon and the emergency tax of one cent was continued for another two years, that is until June 30, 1929. This act also amended section 9 of the Act of June 15, 1923, by crediting one-fourth of the permanent two cent tax to the county where collected instead of one-half of the one cent tax as theretofore.

The Act of April 14, 1927, P. L. 287, re-enacted the previous permanent tax of 2 cents per gallon and the emergency tax of one cent and required all dealers to secure "Liquid Fuels Permits" before doing business. Provision was made for collection of delinquent liquid fuels tax by employing counsel through the Attorney General's Department.

The Act of April 14, 1927, P. L. 295, excepted kerosene, fuel oil and gas oil from the term "liquid fuels." When the Act of April 14, 1927, P. L. 287, was passed this exception which had existed in prior acts was apparently inadvertently omitted.

Section 727 of the Fiscal Code, the Act of April 9, 1929, P. L. 343 provided for collection of Liquid Fuels Tax by the newly created Department of Revenue instead of the Auditor General.

A new Liquid Fuels Tax law written under the date of May 1, 1929, P. L. 1037 provided for collection of the tax by the Department of Revenue. The rate of the tax was made four cents per gallon until July 1, 1930 and three cents thereafter. Liquid fuels purchased, received or consumed by the United States or any board, department, etc., thereof were expressly exempted from tax. A Federal employee, however, was not exempt from the tax bought for his own use.[1]

The Act of May 31, 1929, P. L. 1537, excepts kerosene, fuel oil and gas oil from the term "liquid fuels."

The Act of May 21, 1931, P. L. 149, enacted a new Liquid Fuels Tax. A tax of three cents per gallon was imposed upon the distributor who was allowed to add the amount of the tax to the price charged. Previously the tax was collected through each dealer. This method of collection was revoluntionary in the history of the State tax. Collection was made easier and more certain as well as more cheaply. Collection attorneys were no longer necessary. The Department of Revenue was authorized to use State Highway Patrolmen to aid in enforcing the Act. They were made peace officers with police power and authority throughout the Commonwealth to arrest on view, without writ, rule, order or process any person known to have violated any of the provisions of the act.

Under the Act of June 1, 1931, P. L. 298, kerosene, fuel oil and gas oil and naphtha, sold for a purpose other than for use in internal combustion engines for the generation of power, were excepted from the term "liquid fuels."

By the Act of June 1, 1931, P. L. 299, the tax rate was required to be stated separately from price of gas on display signs by retailers.

The Act of May 1, 1933, P. L. 206, gives the Department of Revenue the authority to revoke a liquid fuels permit after finding the holder has failed to comply with the act and a hearing has been had. An appeal may be taken to the Dauphin County Court of Common Pleas from a decision of the Department.

All fines collected under the act are required to be paid to the State Treasury and credited to the Motor License Fund by the Act of May 22, 1933, P. L. 837.

The Act of May 22, 1933, P. L. 917, provides for depositing United States Bonds or Commonwealth of Pennsylvania Bonds instead of surety bonds where required from distributors under the act.

The permanent tax of three cents per gallon was reenacted by Section 4 of the Act of June 21, 1935, P. L. 412 and an emergency tax of one cent per gallon was imposed for the period from the date of the act to May 31, 1937. The act provided for the payment of the entire emergency tax collected prior to June 1, 1936 into the State Treasury to be used only for unemployment relief purposes. All such tax collected after June 1, 1936 was to be credited to the General Fund.

The act does not violate Act III, Sec. 3 of the Constitution requiring the subject of an act to be clearly expressed in its title.[2]

The additional emergency tax of one cent per gallon was continued for another two year period ending May 31, 1939 by the Act of April 8, 1937, P. L. 248. This act also contained the provision "The tax imposed by this act though payable by the distributor, shall be borne by the consumer, and when paid by the distributor, shall be deemed to have been paid for the account of the consumer." This provision apparently had for its purpose the allowance of the tax as a deduction for Federal income tax purposes to the consumer, theretofore disallowed the consumer but allowed the distributor.

The Act of June 5, 1937, P. L. 1703, changed the flat 2% discount allowed distributors for filing of report and payment of tax on date required to a graduated rate ranging from 2% to ½%.

[1] Tax on Liquid Fuels, Opinion of Atty. Gen., 6 D. & C. 741.

[2] Gulf Refining Co. v. School District of Phila., 109 Super. 177.

The additional emergency tax of one cent per gallon was continued for anther two year period ending May 31, 1941 by the Act of May 4, 1939, P. L. 55.

By the Act of June 21, 1939, P. L. 634, the purposes for which the one half cent portion of the permanent tax returned to the counties might be used were broadened to include the payment of sinking fund charges as well as interest on road and bridge bonds and all such payments theretofore made were validated.

Gross Receipts Tax

Originally the Pennsylvania Gross Receipts Tax was regarded by United States Supreme Court as a tax upon the franchise of transportation companies which at that time alone were subject to it.[1] In a later case, however, the same court said:

Legislative History—Gross Receipts Tax

Summary

Date of Act	Principal Changes from Prior Act	Rate
2-23-1866 P. L. 82		7½ mills
7-19-66 P. L. 1363	Construed Section 2 of Act of 2-23-66	7½ "
5-1-68 P. L. 108	Taxed companies liable to tonnage tax	7½ "
3-21-73 P. L. 46 / 4-24-74 P. L. 68	Abolished Gross Receipts Tax	None
3-20-77 P. L. 6	Reestablished Tax	8 Mills
6-7-79 P. L. 112	Added to taxable pipe line and conduit companies	8 "
6-1-89 P. L. 420	Added to taxable Telephone & Electric Light Corporation	8 "
4-28-99 P. L. 72	Taxes express business of firms incorporated or unincorporated	8 "
5-13-25 P. L. 702	Expressly exempted Municipalities from operation of Act	8 "
5-14-25 P. L. 706	Added to taxables Water Power and Hydro-Electric Cos.	8 "
5-13-27 P. L. 1002	Taxicabs expressly exempted	8 "
4-25-29 P. L. 662	Motor Buses and Motor Omnibuses expressly exempted	8 "
6-22-31 P. L. 694	Motor Vehicles taxable; credit for motor registration fees paid	8 "
5-16-35 P. L. 200	Rate; Taxed receipts of municipally owned utilities outside limits of municipality	14 mills
8-6-36 P. L. 87	Rate	20 "
4-8-37 P. L. 245	Continued 20 mill rate for 1937 and 1938	20 "
5-4-39 P. L. 51	Continued 20 mill rate for 1939 and 1940	20 "

[1] State Tax on Railway Gross Receipts, 15 Wall. 284 (1872).

Gross Receipts Tax

Receipts 1928-1940

Years Ended May 31st	Amount Collected A	B	Rate
1940	$7,777,130	$6,085	A-20 Mills B-8 "
1939	6,799,819	10,559	A-20 " B-8 "
1938	7,931,011	11,621	A-20 " B-8 "
1937	6,248,774	6,050	A-20 Mills; 14 Mills* B-8 Mills
1936	4,662,867	5,902	A-14 " A-8 "
1935	3,253,163	3,266	A-8 " B-8 "
1934	2,930,468	3,166	A-8 " B-8 "
1933	4,268,654	2,052	A-8 " B-8 "
1932	3,246,476		8 "
1931	3,390,379		8 "
1930	3,582,581		8 "
1929	4,222,222		8 "
1928	4,329,842		8 "

A—Utilities: Transportation (other than motor vehicles), Power and Transmission.
B—Motor Carriers.
* For six months' period ended Dec. 31, 1936 rate—20 mills; For six months' period ended June 30, 1936 rate—14 mills.

"A review of the question convinces us that the first ground . . . is not tenable . . . It certainly could not have been intended as a tax on the corporate franchise, because by the terms of the act it was laid equally on the corporations of other states doing business in Pennsylvania. If intended as a tax on the franchise of doing business—which, in this case is the business of transportation in carrying on interstate and foreign commerce—it would clearly be unconstitutional."[2]

It is not a property tax, however, for receipts derived from traffic within Pennsylvania of foreign corporations doing business in the Commonwealth are taxable, although such receipts may not be within the state. It is probably a tax on the business of the companies subject thereto. The Dauphin County Court in a comparatively recent case calls the tax a privilege tax.[3] Quoting from an earlier opinion[4] of this Court the President Judge says of the Gross Receipts tax:

"We have in the same statute, a privilege tax which is a franchise tax, in so far as it is imposed not upon the franchise as such, granted by the State but upon their exercise in the state; a privilege tax in so far as it is imposed upon the business of foreign corporations done within the State; and an occupation tax or privilege tax in so far as it is imposed upon partnerships and individuals doing the taxable business in the state."

The tax is not imposed upon all of the gross receipts of a company but upon such as are from sources specified in the act. For instance a street railway corporation is not liable for tax upon its gross receipts received from the sale of electric current and rental of tracks;[5] a company

[2] Phila. & South M. S. S. Co. v. Pa. 122 U. S. 326 (1887).
[3] Com. v. J. Kenny Transfer, 40 Dauphin 365 (1935).
[4] Com. v. Phila. Electric Co., 36 Dauphin 339 (1932).
[5] Com. v. Lehigh Valley Transit Co., 14 Dau. Co. 86.

incorporated to furnish light, heat and power by means of electricity which afterwards purchases the property and franchise of a steam heat company is not liable for tax on receipts derived from the steam heat business;[6] a railway company is not liable for tax on gross receipts derived from car mileage and per diem compensation received for the use of its cars upon other lines.[7]

The first legislation to impose a Gross Receipts Tax in Pennsylvania was the second section of the Act of Feb. 23, 1866, P. L. 82. An annual tax of seven and one-half mills was imposed upon the gross receipts of every domestic railroad, canal and transportation company "not liable to the tax on income under existing laws."

The second section of the Act of July 19, 1866, P. L. (1867) 1363 provided that the second section of the Act of February 23, 1866, "shall be construed to apply to all railroad, canal and transportation companies not liable to taxation on net income in pursuance of the second section of the Act of April 30, 1864." This was intended to clarify a provision of the Act of February 23, 1866, to wit, "not liable to the tax on income under existing laws."

The second section of the Act of February 23, 1866, was repealed by the 16th section of the Act of May 1, 1868, P. L. 108. Gross receipts tax was reimposed by section 8 of the latter act. The corporations liable to the tax were every railroad, canal and transportation company "liable to tax upon tonnage under the preceding section of this act." Companies so subject to the tonnage tax were "every railroad company, steamboat company, canal company and slack water transportation company and all other companies now or hereafter doing business in this state and upon whose works freight may be transported . . . except turnpike, plank road and bridge companies."

The Acts of March 21, 1873, P. L. 46, section 3 and April 24, 1874, P. L. 68, section 11 abolished the Gross Receipts Tax and the Commonwealth was without the tax for a period of three years.

The tax was re-established, however, by the Act of March 20, 1877, P. L. 6, section 5, which provided that every railroad or canal, steamboat, slack water navigation, transportation, street passenger railway and every other company incorporated in Pennsylvania or doing business in this state and owning, operating or leasing to or from another corporation or company any railroad, canal, slack water navigation, or street passenger railway or other device for the transportation of freight or passengers, and every telegraph company incorporated in Pennsylvania or doing business here and every express company and any palace car and sleeping car company, incorporated or unincorporated, doing business in Pennsylvania should pay to the Commonwealth a tax of 8 mills upon its gross receipts from tolls and transportation, telegraph business or express business.

By the 7th section of the Act of June 7, 1879, P. L. 112 pipe line and conduit companies and limited partnerships engaged in transportation were added to the corporations subject to the tax.

The Act of June 1, 1889, P. L. 420, section 36 repealed the 7th section of the Act of June 7, 1879, P. L. 112. The 23d section of the former act, however, re-enacted the provisions of the repealed section. Telephone and Electric Light corporations were made additional taxable subjects and joint stock associations were added to taxable subjects and joint stock associations were added to taxable transportation firms. Prior to the Act of 1889 it had been held by the Dauphin County Common Pleas Court that telephone companies were subject to the tax as "telegraph companies".[8] Tax was imposed upon gross receipts "received from passengers and freight transported wholly within the state and from telegraph, telephone or express business done wholly within this state or from the business of electric light companies and from transportation of oil done wholly within the state." The tax was required to be paid semi-annually on the last day of January and July.

This act provided for the apportionment of the gross receipts tax in cases where the works of one corporation, etc., were leased to and operated by another corporation, etc. The apportionment was to be made on the basis of the respective lease or agreements but the Commonwealth was permitted to first look to the corporation operating the works for the tax. This provision does not apply to express companies which employ railroad companies to do their transportation.[9]

Section 2 of the Act of April 28, 1899, P. L. 72 also imposes a gross receipts tax. This act amends the Act of June 7, 1879 but imposes the tax of 8 mills only on express business of "corporations limited partnerships, joint-stock associations, partnerships, firms, or associations of individuals incorporated or unincorporated."

In the Legislative Session of 1923, an attempt was made in the House of Representatives to amend the Act of 1889 supposedly at the instigation of the Auditor General to add to the list of taxable subjects taxicab companies, autobus line companies, truck transportation companies and every individual partnership, firm or unincorporated association engaged in or hereafter engaged in the transportation of freight or passengers or oil within the state. In the proposed amendment water-power and hydro-electric companies were also included as taxable subjects. The bill failed of passage although the vote was 90-89 in favor thereof. The vote was reconsidered, however, and the bill recommitted to the Ways and Means Committee, from which it had originally been unanimously reported, for the purpose of amendment.

After being re-reported it was again considered by the House. In the discussion the portion of the amendment which would tax water power and hydro-electric companies was stressed by the proponents of the bill. Attention was called to hydro-electric projects on the Susquehanna, Clarion and Allegheny rivers which were escaping the gross receipts tax. The new amendment still including as taxable subjects taxicab companies, autobus line companies and truck transportation companies, again failed of passage 48-107. In the discussion on the bill as an argument against its passage attention was called to the revenue of upwards of twenty million dollars expected from the proposed emergency profits tax, and either the newly proposed gasoline tax or the increase in the motor license fees—whichever tax bill was finally enacted.

[6] Com. v. Light and Power Co., 262 Pa. 238.
[7] Com. v. Buffalo & Susquehanna R. R. Co., 14 Dau. 117.
[8] Com. v. Penna. Telephone Co., 2 Dauphin Co. Rep. 57 (1885).
[9] Com. v. U. S. Express Company, 157 Pa. 579.

The Act of May 13, 1925, P. L. 702 contained this new provision:

"Nothing contained in this act shall be construed to impose any tax upon any municipality nor upon the gross receipts derived from any municipally owned and operated public utility or from any public utility service furnished by any Municipality.

"No tax shall be collected under the provisions of this act from any municipality upon the gross receipts derived from the ownership and operation of any public utility or from the furnishing by any municipality of any public utility service prior to the passage of this amendment."

Section 23 of the Act of June 1, 1889, P. L. 420 was also amended by the Act of May 14, 1925, P. L. 706. This act added to the list of taxable subjects, water-power companies and hydro-electric companies both incorporated and unincorporated as first proposed in the 1923 Legislative Session.

The amendment of 1925 which expressly imposed the tax on gross receipts of water-power companies and hydro-electric companies and the attempt in the 1923 session to pass a similar amendment followed court decisions holding that such companies were not liable to the tax under the Act of June 1, 1889, P. L. 420.[10] This class of corporations was originally created under IX clause, Section 2 of the general corporation act of April 29, 1874 for the purpose of supplying, storing and transporting water and water power and were not made taxable by the Act of June 1, 1889, P. L. 420. By the Act of July 2, 1895, P. L. 425, they were authorized to use this water power to generate electrical power and furnish electric current or power to the public. It was subsequent to this extension of powers that the attempt was made by the fiscal departments to tax the receipts of the companies on the grounds that they had become electric light companies. The court held, however, that in the Pa. Water and Power Co. case that the company was "not an electric light company within the Act of June 1, 1889." In the other case the court found the company was "not to be found among the companies which are specifically mentioned in the statute and which as (were) required to pay the tax." The amendment of May 14, 1925 made water power and hydro-electric power companies taxable regardless of their origin.

Section 23 of the Act of 1889 also provided the tax should become due 60 days after the date of approval of the settlement instead of on the last days of January and July as in prior acts. It is to be noted the change in the due date of the tax brought the language of the law into conformity with the practice of the fiscal departments which had regarded the tax as due 60 days after the date of approval of the settlement.

Also included in the bill to amend section 23 of the Act of June 1, 1889, P. L. 420, as it was passed by the House of Representatives in the 1925 Legislative Session was a provision to tax taxicab companies, auto bus companies and truck transportation companies. The Senate amended the bill and struck out such provision and sent the bill back to the House for concurrence. The House refused to concur, however, and the bill went to a conference committee. The Senate version of the bill was adopted by this committee and the law which was enacted omitted taxicab companies, auto bus companies and truck transportation companies as taxable subjects.

The next change in the gross receipts tax law was made by the Act of May 13, 1927, P. L. 1002 which expressly exempted from the operation of the tax gross receipts from taxicabs. Apparently this amendment of section 23 of the Act of June 1, 1889, P. L. 420 was the direct result of the decision of the Pennsylvania Supreme Court which held in an opinion dated June 26, 1926 that a taxicab company is a "transportation company" within the meaning of those words of the Act of 1889 and as such is subject to a tax on its gross receipts as provided by that act.[11] In passing it should be noted that the United States Supreme Court decided on appeal that the tax as it applied to taxicab companies was unconstitutional for the reason that it violated the requirement of the Pennsylvania Constitution on uniformity in taxing taxicab corporations but not taxing individuals and partnerships operating taxicabs.[12] This decision was not handed down until after the Act of 1927 had been passed.

The Act of April 25, 1929, P. L. 662 further changed section 23 of the Act of June 1, 1889, P. L. 420. "Baggage" was added to the articles transported formerly enumerated as freight, passengers and oil. Motor buses and motor omnibuses were added to the devices for the transportation of "freight, passengers, baggage or oil" the gross receipts from which are exempt from the tax. There were other changes in phraseology designed to clarify the meaning of the language of the law. The semi-annual reports were required to be filed with the newly created Department of Revenue.

The Act of June 22, 1931, P. L. 694 imposes an excise tax of 8 mills upon the gross receipts of companies (including corporations, individuals, co-partnerships, etc.,) engaged in the business of carrying passengers or property for hire over the highways of the Commonwealth in motor vehicles or trackless trolleys for the use of the highways of the Commonwealth. Such companies are allowed to deduct from such excise tax any registration fees paid to the Department of Revenue upon motor vehicles used in the business of carrying passengers or property for hire and also any excise taxes paid to any city of the Commonwealth for the use of its highways. If such taxable company operates within and outside the Commonwealth the gross receipts may be apportioned according to the ratio of mileage of routes operated in Pennsylvania to total mileage operated. This act is not an amendment of the Act of June 1, 1889, P. L. 420 and its supplements but an independent act.

The Act of May 16, 1935, P. L. 200 increased the rate of the Gross Receipts Tax imposed on transportation (other than motor carriers), power and transmission companies from 8 to 14 mills for the semi-annual periods of the years 1935 and 1936 but provided it should again become 8 mills for the semi-annual periods of 1937 and thereafter. The act also expressly provided that it should apply to municipalities and taxed gross receipts derived from any municipality owned and operated public utility or from

[10] Com. v. Pa. Water & Power Co., 23 Dau. 10 (1920); Com. v. York Haven Water & Power Co., 23 Dau. 13 (1920).

[11] Com. v. Quaker City Cab Co., 287 Pa. 161.

[12] Com. of Pa. v. Quaker City Cab Co. 277 U. S. 389.

any public utility service furnished by any municipality to the extent of such gross receipts as are derived from business done outside the limits of the municipality operating the public utility service. The act further provided that the proceeds from the years 1935 to the extent of $2,000,000 should be used only for unemployment relief. The balance of the proceeds for 1935 were to be credited to the General Fund.

The Act of August 6, 1936, P. L. 87 further increased the rate of the tax from 14 to 20 mills for the six month period ended December 31, 1936 but provided for the rate to be reduced again to 8 mills thereafter.

The Act of April 8, 1937, P. L. 245, continued the increased rate of 20 mills for the six months' periods ending June 30 and December 31, 1937 and June 30 and December 31, 1938 and reduced it to 8 mills thereafter.

The Act of May 4, 1939, P. L. 51, continued the increased rate of 20 mills for the 6 months' periods ending June 30 and December 31, 1939 and June 30 and December 31, 1940 and reduced it to 8 mills thereafter.

The gross receipts tax imposed on motor carriers by the Act of June 22, 1931, P. L. 694 still retains the original rate of 8 mills being unchanged by the Acts of 1935, 1937 and 1939 above-mentioned.

Legislative History—Gross Premiums Tax

Summary

Date of Act	Principal Change from Prior Act	Rate
4-4-73		A—3%
P. L. 26		B—o
3-20-77	Domestic companies made tax-	A—3%
P. L. 6	able	B—8 mills
6-7-79	Re-enacted section 6 of Act of	A—3%
P. L. 112	1877	B—8 mills
6-10-81	Domestic companies paying tax	
P. L. 99	on business outside Pennsyl-	
	vania taxed in future only on	A—3%
	business in Pennsylvania	B—8 mills
6-1-89	Rate of foreign companies	A—2%
P. L. 420		B—8 mills
6-28-95	One-half of 2% foreign fire in-	
P. L. 408	surance tax to be returned to	A—2%
	several cities and boroughs	B—8 mills
4-20-05	Above provision extended to	A—2%
P. L. 1905	first class townships	B—8 mills
6-1-11	Additional deductions from	
P. L. 607	gross premiums allowed foreign	A—2%
	companies	B—8 mills
7-6-17	Insured required to deduct tax	
P. L. 723	and pay to Penna., tax in case	A—2%
	of unregistered foreign company	B—8 mills
5-17-21	Additional deductions from	
P. L. 682	gross premiums allowed foreign	A—2%
	companies	B—8 mills
5-17-21	Excess Insurance Brokers Taxed	A—2%
P. L. 789		B—8 mills
		C—3%
5-6-25	Annual reports required from	A—2%
P. L. 526	domestic companies instead of	B—8 mills
	semi-annual	C—3%
5-13-27	Marine Insurance Companies	
P. L. 998	taxed	A—2%
		B—8 mills
		C—3%
		D—5%
4-9-29	All reports required to be filed	
P. L. 343	with Dept. of Revenue	Same
4-9-29	As above in reference to excess	
P. L. 441	insurance brokers	Same
4-25-29	Report filing date changed to	
P. L. 665	March 15th for domestic com-	
	panies	Same
6-26-31	Domestic life insurance com-	
P. L. 1408	panies exempted from tax	Same
5-31-33	Deductions by domestic com-	
P. L. 1093	panies further restricted	Same
5-31-33	As above in reference to foreign	
P. L. 1094	companies	Same
5-25-39	Deductions for re-insurance	
P. L. 212	premiums changed	Same
5-25-39	As above in reference to foreign	
P. L. 213	companies	Same

A—Foreign life, casualty, fire.
B—Domestic life, casualty, fire.
C—Foreign excess insurance brokers.
D—Domestic and foreign marine.

Gross Premiums Tax

Receipts 1928-1940

Years ended May 31st	Amount Collected A	Amount Collected B	Rate
1940	$243,300	$7,478,188	a—8 mills b—2% c—3% d—5%
1939	279,365	7,478,010	Same
1938	214,362	7,601,789	Same
1937	173,704	7,111,470	Same
1936	143,414	6,467,936	Same
1935	192,516	6,564,373	Same
1934	150,930	6,208,338	Same
1933	199,924	6,493,290	Same
1932	273,727	7,055,481	Same
1931	197,153	7,154,209	Same
1930	266,818	7,073,411	Same
1929	314,863	6,707,005	Same
1928	293,354	6,416,111	Same

A—Domestic Companies; B—Foreign Companies.
a—Domestic fire, casualty, excess re-insurance.
b—Foreign life, casualty, fire.
c—Foreign excess insurance brokers.
d—Domestic and foreign marine.

Gross Premiums Tax

The gross premiums tax was first imposed on gross receipts of foreign insurance companies by Section 10 of the Act of April 4, 1873, P. L. 26. Foreign insurance companies were expressly exempted from the capital stock tax.[1] Nor were they required to pay license fees for state purposes. Instead they were required by the Act of 1873 to pay a tax of three per cent upon the "entire amount of premiums of every character and description received . . . in this state during the year or fraction of a year ending with the 31st day of December preceding, whether said premiums were received in money, or in the form of notes, credits, or any other substitute for money." The act further provided that until an insurance company of another state or foreign government had granted to it by the State Commissioner of Insurance a certificate of authority showing it was authorized to do business in the Commonwealth no person should act as agent or solicitor for it in any manner whatever relating to risks. The annual report of gross premiums received was required to be made to the Insurance Commissioner in January.

[1] Act of June 1, 1889, P. L. 420, Section 20.

As to domestic insurance companies the gross premiums tax was first imposed by section six of the Act of March 20, 1877, P. L. 6. The tax was imposed at 8 mills on the "entire amount of premiums received" by such companies. Companies doing business on the mutual plan without capital stock or accumulated reserve and purely mutual beneficial associations whose funds for the benefit of members, their families or heirs are made up of weekly or monthly contributions and accumulated interest were expressly exempted from the tax. Reports were required to be filed with the Auditor General for the semi-annual periods ended June 30, and December 31 and a penalty of ten per cent was provided for failure to file reports and pay the tax within thirty days.

The Act of June 7, 1879, P. L. 112, Section eight reenacted Section six of the Act of March 20, 1877, P. L. 6.

Although the State Supreme Court held that domestic corporations could be taxed under the Act of 1877 on premiums received from business transacted without the State[2] the Act of June 10, 1881, P. L. 99, Section seven provided as follows:

"That all insurance companies which shall within thirty days after the approval of this act pay into the Treasury of the Commonwealth the amount of money claimed by the Commonwealth for taxes upon their gross premiums for the period of time between the 20th day of March 1877, and the first day of January, 1881, together with interest upon same, shall be liable from and after the first day of January, 1881, during the continuance of this act to no taxes on their premiums except upon such as were or shall be received from business transacted within this Commonwealth."

The Act of June 1, 1889, P. L. 420, section twenty-four, likewise limited the gross premiums tax of domestic companies to "business transacted within this Commonwealth." This section of the Act of 1889 also made the first change in the gross premiums tax imposed on foreign insurance companies since the Act of 1873 by providing:

"That hereafter the annual tax upon the premiums of insurance companies of other states or foreign governments shall be at the rate of 2% upon gross premiums of every character and description received from business done within this Commonwealth during the entire calendar year preceding."

The Act of June 28, 1895, P. L. 408, Section 1, re-enacted section twenty-four of the Act of June 1, 1889, P. L. 420, although it purported to amend it. Section 2 contained a new provision:

"On and after January 1, 1896, and annually thereafter the State Treasurer shall pay to the Treasurers of the several cities and boroughs within the Commonwealth one-half of the net amount received from the 2% tax paid upon premiums by foreign fire insurance companies, the amount to be paid to be based on the return of said 2% tax upon premiums, received from foreign fire insurance companies doing business within said cities and boroughs as shown by Insurance Commissioner's report."

Section 2 of the Act of June 28, 1895, was amended by the Act of April 20, 1905, P. L. 1905, so as to extend its provisions as to payments to townships of the first class.

[2] Ins. Co. of North America v. Com., 87 Pa. 173 (1878).

Section 16 of the Act of June 1, 1911, P. L. 607, provided that foreign insurance companies shall make a report to the Insurance Commissioner on or before March first showing the entire amount of premiums of every character received from business transacted in the Commonwealth for the year or fraction of the year ending December 31st preceding. It also allowed the foreign companies to "deduct from the gross premiums received all premiums returned on policies cancelled or not taken and all premiums actually paid for reinsurances, where the same are affected in companies duly licensed to do business in this Commonwealth." It is to be noted that deductions for the cost of reinsurance were not allowed by the Commissioner of Insurance upon advice of the Attorney General in construing the Act of 1889.[3]

The Act of July 6, 1917, P. L. 723, provided that any person, corporation, etc., entering into a contract of insurance or reinsurance with any foreign company not registered or entitled to do business in Pennsylvania should deduct, when making payment of premium, an amount equal to the tax imposed on premiums of insurance companies of other states and foreign countries that are registered to do business in Pennsylvania and pay such amount into the State Treasury. It also provided that any person, etc., failing to make such deduction and payment shall be liable for the amount of the tax and also that such person, etc., failing to comply with the act shall be guilty of a misdemeanor and upon conviction shall be sentenced to a fine not exceeding $500.

Section 319 of the Act of May 17, 1921, P. L. 682, provided:

"Any domestic or foreign stock or mutual insurance company, association, or exchange, authorized to transact business in this Commonwealth shall pay to this Commonwealth taxes required on all business taxable within this Commonwealth and reinsured, as provided in this section, with any foreign company, association, or exchange not authorized to transact business in this Commonwealth."

Section 321 of the Act of 1921 reenacted Section 16 of the Act of June 1, 1911, P. L. 607, and allowed as an additional deduction from gross premiums received by foreign life insurance companies "dividends declared and actually used by policyholders in payment of renewal premiums." The Insurance Commissioner had previously held on advice of the Attorney General in construing the Act of June 28, 1895, P. L. 408, that no deductions would be allowed on account of dividends paid to policyholders.[4] This section also provided that "mutual companies, associations and exchanges may deduct that proportion of the advance premium or deposit returned to members upon the expiration of their contracts."

Section 1009 of this act, referring to attorneys, authorized by Section 1001 of the Act, for exchange reciprocal and inter-insurance contracts provided that:

"Such attorney shall pay to the Commonwealth the same fees and taxes as are now required by law to be paid by stock and mutual companies transacting like kinds of business in this Commonwealth. In the payment of taxes, he may deduct, from gross premiums or deposits received during the calendar year, all amounts

[3] Insurance Companies Tax 3 D. R. 350 (1894); 14 Pa. CC 605.
[4] In re Northwestern Mutual Life Ins. Co. 18 D. R. 490 (1909).

returned to subscribers or credited to their accounts, other than for losses."

Section 212 of the Act of May 17, 1921, P. L. 789, included a retaliatory provision as follows:

"If, by the laws of any other state any taxes, fines, penalties, licenses, fees or other obligations or prohibitions, additional to or in excess of those imposed by the laws of this Commonwealth upon insurance companies, associations and exchanges, of other States and their agents, are imposed on insurance companies, associations and exchanges of this Commonwealth and their agents doing business in such state, like obligations and prohibitions shall be imposed upon all insurance companies, associations, and exchanges and their agents, of such State doing business in this Commonwealth so long as such laws remain in force."

Section 625 of this Act of 1921 provided for the taxation of Excess Insurance Brokers. They are required to pay annually in January to the Insurance Commissioner a tax of 3% of the gross premiums named in the policies delivered to the policy holders and upon all policies procured except policies of marine insurance on vessels and vessel property engaged in interstate or foreign commerce. Deduction was allowed for net premiums returned on policies cancelled.

The Act of May 6, 1925, P. L. 526, required instead of semi-annual reports as theretofore annual reports of gross premiums, premium deposits or assessments of domestic companies, associations or exchanges received for the year ending December 31st to be filed on or before March first, beginning in 1926, and the tax to be paid on or before March 31st. It also provides as additional deductions from gross premiums all amounts returned on policies cancelled or not taken and all premiums paid for reinsurance where such is effected in companies, etc., authorized to transact business in Pennsylvania. This change allowed domestic companies, except life, the same deductions allowed foreign companies by the Act of May 17, 1921, P. L. 682, and June 1, 1911, P. L. 607. Mutual companies required for any reason to file reports were allowed these same deductions and also the portion of advance premiums, premium deposits or assessments returned in cash or credited to members or policyholders, whether as dividends, earnings, savings or return deposits upon the expiration of their contracts.

By section 2 of the Act of May 13, 1927, P. L. 998, every insurer, organized, admitted or licensed to transact the business of marine insurance within this Commonwealth, shall pay a tax of 5% on that proportion of the total underwriting profit of such insurer, from such marine insurance written within the United States, which the gross premiums of the insurer from such marine insurance written within the Commonwealth bear to the gross premiums of the insurer from such marine insurance written within the United States. Annual reports are required to be filed with the Commissioner of Insurance on or before June 1st. A method of computing the tax is provided. A statement of the tax so computed is required to be mailed by the Insurance Commissioner to the insurer and the tax is paid into the State Treasury.

Sections 713-716 of the Act of April 9, 1929, P. L. 343, inclusive required annual reports of domestic and foreign insurance companies, etc., marine insurance companies and excess insurance brokers, respectively, to be filed with the newly created Department of Revenue. The Reports of both domestic and foreign companies are to be filed on or before March 15th and those of marine insurance companies as theretofore, June 1st, and those of excess insurance brokers on or before January 31st as previously required.

The Act of April 9, 1929, P. L. 441, required the tax on excess insurance brokers to be collected by Revenue Department instead of the Insurance Commissioner.

The Act of April 25, 1929, P. L. 665, amended the Act of May 6, 1925, P. L. 526, and changed the filing date of annual gross premium reports of domestic insurance companies to March 15th from March first. This is in accord with section 713 of the Act of April 9, 1929, P. L. 343, above noted.

Domestic life insurance companies were added to those companies from which reports of gross premiums and resulting tax thereon were not required by section 24 of the Act of June 26, 1931, P. L. 1408.

By the Act of May 31, 1933, P. L. 1093, the deductions by domestic companies for gross premiums paid for reinsurance were further restricted. By previous acts premiums for reinsurance could be deducted from gross premiums reported if such reinsurance was effected in companies, etc., authorized to transact business in the Commonwealth. According to the Act of 1933 in order for the deduction to be allowed the reinsurance contracts "must be entered into or executed by all parties thereto within this Commonwealth." Otherwise the only condition under which the deduction was allowed was when the tax on such premium for reinsurance was "paid when due by the company in which such reinsurance is effected."

A similar restriction was imposed by the Act of May 31, 1933, P. L. 1094, in reference to foreign insurance companies, etc., except in the case of marine insurance the contract or agreement of reinsurance need not be made within the Commonwealth.

The Act of May 25, 1939, P. L. 212, amended the Act of May 31, 1933, P. L. 1093, in reference to deduction of premiums for reinsurance. The word "paid" for reinsurance was changed to "received" for reinsurance and the words "where such reinsurances are effected in companies, associations, and exchanges authorized to do business in this Commonwealth by contracts or agreements entered into or executed by all parties thereto within this Commonwealth. If such contract or agreement is not entered into or executed by all parties thereto within this Commonwealth, such company, association or exchange, in reporting for taxation, may not deduct such premiums so paid unless the tax thereon is paid when due by the company in which such reinsurance is effected" were omitted. It would seem as if the Commonwealth intends to look to the company placing the reinsurance for the tax instead of to the reinsurer.

The Act of May 25, 1939, P. L. 213, makes a similar change as regards reinsurance premium reductions in reference to foreign companies, etc., by amending the Act of May 31, 1933, P. L. 1094.

Section II

Constitutional Limitations of the Taxing Power in Pennsylvania

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A number of states have, at various times, imposed constitutional restrictions upon the taxing power. These are designed primarily to secure uniformity and equality in the imposition of the tax burden. Such requirements in Pennsylvania had their origin in the Constitution of 1873. Prior to that time the only limitation to the exercise of this power was the Bill of Rights, with its implication "against all unjust, unreasonable and palpably unequal exactions under any name or pretext."[1] Article IX of the Constitution of 1873 provides that all taxes shall be uniform and shall be levied and collected under general laws, subject to the following exemptions at the discretion of the legislature: public property used for public purposes, actual places of religious worship, places of burial not used or held for private or corporate profit, institutions of purely public charity, and as amended on November 6, 1923, real and personal property owned, occupied, and used by any branch, post, or camp of honorably discharged soldiers, sailors, and marines. These are other provisions dealing with this problem are set forth in the footnotes.[2]

The reasons leading up to the adoption of these provisions, and the social attitudes which prevailed at that time, may be gathered from various expressions of the courts. Speaking of the income tax in 1885, it was said by Mr. Justice PAXSON:

> "Of all forms of taxation this is the most odious to the American people. It was submitted to during the war from a feeling of patriotism in view of the great financial strain to which the country was subjected. But when no such cause exists there is little excuse for imposing such an obnoxious burden; still less ought it to be permitted without authority of law, and under the cloak of a tax upon occupations."[3]

During the following year we find a further explanation by this same Justice of the reason for this limitation in the taxing power, and of the attitude of the Court concerning it:

> "This portion of the constitution is too important and valuable to be overridden by the Legislature, or frittered away by judicial construction. It was intended to, and does, sweep away forever the power of the Legislature to impose unequal burdens upon the people under the form of taxation. The evils which led up to its incorporation into the organic law are well known. The burden of maintaining the state has been, in repeated instances, lifted from the shoulders of favored classes and thrown upon the remainder of the community. This was done by means of favoritism and class legislation. Article IX of the constitution was intended to cut up this system by the roots, and we shall have no more of it if the legislative and judicial departments of the government perform their full duty in giving effect to that instrument."[4]

The judicial philosophy reflected in these utterances, and the circumstances which provoked them, may or may not be important in the light of changing social and economic institutions. It is fairly certain, however, that such expressions have had some influence in the trend of judicial opinion.

It should be observed, upon a reading of Article IX, that "the power to classify" is "retained in clear language . . . This power was possessed under the constitution of 1790, had been exercised in numerous laws, and existed when the new constitution was framed and adopted."[5] The following views were expressed by Mr. Chief Justice KEPHART in 1926:

> "Article IX, section 1, relative to uniformity, does not prohibit classification for taxation purposes (Heisler v. Thomas Collieries Co., 274 Pa. 448, 463), and classification does not always lead to an exemption within the meaning of article III, section 7, and article IX, section 2: see Com. v. Germania Brewing Co., 145 Pa. 83, 84. An exemption contemplated by article III, section 7, and article IX, section 2, is in exemption from all taxation in any form . . . Mr. Justice ROBERTS stated in State Board v. Jackson, 283, U. S. 527, 539; 'A very wide discretion must be conceded to the legislative power of the state in the classification of trades, callings, businesses or occupations, which may be subjected to special forms of regulation or taxation through an excise or license tax. If the selection is neither capricious nor arbitrary, and rests upon some reasonable consideration of difference or policy, there is no denial of the equal protection of the law. Our duty is to sustain the classication adopted by the legislature if there are substantial differences between the occupations separately classified. Such differences need not be great.'"[6]

To the foregoing may be added two declarations by the Supreme Court of Pennsylvania during the past year, both of which are pertinent to the formulation of a tax program; first, "if an act which undoubtedly provides for classification is capable of two interpretations, one of which would provide for uniform taxes, and the other not, the former interpretation is to be preferred," and second, "classification for the purposes of taxation is generally for the legislature and the court can declare a statute void only when it clearly, palpably and plainly violates the constitution."[7]

It would be futile to attempt to reconcile all of the decisions of the Supreme Court of Pennsylvania subsequent to the adoption of the Constitution of 1873, and particularly the dictum expressed in many of the opinions. Certain methods of taxation were employed in a few tax laws which had been adopted many years before the Constitution of 1873 was confirmed, and which were in effect at that time. This is a matter which received judicial comment in each case, and which probably had some influence

[1] Washington Avenue, 69 Pa. 352 (1871).

[2] ARTICLE III, Section 7. "The General Assembly shall not pass any local or special law: . . . Exempting property from taxation:"

ARTICLE IX, Section 1. "All taxes shall be uniform, upon the same class of subjects, within the territorial limits of the authority levying the tax, and shall be levied and collected under general laws; but the General Assembly may, by general laws, exempt from taxation public property used for public purposes, actual places of religious worship, places of burial not used or held for private or corporate profit, insitutions of purely public charity, and real and personal property owned, occupied, and used by any branch, post, or camp of honorably discharged soldiers, sailors, and marines." (Amendment of November 6, 1923.)

ARTICLE IX, Section 18. "Taxation laws may grant exemptions or rebates to residents, or estates of residents, of other States which grant similar exemptions or rebates to residents, or estates of residents, of Pennsylvania." (Amendment of November 6, 1928.)

ARTICLE IX, Section 2. "All laws exempting property from taxation, other than the property above enumerated shall be void."

[3] Banger's Appeal, 109 Pa. 79 (1885).

[4] Fox's Appeal, 112 Pa. 337 (1886).

[5] Kittanning Coal Co. v. Com., 79 Pa. 100 (1875).

[6] Turco Paint & Varnish Co. v. Kalodner, 320 Pa. 421 (1926).

[7] American Stores Co. v. Boardman, 336 Pa. 36 (1939).

in the determination that such enactments were not repugnant to that instrument. And yet it was apparently felt that such or similar methods, when applied to new kinds of taxes, should be tested by the standards of uniformity and equality expressed in that instrument, without disturbing the status quo. Following, then, are some of the methods of taxation in effect prior to 1873 and thereafter, but which furnish no precedent otherwise, in so far as new and later subjects of taxation are concerned.

1. Mercantile License Tax. The Act of 1841[8] imposed a tax on wholesale and retail dealers on the basis of annual sales. The tax varied from $7 to $200 (one-half if the merchandise was the product of the United States), on annual sales ranging from sales of less than $5,000 to sale in excess of $300,000.

2. Occupation Tax. The Act of April 29, 1844[9] provided that "Salaries and emoluments of office, all offices, and posts of profit, professions, trades and occupations, except the occupation of farmers, together with all other things now taxable by the laws of this Commonwealth, shall be valued and assessed and subject to taxation for the purposes of this act mentioned, and for all State and county purposes whatsoever."

3. Capital Stock Tax. The Act of April 29, 1844[10] also imposed the following tax on capital stock: Whenever a corporation failed to declare a dividend of 6% or more, the tax was three mills on every dollar of the appraised value of the stock. Whenever a corporation declared a dividend of 6% or more, the tax was one-half mill on each one per centum of such dividend.

It will be conductive to a proper understanding of the meaning of uniformity and equality, as interpreted by the Supreme Court of Pennsylvania, to review briefly the principal tax laws which have been challenged since the adoption of the Constitution of 1873, and the conclusions reached by that Court on the specific issues involved. The following arrangement is based on the first appeal directed at each of the respective subjects.

1. Corporate Franchise Tax

Certain features of a corporate franchise tax were considered by the Supreme Court in 1875. The Act of April 27, 1874[11] imposed a franchise tax upon corporations authorized to mine, purchase, or sell coal, at the rate of three cents per ton of 2240 pounds. This statute was challenged on two grounds, first, because individuals and partnerships were not included; and second, on the theory that a property tax, "without any regard to values, is unconstitutional." In sustaining the classification, and deciding that the tax was upon the privilege of engaging in such business, rather than a tax on specific property, and consequently need not have ad valorem attributes, it was said by Mr. Chief Justice AGNEW:

> "We are of opinion that the tax imposed by the 7th section of the Act of April 24, 1874 is upon the corporate franchise of this company measured by its business, to wit: by the number of tons of coal mined or purchased and sold by it, and is not upon the coal itself. The tax thus imposed upon the franchise is uniform, it being at the rate of three cents upon every gross ton mined or purchased and sold. The argument against the tax must therefore deny the right of classification. The classification here is of incorporated coal mining, and purchasing and selling companies, and the subject of taxation, their franchise or privilege of pursuing this business. Now, what is there to prevent the legislature from making this class? It is not expressly forbidden in the first section of the ninth article of the constitution . . . We must conclude, therefore, that a classification of coal-mining and purchasing and selling companies, is not beyond the legislative power, and the tax being clearly uniform upon their business, measured by the extent of it, is not only within the meaning of the constitution, but is equal and just."[12]

2. Occupation Tax

An occupation tax was before the Supreme Court in 1885, and before the Superior Court in 1924.

First. Pursuant to the Act of March 18, 1875,[13] the city of Williamsport adopted an ordinance which directed that a certain tax should be imposed upon "all personal property, and all objects and things assessed as unclassified." The assessors were directed to "assess all offices and posts of profit, professions, trades, and occupations," according to the income derived from each. This was done with respect to laboring men, clerks, and professional men, while bankers and business men were assessed in proportion to the sum that it would cost to hire a clerk to perform their duties. As a result the assessments were crude and chaotic, and were characterized by various deductions and exemptions. The Supreme Court, on appeal, conceded the validity of an occupation tax, and a reasonable classification for that purpose, but found fault with the inequality which resulted from lack of any uniformity in the asssesments. As said by Mr. Justice PAXSON:

> "The tax we are considering is especially odious from the fact that it assumes to tax the income derived from labor and exempts the income derived from capital . . . Yet so crudely was the matter done, that there appears to have been no uniformity even in the want of uniformity."[14]

Second. The Act of April 29, 1844[15] authorized a tax on various occupations for state and county purposes, but excluded the occupation of farmers. The present statute contains the same exemption.[16] In disposing of the exclusion of farmers as a valid classification, rather than an outright exemption, it was said by Judge HENDERSON:

> "As will be observed the Act of 1844 makes six classifications of subjects which may properly come within the general denomination of occupations: They are, salaries, offices, posts of profit, professions, trades and occupations except farmers. That is, the class of persons known as farmers are not included within the subjects of taxation and there is reason for the distinction . . . The land on which they labor is taxed as is the increase of their herds and the legislature evidently had these conditions in view in excluding them from the class of subjects made liable to an occupation assess-

[8] P. L. 307, sec. 9.
[9] P. L. 486, sec. 32.
[10] P. L. 486, sec. 33.
[11] P. L. 68.
[12] Kittanning Coal Co. v. Com. 79 Pa. 100 (1875).
[13] P. L. 15.
[14] Banger's Appeal, 109 Pa. 79 (1885).
[15] P. L. 486, 72 Purd. Stat. sec. 4781.
[16] Act of May 22, 1933, P. L. 852, 72 Purd. Stat. sec. 5020-201.

ment . . . The legislature had authority to select the classes of subjects of taxation and they did not select a class including farmers." [17]

3. Personal Property Tax

The tax on intangibles was considered by the Supreme Court in 1886. The Act of June 30, 1885 [18] imposed a tax of three mills on the value of mortgages, bills, notes, bonds, judgments, agreements and accounts bearing interest, etc., but excluded from its operation any such property owned by corporations and by building and loan associations. It was declared to be a supplement to an act which imposed a tax on capital stock. In sustaining this classification it was said by Mr. Justice PAXSON:

"The Act of 1885 being a supplement to the Act of 1879, the two acts must be read together, and thus read we have in the one a tax of three mills on mortgages, etc., in the hands of individual citizens, and what is practically and legally, although not in name, a similar tax upon the same class of subjects in the hands of corporations. Wherein then is the lack of uniformity, and wherein has the legislature made a discrimination in favor of corporations as against individual citizens . . . While a different mode of assessing taxation is adopted in dealing with the tax on corporations from that of taxing money in the hands of individuals, the result is substantially the same." [19]

This statute, however, excepted notes or bills for work or labor done. Here, then, is the first clear cut ruling on the validity of an exemption of property. On this point is was held:

"The exception of 'notes or bills for work or labor done' is clearly a violation of the IXth article of the Constitution. This belongs to a species of class legislation that has become very common, more common than commendable, the object of which is to favor a particular class at the expense of the rest of the community. So far as such legislation affects the question of taxation the constitution has put an end to it. There can be no more of it. Nor should there be. The constitution protects all classes alike; the poor and the rich equally enjoy its benefits, and all must share the burden which it imposes. However popular such legislation may be, it cannot be sustained under our present constitution." [20]

4. Mercantile License Tax

Certain features of a mercantile license tax have been challenged before the Supreme Court in 1890, 1896, and on two occasions in 1900.

First. On July 8, 1882, the City of Allentown adopted an ordinance which classified vendors of merchandise, and which imposed a tax based on gross annual sales, and a supplemental ordinance on August 27, 1886, which provided for the licensing of various occupations. The rates are not set forth in the report. Defendant, a proprietor of a restaurant and saloon, objected to these enactments as lacking uniformity. Both were upheld by the lower court as a valid classification of the subjects of taxation. This action was affirmed by the Supreme Court in a PER CURIAM order. [21]

Second. On April 3, 1893, the City of Williamsport adopted an ordinance which imposed an annual license tax upon various kinds of business. Merchants were classified into nine classes, on the basis of gross annual sales ranging from $25 to $75,000, and a tax was assessed against each class, respectively, ranging from $25 to $100. The decision of the lower court in favor of the constitutionality of this ordinance was sustained in a brief PER CURIAM opinion. The lower court had made the following observation:

"The power of classification is inherent in the power of taxation, and, in my judgment, the only limitation upon this power is that such classification be made in such manner as to produce as great uniformity and equality of taxation as possible . . . I will go further and affirm that, in my judgment, if the subjects named were taxed without regard to the amount of their sales that it would be most unjust and inequitable, and such assessment could not produce uniformity." [22]

Third. On June 25, 1888, the City of Titusville adopted an ordinance imposing an annual license tax upon various kinds of business. Retail and wholesale merchants were classified separately. The tax against retail merchants varied from $5 to $100, according to sales ranging from $1000 to $60,000 or more. The tax against wholesale merchants varied from $5 to $60, according to sales ranging from $2500 to $1000,000 or more. The opinion and decision of the lower court was affirmed by the Supreme Court in a brief PER CURIAM announcement. With respect to this part of the ordinance, it was said by the lower court:

"We see no objection to classifying wholesalers and retailers separately . . . Classification according to the amount of business done has been frequently recognized in this Commonwealth and by our federal courts . . . The right to make such classification seems to be settled by our courts . . . The right to make the classification being determined, we have no doubt as to the legislative authority to impose different 'rates' upon the several classes." [23]

This ordinance, however, exempted from its operation, contractors doing an annual business of less than $1000. Here, then, is the first clear cut ruling on the validity of an exemption of persons. On this point it was held:

"This exemption is class legislation, which is forbidden by the constitution, and not in any way or under any guise to be tolerated. This portion of the ordinance must fall, but this defect alone does not render the entire ordinance void." [24]

Fourth. The Act of May 2, 1899 [25] provided that retail dealers should pay an annual mercantile license tax of $2, and one mill on each dollar of business transacted annually; that wholesale dealers should pay an annual mercantile license tax of $3, and one-half mill on each dollar of business transacted annually; and that dealers at any exchange or board of trade should pay a mercantile license tax of 25c on each one thousand dollars of goods

[17] Thompson v. Indiana County, 83 Pa. Superior Ct. 248 (1924).
[18] P. L. 193.
[19] Fox's Appeal, 112 Pa. 337 (1886).
[20] Ibid.
[21] Allentown v. Gross, 132 Pa. 319 (1890).
[22] Williamsport v. Wenner, 172 Pa. 173 (1896).
[23] Com. v. Clark, 195 Pa. 634 (1900).
[24] Ibid.
[25] P. L. 184, 72 Purd. Stat. sec. 2621.

sold. In approving the validity of this statute, it was said by Mr. Justice MITCHELL:

"This court, as thus appears, has not decided that a tax such as now before us is a tax upon property, requiring uniformity in the rate . . . As already said, even regarding it as a tax upon property directly, it could be sustained as a classification according to the use and purpose for which the property is held . . . For each of these classes a uniform rate is fixed per dollar of business transacted. Such a tax is 'uniform upon the same class of subjects' within the requirements of the constitution." [26]

5. Capital Stock Tax

The validity of a capital stock tax was decided by the Supreme Court in 1891. The Act of June 7, 1879 [27] provided that corporations which made or declared, during any year, dividends amounting to six per centum or more upon the par value of their capital stock, should be taxed at the rate of one-half mill for each one per centum of dividend; otherwise, at the rate of three mills for each dollar of the actual value of the stock. In sustaining this act it was said by Mr. Justice WILLIAMS:

"Why the net earnings were not adopted as the proper measure of value, instead of so much of them as may be divided or carried to the sinking fund, it is not material to inquire. The standard adopted is applied impartially. Whether it is the best one that could have been adopted or not, is more a legislative than a judicial question, and the learned judge was right in his conclusion that the provisions of the act of 1879, relating to this subject, are not objectionable on constitutional grounds.[28]

It should be noted at this point that the proponents of the various tax measures began to press more vigorously upon the Court what was contended to be a logical conclusion to be derived from the first and second sections of Article IX. It will be recalled that Section 1, which declares that all taxes shall be uniform, with certain specific exceptions, is followed by Section 2, which declares that all laws exempting property, other than the property so enumerated in Section 1, should be void. Was it not logical to assume that the injunction in Section 2, prohibiting all laws exempting property from taxation, applied only to a property tax, and that all other taxes—license, privilege, occupation, excise, succession, income, or such taxes by any other name—were not subject to that prohibition? This argument has been fairly met by the Supreme Court, on several occasions, with the reply that notwithstanding the injunction against property exemptions, as contained in Section 2, Section 1 still provides that "all taxes" shall be uniform, and that the phrase "all taxes" could not fairly be construed to mean "property taxes" alone. Furthermore, the Court has pointed out, as a secondary consideration, that it is by no means clear that certain of these taxes are not property taxes, including the tax upon income.

6. Inheritance Tax

Certain phases of an inheritance tax have been challenged before the Supreme Court on two principal occasions, first in 1899 and again in 1934.

[26] Knisley v. Cotterel, 196 Pa. 614 (1900).
[27] P. L. 112.
[28] Com. v. Brush Electric Light Co., 145 Pa. 147 (1891).

First. The Act of May 12, 1897 [29] imposed an inheritance tax of two dollars on every one hundred dollars of the clear value of personal property, with the proviso that personal property to the amount of five thousand dollars should be exempt. In rejecting the validity of this enactment, it was said by Mr. Chief Justice STERRETT:

'The language of section 1, as to what the rule of uniformity shall embrace, is as broad and comprehensive as it could possibly have been made. The words, 'all taxes,' must necessarily be construed to include property tax, inheritance tax, succession tax and all other kinds of tax the subjects of which are susceptible of just and proper classification: By necessary implication, the first clause of that section recognizes the authority of the legislature to justly and fairly, but never arbitrarily, classify those subjects of taxation with the view of affecting relative equality of burdens. A pretended classification that is based solely on a difference in quantity of precisely the same kind of property is necessarily unjust, arbitrary and illegal." [30]

Second. The United States Revenue Act of 1926 [31] permitted the states to appropriate 80% of the progressively graduated federal inheritance tax. In order to appropriate this credit, the Legislature of Pennsylvania, by Act of May 7, 1927,[32] added this differential to the existing state inheritance rates. As a consequence, the amounts payable into the state treasury were determined by the graduated federal tax schedules, with respect to those estates large enough to be taxable under the federal law. The Supreme Court of Pennsylvania observed, in an appeal challenging the state law, that if the State of Pennsylvania did not appropriate this differential, it would have to be paid into the federal treasury, consequently no prejudice resulted to beneficiaries who were called upon to pay the tax. Under these circumtances the Court applied the rule that a person not injured by the statute, has no standing to challenge its constitutionality.[33] There is dictum in this opinion to the effect that the constitutional requirement of uniformity does not apply to the taxation of privileges, but this was impliedly overruled in a subsequent decision.[34]

7. Personal Income Tax

The constitutionality of a personal income tax has been challenged before the Supreme Court on three occasions, 1935, 1938, and again in 1940.

First. The Act of July 12, 1935,[35] imposed an annual tax upon the entire net income of residents of Pennsylvania, and upon the net income received by non-residents from property owned or from any business or occupation carried on within this Commonwealth. Numerous exemptions were permitted for the computation of "gross income," as well as deductions for the determination of "net income." Taxpayers were allowed a deduction for living expenses in the amount of $1000 in the case of a single person, and $1500 for the head of a family or a

[29] P. L. 56.
[30] Cope's Estate, 191 Pa. 1 (1899).
[31] 44 Stat. 70, sec. 301 (b), 26 USCA sec. 1093.
[32] P. L. 859, 72 Purd. Stat. sec. 2303.
[33] Knowles's Estate, 295 Pa. 571 (1928).
[34] Rowell's Estate, 315 Pa. 181 (1934).
[35] P. L. 970, 72 Purd. Stat. sec. 3402.

married person. In addition a deduction of $400 was authorized for each dependent under eighteen years of age. The tax imposed at the rate of two per centum of the amount of incomes not exceeding $5000; two and one-half per centum of the amount over $5000 but not exceeding $10,000; three per centum of the amount over $10,000 but not in excess of $25,000. Higher rates were applied on incomes within higher brackets, with a provision taxing all income over $100,000 at the rate of eight per centum. The proponents of this measure vigorously contended that this was an excise, not a property tax, and that the constitutional requirements of uniformity applied only to property taxes. In disposing of this contention it was said by Mr. Chief Justice FRAZER:

"We are at liberty to determine the question along normal, natural lines. In so doing we are inevitably impelled to the conclusion that an income tax is a property tax. This result seems particularly clear in so far as a tax upon the income from real and personal property is concerned. On behalf of defendants the argument is made that excise taxes by their nature are not adapted to the rule of uniformity, since 'it is highly impracticable, if not impossible, to classify the subjects upon which a tax is levied according to value.' Be that as it may, the objection remains that the Constitution declares 'All taxes shall be uniform upon the same class of subjects' and we are not at liberty to disregard this plain mandate of the law upon the ground of inconvenience. Our conclusion is, then, that our previous cases do not justify defendants' assertion that excise taxes need not be uniform in application, and that the tax in question, even though considered an excise, may nevertheless be subject to the constitutional requirement. It is unnecessary to settle the question at this time, however. We find this tax to be, in part at least, a property tax which plainly and without question violates the constitutional rule regarding uniformity, and for that reason must be declared void. Even though the operation of the act might possibly be valid in some instances, the good and the bad are so inseparably interwoven that we are obliged to reject the levy in its entirety." [36]

The Court was also urged to sustain the tax because of the excessive share of taxation borne by real estate, and on the ground that the tax burden should be more equitably distributed. On this point it was said: "Obviously, we need not dwell on this proposition. The Constitution is the fundamental law of the Commonwealth and cannot be flagrantly violated even for the reasons just stated. If such were not the case, there would be no stability in our law, and under the guise of necessity every mandate of the Constitution would in time be infringed. We will not lend our assistance to such a scheme." [37]

Second. On November 26, 1938, the City of Philadelphia adopted an ordinance imposing an annual tax at the rate of 1½% on salaries, wages, and other compensation earned by residents of Philadelphia and on the net profits of business or other activities conducted by such residents; and upon salaries, wages, and other compensation earned by non-residents of Philadelphia for work done or services performed in the city and on the net profits of business or other activities conducted in the city by non-residents. It further provided that domestic servants in private homes, farm laborers or farmers selling their own products should not be included within the meaning of "taxpayer" as used in the ordinance; that each taxpayer should receive a credit of $15 upon making and filing the return required under the ordinance; and that the amount of taxes paid to the city on the taxpayers' residence, whether paid by the taxpayer or another, or a proportionate part of such taxes if the taxpayer occupied but a part of the premises, could be deducted as a credit from the total amount of the tax imposed by the ordinance. The constitutionality of this ordinance was disposed of by the Supreme Court in the following PER CURIAM opinion:

"Under the severability clause in the income tax ordinance (cited), the majority, one Justice disagreeing, hold that the income tax ordinance is constitutional, with all exemptions stricken out, including the credit for making and filing the return, and the ordnance must be read as though such exemptions and credit for making and filing the return were not included." [38]

Third. On December 13, 1939, the City of Philadelphia adopted a second ordinance (the first was repealed on January 7, 1939), imposing a tax, without exemptions, on salaries and wages earned by residents; on the net profits of businesses or other activities conducted by residents; on salaries and wages earned in the city by non-residents; and on the net profits of businesses or other activities conducted in the city by non-residents. The constitutionality of this ordinance was upheld by the lower court on the authority of the decision noted above. The opinion of the lower court was affirmed by the Supreme Court in a PER CURIAM order. [39]

8. Corporate Net Income Tax [40]

A tax on corporate net income was before the Supreme Court in 1936. The Act of May 16, 1935, [41] imposed an income tax designed to constitute a levy on business associations, foreign and domestic, for the privilege of doing business in the State. It was intended to reach corporations doing business wholly within the State and those doing business partly within and partly without the State. The Act did not impose a tax on income, as such, but was intended as a tax on a privilege measured by net income. The tax was measured by 6% of the net earnings or profits gained within the State during the year, at the rate of 6% upon each dollar of net income. Where the corporation's entire business was transacted within the State, net income was defined as that returned

[36] Kelley v. Kalodner, 320 Pa. 180 (1935).
[37] Ibid.

[38] Butcher v. Philadelphia, 333 Pa. 497, (1938).
[39] Dole v. Philadelphia, 337 Pa. 375 (1940).
[40] The Act of June 28, 1923, P. L. 876, imposed an emergency profits tax of one-half of one per centum per annum, for two years, upon each dollar of net income of every corporation during the years 1923 and 1924. The term "net income" was defined to mean the net income as returned to the federal government, together with all interest and dividends. On Appeal to the Supreme Court, the substantive question involved was whether the same deductions provided in the federal law, i. e., losses sustained in previous years, were applicable. In deciding this in the negative, it was said by Mr. Justice SCHAFFER: "If the legislature had intended to allow all deductions which were allowed by the federal government, it would have been easy to say so, but the legislature has not used that language." Com. v. Chambersburg Engineering Co., 287 Pa. 54 (1926).
[41] P. L. 208, 72 Purd. Stat. sec. 3420a.

to the federal government, less federal tax. Where the corporation's business was not entirely transacted in the State, the tax was imposed on such portion of net income as was attributable to operations within Pennsylvania for the fiscal year. The determination of this income was through a method of apportionment calculated upon three factors, namely, tangible assets, gross receipts and payroll. In sustaining this levy it was said by Mr. Chief Justice KEPHART:

"Where different rates are legislatively imposed on varying amounts or quantities of the same tax base, then you have a graded tax that lacks uniformity under our Constitution. See Kelley v. Kalodner, 320 Pa. 180. To create a graded tax it is generally necessary that the rate itself be a variable factor even though the base may remain constant, or it may be that in particular cases such a tax may result of intangible differentiations in subject-matter with the imposition of a different rate upon each of them. The impost which varies in levels of the tax base thus defined becomes graded and lacks uniformity under our Constitution. This is not a graduated income tax." [42]

9. Sales Tax

A sales tax was challenged before the Supreme Court in 1938. On February 24, 1938, the City of Philadelphia passed an amended ordinance, known as the City Sales Tax Ordnance, under which a tax of two per centum was levied upon all retail sales within the city limits from March 1, 1938 to December 31, 1938, with the exception of certain sales of food, drugs, newspapers and periodicals. Included within the act, however, were sales of "Food, drink (other than alcoholic beverages) and entertainment in restaurants, cafes and similar establishments, including in the amount of such receipts any cover or minimum or other charges made to patrons where the charge to the patron (was) one ($1) dollar or more, in which event the tax (was) imposed on the full amount of the charge to each such patron." With respect to this exemption, it was said by Mr. Justice DREW:

"The intention of the council seems to have been to exempt cover charges under one dollar and tax those over one dollar. The necessity for uniformity and the invalidity of any graduated tax made such exemption void; consequently 'food, drink . . . and entertainment in restaurants, cafes and similar establishments, including in the amount of such receipts any cover or minimum or other charge . . .' are liable to taxation at the uniform rate." [43]

10. Specific Property Tax

The requirements of a tax on specific property were reviewed by the Supreme Court in 1938. The Act of November 22, 1933, [44] as amended by the Act of December 22, 1933, [45] imposed a state floor tax upon spirituous and vinous liquors lodged or stored in the Commonwealth, until such time as the Twenty-first Amendment to the Constitution of the United States was ratified. The tax was at the rate of $2 on each proof gallon, regardless of value. As a consequence, the ratio of the tax to the value of the property varied from 12½% on whiskey at $16 a gallon, to 500% on alcohol valued at forty cents a gallon. The Commonwealth conceded that this was a property tax, but contended that it need not have any ad valorem attributes. In overruling this contention, it was said by Mr. Justice MAXEY:

"The burden of a property tax rests upon the property on which it is imposed and if the same tax is laid on two properties of unequal supporting economic power, the burdens are unequal. A two dollar tax on a unit of liquid property of the value of two dollars while the same tax is laid on the same unit of liquid property of the value of four dollars is just as much an offense against the constitutional prescription of uniformity as in the more extreme examples presented by this record. Uniformity of taxation means equality of tax burden. A tax to be uniform must operate alike on the classes of things or property subject to it. The tax herein challenged presents an outstanding example of a legislatively imposed inequality of burden, and to protect the citizen against it is a judicial duty . . . We also hold that the severability clause of the Floor Tax Statute cannot save it. After excising the parts of this statute which trench upon the Constitution, nothing remains that can effectively function." [46]

11. Chain Store and Theatre Tax

The validity of a graduated store and theatre tax was before the Supreme Court in 1939. The Act of June 5, 1937 [47] imposed an annual license tax upon every person opening, establishing, operating, maintaining or controlling one or more stores or theatres within the Commonwealth. The tax increased progressively with the number of stores or theatres in each chain. For one unit the tax was $1; from 2 to 5 units, $5; from 6 to 10 units, $10; from 11 to 15 units, $20; from 16 to 20 units, $30; from 21 to 30 units, $50; from 31 to 50 units, $100; from 51 to 75 units, $200; from 76 to 100 units, $250; from 101 to 200 units, $350; from 201 to 500 units, $450; and for more than 500 units, $500. In disposing of the constitutionality of this tax, it was said by Mr. Justice DREW:

"This court has long held and it is now well established in this Commonwealth that a progressively graduated tax is lacking in uniformity and violates article IX, section 1, of our Constitution . . . Whether the statute imposes a progressively graduated tax on income or, as does the act here before us, on the operation of stores or theatres within the Commonwealth, it lacks uniformity and hence is unconstitutional . . . Whether the tax attempted to be imposed by the act in question be termed a property or excise tax makes no difference in determining its uniformity under article IX, section 1, of the Pennsylvania Constitution, for there it is clearly provided that 'all taxes shall be uniform.' . . . Since the principles of equality and uniformity are so firmly imbedded in the Constitution of this Commonwealth and in our decisions, we have no alternative but to declare the 'Store and Theatre Tax Act' to be in violation of article IX, section 1, of the Constitution of Pennsylvania." [48]

[42] Turco Paint & Varnish Co. v. Kalodner, 320 Pa. 421 (1936).
[43] Blauner's Inc. v. Philadelphia, 330 Pa. 342 (1938).
[44] P. L. 5, 47 Purd. Stat. sec. 780.
[45] P. L. 94, 47 Purd. Stat. sec. 782.
[46] Com. v. A. Overholt & Co., Inc., 331 Pa. 182 (1938).
[47] P. L. 1656, 72 Purd. Stat. sec. 3420-1-11.
[48] American Stores Co. v. Boardman, 336 Pa. 36 (1939).

Conclusions

The conclusion is obvious, from a review of these decisions, that the constitutional requirements of uniformity in taxation was not adopted for an idle purpose, and was intended to mean something, although there has been some lack of uniformity of judicial expression as to what uniformity of taxation does actually mean. Terminology may be in part responsible. It is said that a tax based upon property values does not require the same ad valorem attributes as a tax in rem, if the former is a license tax and the latter is a tax on the property itself. This distinction is somewhat illogical. "Equality of burden," as a theoretical concept, is not inconsistent with "ability to pay", in so far as the latter is implied in a progressively graduated income levy. As observed by the Chief Justice on one occasion, "Persons pay taxes, not property." [49]

Aside from theoretical considerations, however, certain fundamental principles appear in the decisions. The requirement of uniformity applies to all taxes, not merely to a property tax, although applied more stringently with regard to the latter. Classification must bear some reasonable relation to the subjects of the tax, and the same may be said of assessments. Aside from these incidents, the opinions fairly condemn progressively graduated schedules, and all manner of exemptions inconsistent with a reasonable classification of the subjects of taxation. It is clear, however, that uniformity is only a relative concept. According to the views most recently expressed, "There is no such thing as perfect uniformity and equality in taxation. The best that can be done, and all that is required, is that it should approximate uniformity and equality as nearly as possible. The requirement of uniformity does not demand mathematical precision." [50]

In 1913, 1928, and again in 1937, the electorate rejected proposed amendments to Article IX, which would have made possible the imposition of graduated schedules. Any such amendment, under the amending clause, [51] must be approved by the legislature at two consecutive sessions, and may not be submitted to the electorate "oftener than once in five years." [52] In 1939 the legislature authorized the following proposal: "Income inheritance and estate taxes shall be levied and collected under general laws, but such laws may grant exemptions and may impose graded or graduated rates; but no intangible personal property shall be subject to any other State or local tax either on income or capital values during any time that the income therefrom is taxed under any law imposing an income tax on individuals." [53] This proposal differs from the former by the express exclusion of intangibles during the continuance of a personal income levy. It is possible that this feature might overcome the antagonism of the electorate to exemptions and progressive rates. Some such amendment would appear to be imperative before the Commonwealth of Pennsylvania will be able to modernize its tax structure.

[49] Kittanning Coal Co. v. Com., 79 Pa. 100 (1875).
[50] Wilson v. Philadelphia, 330 Pa. 350 (1938).
[51] Article XVIII.
[52] See Com. v. Lawrence, 326 Pa. 526 (1937).
[53] 1939 Pamphlet Laws, p. 1217.

Appendix B. Statistical Estimations: Definitions and Techniques

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Appendix B

Statistical Estimations: Definitions and Techniques

Section I

Introductory

Throughout the various chapters of the preceding Report extensive use has been made of statistical estimations. The nature of some of these estimations is simple and does not require further explanation. Other estimations, however, involve the making of sets of assumptions and rather complex statistical manipulations. Appendix B [1] represents a general outline of the staitstical operations performed as well as a statement of the assumptions made in connection with these manipulations. In the main, Appendix B follows, as far as the nature of the subject matter permits, the topic sequence adhered to in the Report.

[1] Appendix B was prepared by Paul H. Wueller with the assistance of Mr. Morris Cohen and Dr. Clyde H. Graves, all of the staff of the Pennsylvania State College.

Section II of Appendix B is devoted to a discussion of the techniques used in connection with the estimation of business tax impact differentials, which are dealt with in Chapter IV of the Report. Coincidentally to the discussion of these estimation techniques such terms as e. g. 'presumably competitive state' and 'adjusted mean effective industrial realty tax rate,' which occur throughout the Report, are defined.

Section III is primarily concerned with statistical techniques used in connection with the 'tax-due-income' ratios presented and discussed in Chapter V of the Report.

Sections IV, V, and VI outline the statistical techniques used in conection with the estimation of the net yield of miscellaneous taxes which are discussed in Chapter VI of the Report.

Section II

Business Tax Impact Differentials: Estimation Techniques

A. The Necessity for Constructing Mean Effective Industrial Real Estate Tax Rates

The determination of the rates of the real estate taxes is left by all states to local discretion, such discretion being limited typically by provisos which specify the maximum realty tax rates which minor jurisdictions may impose upon taxable realty. Because of the latitude which state legislatures permit to their minor jurisdictions with regard to the determination of local real estate tax rates, these rates tend to vary widely. Though wide variations exist in local realty tax rates, an attempt must be made to select the typical or average rates which prevail in the industrial sectors of a given state if significant state tax impact differentials are to be computed.

B. Definition of the Phrase Mean Effective Industrial Realty Tax Rate

For the purpose in hand, a mean effective rate for a given locality is defined as the sum total of real estate tax levies over the sum total of the market values of real property subject to the tax. Similarly, the mean effective rate for a county is defined as the sum total of levies imposed in a given county over the sum total of market values of taxable properties within the county.

C. Definition of Industrial County

If the task in hand were the determination of typical differences in realty taxes imposed upon residential property, one would confine one's attention to realty levied against residential property. Inasmuch as the problem under consideration is the determination of typical state differences in real estate tax rates assessed against manufacturing properties, an attempt has been made to segregate the rates assessed against manufacturing properties from those assessed against other types of property. In view of the limited data, no completely satisfactory segregation was attainable. However, a first approximation of satisfactory segregation was attempted by selecting the industrial counties of different states and computing the mean effective realty tax rates prevailing in these counties. In justification of this approach, it may be pointed out that manufacturing enterprise tends to concentrate in certain counties. For purposes of the subsequently outlined computation a county in a given state was designated as industrial if it was found to account for more than one per cent of the total 'value added by manufacture' in that state.[1]

D. Estimation of Mean Effective Industrial County Tax Rates

The table below shows unweighted and weighted mean effective county tax rates for selected states.

Column 1, Table B-I, lists the states which may be presumed to compete with Pennsylvania on the basis of the 'value added' criterion in the manufacture of principal products.

The basic materials for Cols. 5, 6, and 7 have been obtained from:

1. Moody's Governments and Municipals, Moody's Investors' Service, New York, 1940.

2. Prentice-Hall State Tax Services, 1940, for the following states: Pennsylvania, New York, New Jersey, Massachusetts, Indiana and West Virginia.

3. National Municipal Review, December, 1938 and December, 1939.

4. Pennsylvania Department of Commerce, Pennsylvania Planning, Vol. 6, No. 5, Harrisburg, May-June, 1940.

The sources of the basic information as listed above differ in some important respects.

Moody's and Prentice-Hall furnish nominal tax rates[2] for numerous communities located in selected states. In addition, these sources present what, in the judgment of their compilers, appear to be adequate assessed value—market value ratios for taxable real estate.

The typical procedure in constructing Cols. 5 and 6 has been to multiply the nominal rates by the pertinent assessment ratios. Throughout, an attempt has been made to associate nominal tax rates and assessed value—market value ratios as given by a specific source.

In connection with the problem of associating assessed-market value ratios and nominal rates, it should be observed that Moody's at times furnishes but one assessed-market value ratio applicable to the nominal rate of but one levying jurisdiction. Whenever this case arose, it has been assumed that the one ratio furnished was typical for all levying jurisdictions, and the multiplication required has been made accordingly. In contradistinction to the Moody's practice, Prentice-Hall supplies what appear to be adjusted over-all assessed-market value ratios. To the extent that the Prentice-Hall ratios adequately reflect the assessment situation, the assumption implicit in treating the Moody's materials need not be made.

In addition, it should be noted that Prentice-Hall does not furnish assessed-market value ratios for Massachusetts. To compensate for this lack of source material, the model Moodys ratio for Massachusetts has been associated with the nominal Massachusetts rates as given by Prentice-Hall.

Similarly, in the case of Pennsylvania, nominal rates as furnished by Prentice-Hall have been associated with the assessed-market value ratios as estimated by the Superintendent of Public Instruction and reproduced by the Pennsylvania Planning Board.

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[1] For the criteria underlying the selection of industrial states for which mean effective industrial county tax rates have been constructed, see, Appendix B, p. B-12 and following.

[2] The term nominal rates is defined as the ratio 'tax levy' over 'assessed value.'

TABLE B-1

Unweighted and Weighted Mean Effective Industrial County Real Property Tax Rates for Selected States

Name of State	Number of Items in Sample			Adjusted Average Rate		Average of NMR Rates	Weighted County Rate Based Upon Columns (5) and (6)	
	Moody's	Prentice-Hall	NMR	Moody's	Prentice-Hall		Moody's	Prentice-Hall
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	79	79	18	$26.5094	$27.9966	$26.1500	$24.4431	$25.6350
California	27	20	17	24.7215	27.3031	25.4753	24.3455	29.0582
Connecticut	..*	46	7	.....	22.5728	27.0929	.....	22,3549
Illinois	21	..*	13	24.2806	.....	21.1169	29.9741	.....
Indiana	21	16	8	24.4549	23.8609	25.2100	23.8493	22.2248
Massachusetts	79	307	23	36.4957	34.6755	37.9739	37.7149	36.1544
Michigan	26	17	15	23.8323	24.2869	25.2360	25.8770	26.5310
New Jersey	83	42	17	44.8179	38.8652	41.0035	44.0945	38.0199
New York	49	28	14	28.5643	30.8206	32.5271	29.4171	29.1257
North Carolina	9	9	5	17.8950	17.4761	16.9440	17.4243	16.0324
Ohio	40	33	17	17.5529	18.8125	15.9865	18.4740	20.7300
Tennessee	6	8	4	22.8913	25.6578	28.7200	27.0208	28.5851
West Virginia	24	9	2	18.0759†	15.8307	13.4800	17.9393	15.6493
Wisconsin	32	32	10	28.7755	28.6904	28.9970	29.1001	29.1714

Legend:
Col. (2) Moody's Governments and Municipals, New York, 1940.
Col. (3) Prentice-Hall State Tax Services, 1940, for the states under consideration.
Col. (4) National Municipal Review, December, 1938, and December, 1939.
Cols. (5) and (6) Per $1000 of Market Value.
Cols. (8) and (9) Weighted according to "Value Added by Manufacture," U. S. Census of Manufactures, 1937.
* No data given.
† Class III and Class IV Property.

In connection with the general problem of constructing the rates as shown in Col. 5, it should be further noted that at times the nominal rate of a specific jurisdiction, such as a school district for a given year has been combined with a nominal rate for another year of a different specific jurisdiction, such as a sanitation district. It should be noted, however, that in no case did the time period in question exceed three years. In the light of what is generally known about the stability of tax rates, this time interval would not seem sufficiently long to seriously distort the results.

As regards Col. 7, it should be observed that the above enumerated difficulties were not encountered because the National Municipal Review furnishes mean effective rates which call for no adjustment whatever.

In conclusion, it may be noted that the average rates listed in Cols. 5, 6, and 7 are the over-all rates imposed in communities which are located in industrial counties, as the term was defined above.[3]

Columns 2, 3, and 4 show the number of individual items (over-all local tax rates) which have entered into the computation of the averages shown in Cols. 5, 6, and 7.

Columns 8 and 9 present weighted industrial county rates based upon the adjusted average rates indicated in Cols. 5 and 6 respectively.

The weighted rates have been constructed as follows: 1—The items underlying Cols. 5 and 6, respectively, have been segregated according to county of locations; 2—the items for each county have been summed and averaged; 3—the county averages so obtained have been multiplied by 'value added' as credited by the Census of Manufactures to specific counties; 4—the sum of the products has been divided by the sum of frequencies represented by 'value added.'

[3] Moody's, in contradistinction to Prentice-Hall, differentiates between 'residential' and industrial communities. All communities designated as 'residential' by Moody's have been disregarded if not located in industrial counties.

E. The Limitations of Mean Effective (Weighted and Unweighted) Industrial Real Estate Tax Rates

Mean effective tax rates are average rates and hence suffer from the same types of limitations which characterize all measures of central tendency. These limitations should be fully realized before mean effective or average rates are made the basis of any generalization whatever.

From point of view of essence, a mean or average value associated with any measure—such as the average height of a United States army recruit—is the equivalent of the probable value or the value which occurs most frequently if a large number of units—such as e. g., United States army recruits—are measured. Illustrating the point under consideration by further reference to the army recruit example, it goes without saying that not all recruits are of the average height, but it goes likewise without saying that unless the greater percentage of recruits are of the average height or close to the average height, the phrase "average height of an army recruit" is devoid of meaning and the computation of the average in question is but an idle exercise in arithmetic.

To test the significance of averages, a measure known as the "coefficient of variation" has been developed. The coefficient of variation is a percentage figure and indicates within what range actual values deviate from the average value. For instance, a coefficient of variation for the average height of army recruits of, say, ten per cent indicates that the height of actual recruits ranges from a figure ten per cent below the average height to a figure ten per cent above the average height.

The table below shows average deviations of the mean effective industrial county tax rates for selected states.

Inspection of Cols. 10 and 11 of Table B-11 shows that

TABLE B-II

Coefficients of Variation of Effective Real Property Tax Rates for Selected States*

State	Coefficient of Variation	
	Moody's Tax Rates	Prentice-Hall Tax Rates
(1)	(2)	(3)
Pennsylvania	22.60%	23.90%
California	13.29	11.47
Connecticut	....†	18.00
Illinois	27.28	....†
Indiana	24.11	24.69
Massachusetts	11.88	17.62
Michigan	20.13	17.90
New Jersey	17.77	21.94
New York	16.60	10.88
North Carolina	16.89	13.15
Ohio	21.32	24.59
Tennessee	28.62	12.50
West Virginia	15.16	21.55
Wisconsin	14.81	12.14

* For underlying rates see Table B-1 columns (2), (3), (5), and (6).
† No data available.

the coefficients of variation range from 11.88% to 28.62% in the weighted Moody's series and from 11.4% to 24.65% in the weighted Prentice-Hall series.

F. Definition of Competing Industrial States

The states shown in Table B-1, Col. 1 are presumed to compete with the Commonwealth of Pennsylvania in connection with the manufacture of selected products. The selection of these states has been made as follows:

1. In order to determine the states whose products may be presumed to compete with Pennsylvania products, Pennsylvania industries[4] have been ranked in descending order on the basis of their percentage contribution to total value added by Pennsylvania manufacturing enterprise. All Pennsylvania industries contributing more than one per cent to total value added have been studied with a view of comparing the taxes which are imposed upon a typical firm in the industries in question when operating in Pennsylvania or in presumably competitive states.

2. In order to ascertain the presumably competitive states, that is, the states whose products are such as to be likely to compete with the products of Pennsylvania, the value added by different industry groups was ranked in descending order for all states and the value added contribution of each industry group in every state was expressed as a percentage of the total value added by manufacture in the respective states. These percentages for different states were converted into a cumulative frequency distribution, and a state other than Pennsylvania was designated as presumably competitive if the list of industries accounting for its first 75% of total value added contained an industry listed under principal industries.

3. The number of competitive states obtained by this method, however, proved too large to be manageable within the limits of the Report, and it was decided to consider only those states as presumably competitive which contained at least three of the principal industries.

4. On the basis of the operations performed under (2) and (3), the following states were found to be in competition with Pennsylvania:

a. California
b. Connecticut
c. Illinois
d. Indiana
e. Massachusetts
f. Michigan
g. New Jersey
h. New York
i. North Carolina
j. Ohio
k. Tennessee
l. West Virginia
m. Wisconsin

It goes without saying that the products of states other than those listed above do compete with the products of Pennsylvania. However, because of the number of products on the basis of which the above states compete with the Commonwealth, and because of the economic and social significance of the products listed, in the Pennsylvania economy comparison of estimated tax differentials between Pennsylvania and the above listed states seems particularly appropriate.

Section III

Estimation of Taxes Payable by Families in Different Income Groups

A. Composition, Income and Expenditure Patterns of the Average Urban Family

In connection with the study of the fiscally consequential characteristics of the average urban family, see Temporary National Resources Committee, "Who Pays the Taxes," Monograph No. 3, Washington, 1940.

B. Pennsylvania Taxes Payable by the Average Urban Family

In connection with the computation of Pennsylvania taxes payable by average urban families in different income groups, the following assumptions have been made: (1) the expenditures for housing of the different families have been capitalized at the rate of 10% and against the capital sum so obtained the mean effective urban real estate tax rate (see Appendix B, Table B-I, Col. 7) has been applied; (2) the investment income of those families receiving such income has been capitalized at the rate of 4% and against the capital sum so obtained Pennsylvania's intangibles or personal property taxes have been applied: (3) families having incomes below $3000 annually are assumed to have no investment income whatever.

C. The Relationship between the Pennsylvania Intangibles or Personal Property Tax and the Federal Income Tax: An Illustration

A given taxpayer may deduct state taxes paid when computing his net income for Federal tax purposes.

Table B-III shows how the tax burden of differently circumstanced taxpayers would be changed if the Pennsylvania intangibles taxes (state and county) sometimes referred to as personal property taxes were removed.

Table B-III indicates in Col. 1 selected income class intervals and in Col. 2 the average income accruing to taxpayers within the intervals. Column 3 shows the percentage in total tax obligation due to the Pennsylvania

[4] See, Chapter I, Table V, p. 6455.

intangibles tax. It will be observed that the index drops from 60% for an average income of $5,414 to 3% for an average income of $1,092,973. In other words, if the Pennsylvania intangibles tax were removed, the total tax obligation of a taxpayer having an income of $5,414 would be lessened by 60%; whereas in the case of the taxpayer having an average income of $1,092,973, the tax burden would be lessened by 3%. Or, to state the matter still differently, granting the presence of the Federal income tax, the Pennsylvania intangibles tax as a determinant of the total tax obligations decreases as the taxpayer's income increases.

TABLE B-III

Indifference Index for the Pennsylvania Intangibles or Personal Property Taxes

Net Income Classes	Average Net Income	Indifference Index of Intangibles Taxes
(1)	(2)	(3)
$ 5,000— 6,000	$ 5,414	60.12%
6,000— 7,000	6,465	56.20
7,000— 8,000	7,470	53.43
8,000— 9,000	8,465	50.18
9,000— 10,000	9,481	48.76
10,000— 11,000	10,478	46.18
11,000— 12,000	11,478	44.23
12,000— 13,000	12,484	43.08
13,000— 14,000	13,474	41.43
14,000— 15,000	14,490	39.98
15,000— 20,000	17,180	35.87
20,000— 25,000	22,229	28.44
25,000— 30,000	27,352	24.00
30,000— 40,000	34,408	20.51
40,000— 50,000	44,487	16.82
50,000— 60,000	54,638	14.29
60,000— 70,000	64,864	12.43
70,000— 80,000	74,595	12.06
80,000— 90,000	85,177	9.73
90,000—100,000	95,228	8.73
100,000—150,000	119,839	7.90
150,000—200,000	167,876	7.19
200,000—250,000	219,754	6.42
250,000—300,000	274,871	5.74
300,000—400,000	341,409	5.39
400,000—500,000	430,717	4.74
500,000—750,000	594,691	4.36
750,000 and over	1,092,973	3.05

Legend:
Col. (2) "Statistics of Income, 1937".
Col. (3) See, Appendix B, p. B-15 and following.

In order to construct the indifference index shown in Table B-III, Col. 3, the following data are required:

1. The income distribution of Pennsylvania.
2. The Federal personal income tax rate assessed against incomes of different magnitude,
3. The Pennsylvania intangibles tax rate,
4. The ratios of taxable investment income to total income.

The data listed in (1) were obtained from "Statistics of Income, 1937." The effective Federal income tax rates were calculated by assuming the exemption and credit pattern of the United States, as given in "Statistics of Income, 1937," and applying nominal rates from Taxes, August, 1940, pages 467-469. In (4) the ratios of investment income to total income for different income classes were calculated from "Statistics of Income, 1937," which presents the ratios for the United States as a whole.

The utilization of the above materials involves the making of two basic assumptions. In the first place, it is assumed that the national exemption and credit pattern is similar to the comparable Pennsylvania pattern. In the second place, the validity of the method is predicated upon the hypothesis that the national ratio 'taxable investment income' to 'total income' is similar to the corresponding Pennsylvania ratio. While these assumptions cannot be verified at this juncture, they are believed to be substantially correct.

With these materials in hand, the indifference index was defined and constructed as follows:

Let x=proportional part of net income derived from taxable investments
i=rate of interest used in capitalizing Q (i=.04)*
k=intangibles tax rate (k=.008)
S=intangibles tax (S=kQ)
F=Federal income tax on (x+S)
F′=Federal income tax on x.

Then the indifference Index I is defined as:

$$I=\frac{S+F'-F}{F'+S}$$

Section IV

Estimation of the Probable Net Yield of a Pennsylvania State 'Clear' Income Tax

The basic data for the estimation of the net yield of a three per cent clear income tax are currently made available by the Income Division of the United States Department of Commerce.[1]

Among other pertinent income data, the Department of Commerce estimates annually the 'income payments to individuals' resident in the different states of the union.

For 1939, the Department of Commerce estimates the 'total income payments' received by residents of Pennsylvania at $5,678,000,000.[2]

According to Commerce estimates, this grand total was derived from the following sources:

1. Net salaries and wages	$3,636,000,000
2. Other labor income	445,000,000
3. Entrepreneurial withdrawals ..	636,000,000
4. Dividends, interest, etc.	961,000,000
Total	$5,678,000,000

For purposes of estimating the net yield of a Pennsylvania personal 'clear' income tax, Item (2) may be disregarded.

Item (2), which consists of:

a. Workmen's compensation benefits
b. Payment from private pension or retirement plans
c. Work relief wages
d. Direct relief payments
e. Veterans' compensation
f. Social insurance benefits

is disregarded because, though labelled 'income' by the Department of Commerce, its components partake either of the nature of insurance benefits or public charity.

Deducting item (2), i. e., other labor income which amounts to $445,000,000 from total income of $5,678,000,000,

* Cf. Stewart, Charles, "Income Capitalization as a Method of Estimating the Distribution of Wealth by Size Groups," Studies in Income and Wealth, Vol. III, National Bureau of Economic Research, 1939, p. 108, note. Dr. Stewart uses 4.5% to capitalize equity securities. Inasmuch as we are considering bonds also, a reduction of 0.5% was in order.

[1] Martin, John L., "Income Payments to Individuals, by States," Survey of Current Business, Washington, October, 1940, pp. 8-12.

[2] Martin, op. cit., p. 12.

a potential clear income tax base of $5,233,000,000 is obtained.

However, for purposes of clear income tax estimation, this potential income tax base is too high because it contains entrepreneurial withdrawals amounting to $636,000,000.

As regards these 'intrepreneurial withdrawals' it should be noted that this item includes both positive and negative items. The positive items consist of individual proprietorship and partnership profits actually earned and the negative items consist of merchandise diverted for personal use, capital conversions, etc.

At the present time it is not possible to estimate with any degree of accuracy the relative importance of the negative items. In view of this lack of positive knowledge, it has been assumed that the negative items account for one-half of all 'entrepreneurial withdrawals.'

On the basis of this assumption, the gross base of the proposed Pennsylvania personal clear income tax becomes $4,915,000,000.

For purposes of estimating the probable net yield of the levy under construction, it is necessary to make certain assumptions with regard to the total dollar amount which will be claimed by taxpayers for necessary cost of living expenditures.

In order to make the estimation in question, it is useful to differentiate between 1) single individuals and 2) family units and to differentiate again in each one of these groups between a) taxpayers (single or family units) having less than $800 and b) taxpayers having an excess of $800 annual net income.

The total number of single individuals having less than $800 has been estimated on the basis of Census materials[3] and "Consumer Incomes in the United States."[4] The number of single taxpayers having less than $800 annual income, together with the total amount of income accruing to this group has been estimated on the basis of "Consumer Incomes."[5] Similar estimation procedures have been used for family units.[6] On the basis of these estimates, which must be regarded as tentative, it would appear that taxpayers (single and family units) with incomes less than $800 are likely to claim $433,000,000 for cost of necessary living expenses. Taxpayers (single and family units) with incomes above $800 are likely to claim $685,000,000 for cost of living expenditures. The total necessary living expenses probably claimed, therefore, amounts to $2,118,000,000. Deducting this total from $4,915,000,000, the base of the proposed personal clear income tax becomes $2,797,000,000.

In order to estimate the probable net yield of a Pennsylvania personal clear income tax, it is necessary to ascertain the sources of net salaries and wages by industrial division, because both collectibility as well as cost of collection tend to vary with the type of employment in which the taxable income has been earned.[7]

The following major industrial divisions account for the indicated percentages of total net salaries and wages:

a. Manufacturing	34%
b. Trade	14%
c. Government	12%
d. Service	11%
e. Transportation	8%
f. Mining	7%
g. Finance	4%
h. Construction	3%
i. Electricity and Gas	2%
j. Communication	1%
k. Agriculture	1%
l. Miscellaneous	3%

On the basis of past experience it seems safe to assume that the tax upon salaries and wages earned in industrial divisions (a), (c), (e), (g), (h), (i) and (j) can be conveniently stopped-at-source. These sources of salaries and wages account for 64% of the total, or $2,327,040,000.

Because of similarity of cost of collection and collectibility fractions it seems justifiable to add to this subtotal representing net salaries, and wages, interest, dividends, etc. of $961,000,000. The sum of the two-subtotals which equals $3,228,040,000 may be treated as a unit for yield estimation purposes.

Again, on the basis of past experience, it would seem justifiable to add net salaries and wages received in industrial divisions, (c), (d), (f), (k) and (l) to adjusted entrepreneurial withdrawals.[8]

The sum of salaries and wages derived from industrial divisions (b,) (d), (f), (k), and (l) plus adjusted entrepreneurial withdrawals amounts to $1,826,960,000.

Again on the basis of past experience[9] it would seem justifiable to assume that while both 1) net salaries plus wages accrued in industrial divisions (a), (c), (e), (g), (h), (i) plus interest, dividends, etc., as well as 2) net salaries and wages earned in industrial divisions (b), (d), (f), (k), (l) plus adjusted entrepreneurial withdrawals have collectibility fractions of .80, the first set of accruals is likely to involve a cost of collection of 3%, whereas the second set of accruals will probably involve a cost of collection of 25%.

With a view of determining what fraction of total clear income will involve a cost of collection of 25%, the ratio of accruals indicated under (2) above ($1,626,960,000) to the sum of the accruals (1) and (2) ($4,915,000,000) was calculated. Similarly the ratio of accruals listed under (1) above ($3,288,040,000) to the sum of accruals (1) and (2) ($4,915,000,000) represents the fraction of total clear income, the tax on which involves a cost of collection of 3%. These two fractions, respectively, are 33.1% and 66.9%. Multiplying the first fraction by $2,797,000,000, the figure obtained above, as the potential base, after due consideration of all cost of living expenses, the adjusted potential base of $925,807,000 is obtained. Assuming, as indicated above, a collectibility fraction of .80, the base of $740,645,600 is obtained. Multiplying the base by a rate of 3%, a probable gross yield of $22,219,368 is obtained. Subtracting

[3] U. S. Department of Commerce, Fifteenth Census of the United States, "Population Bulletin, Pennsylvania Families," Washington, 1932, and Sixteenth Census of the United States, "Preliminary Pennsylvania Population, 1940.))

[4] National Resources Committee, "Consumer Incomes in the United States" Washington, 1938, pp. 71-78.

[5] Ibid., pp. 30-31, and 71-78.

[6] Ibid., pp. 6, and 71-78.

[7] Strayer, Paul J., The Taxation of Small Incomes, New York, 1939, Chapter VI.

[8] See, Appendix B, pp. B-17 and B-18.

[9] Twentieth Century Fund, "Studies in Current Tax Problems," New York, 1937, p. 107 and following; and Strayer, op. cit., p. 128 and following.

from this gross yield a 25% cost of collection, the probable net yield becomes:

(1)	$16,664,526

Multiplying the second fraction (66.9%) by the potential base of $2,797,000,000, an adjusted potential base of $1,871,193,000 is obtained. Assuming once more a collectibility fraction of .80, the base becomes $1,496,954,000, taxed at the rate of 3% yields a gross of $44,908,632. Subtracting from this gross yield the 3% cost of collection the net yield under consideration becomes:

(2)	$43,561,373

Adding this subtotal to the partial total previously obtained, the grand total representing the probable yield of a Pennsylvania state 3% personal clear income tax at 1939 income levels becomes:

(3)	$60,225,899

It goes without saying that while the above computation is based upon the assumption that a "clear" income tax is imposed at the rate of three per cent, the probable net yield shown can easily be adjusted for other hypothetical rates.

Section V

Estimation of the Probable Net Yield of a Pennsylvania State Total Income Tax

Estimates of the yield of a state tax upon total income as shown in Chapter VI of the Report, are based upon the assumption outlined in Section IV of Appendix B. Manifestly, in calculating the probable net yield of a tax upon all income rather than upon "clear" income the taxpayer has not been allowed the deduction of "necessary" living expenses up to a legislatively stipulated maximum of $800.

Section VI

Estimation of the Probable Net Yield of a Pennsylvania State Earned Income Tax

The basic data for the estimation of the net yield of a one per cent earned income tax are currently made available by the Income Division of the United States Department of Commerce.[1]

Among other pertinent income data, the Department of Commerce estimates annually the 'income payments to individuals' resident in the different states of the union.

For 1939, the Department of Commerce estimates the 'total income payments' received by residents of Pennsylvania at $5,678,000,000.[2]

According to Commerce estimates, this grand total was derived from the following sources:

1. Net salaries and wages	$3,636,000,000
2. Other labor income	445,000,000
3. Entrepreneurial withdrawals ..	636,000,000
4. Dividends, interest, etc.	961,000,000
Total	$5,678,000,000

[1] Martin, John L., "Income Payments to Individuals, By States," Survey of Current Business, Washington, October, 1940, pp. 8-12.
[2] Martin, op. cit. p. 12.

For purposes of estimating the net yield of a Pennsylvania earned income tax, Items (2) and (4) may be disregarded.

Item (2), which consists of:

a. Workmen's compensation benefits
b. Payment from private pension or retirement plans
c. Work relief wages
d. Direct relief payments
e. Veterans' compensation
f. Social insurance benefits

is disregarded because, though labelled 'income' by the Department of Commerce, its components partake either of the nature of insurance or benefits or public charity.

Item (4) is disregarded because the tax studied deals with the taxation of 'earned' income only.[3]

In view of this elimination, the potential base of a Pennsylvania earned income tax consists of:

1. Net salaries plus wages	$3,636,000,000
2. Entrepreneurial withdrawals ..	636,000,000
Total	$4,372,000,000

As regards 'entrepreneurial withdrawals,' it should be noted that this item includes both positive and negative items. The positive items consist of individual proprietorship and partnership profits actually earned and the negative items consist of merchandise diverted for personal use, capital conversions, etc. It has been assumed that the negative items account for one-half of all 'entrepreneurial withdrawals.'

On the basis of this assumption, the base of a Pennsylvania earned income tax becomes:

1. Net salaries plus wages	$3,636,000,000
2. Positive entrepreneurial withdrawals	318,000,000
Total	$3,954,000,000

In order to estimate the probable net yield of a Pennsylvania earned income tax, it is necessary to ascertain the sources of net salaries and wages by industrial division, because both collectibility as well as cost of collection tend to vary with the type of employment in which the taxable income has been earned.[4]

The following major industrial divisions account for the indicated percentages of total net salaries and wages:

a. Manufacturing	34%
b. Trade	14%
c. Government	12%
d. Service	11%
e. Transportation	8%
f. Mining	7%
g. Finance	4%
h. Construction	3%
i. Electricity and Gas	2%
j. Communication	1%
k. Agriculture	1%
l. Miscellaneous	3%

[3] In Pennsylvania, investment income is taxed at present by means of the intangibles tax, the public loans tax, the corporate loans tax, the capital stock tax and the corporate income tax. The applicability of any one or two of these taxes depends upon the type of investment.
[4] Strayer, Paul J., The Taxation of Small Incomes, New York, 1939, Chapter VI.

On the basis of past experience it seems safe to assume that the tax upon salaries and wages earned in industrial divisions (a), (c), (e), (g), (h), (i) and (k) can be conveniently stopped-at-source. These sources of salaries and wages account for 64% of the total or $2,327,400,000. Assuming that 80% of the tax due on this base is collectible, the gross yield of a one per cent income tax is $18,616,320. Allowing 3%[5] for cost of collection, a net yield of:

(1) $18,057,830

may reasonably be expected from the segment of the base under consideration.

Again, on the basis of past experience, it would seem justifiable to add net salaries and wages received in industrial divisions, (b), (d), (f) and (l) to adjusted entrepreneurial withdrawals.[6]

The sum of salaries and wages derived from industrial divisions, (b), (d), (f), and (l) plus adjusted entrepreneurial withdrawals amounts to $1,626,960,000.

Assuming again that 80% of the tax due is collectible, the effectively taxable base becomes $1,301,568,000. Applying the proposed tax rate of one per cent to this base, a gross yield of $13,015,680 is obtained.

On the basis of past experience,[7] it would seem that it is likely that the collection of this gross will involve a cost of 25%. Multiplying the cost of collection fraction (.25) by the gross yield, the probable net yield from the segment of the base under consideration becomes:

(2) $9,761,760

Adding this subtotal to the partial total previously obtained, the grand total, representing the probable yield of a Pennsylvania state one per cent earned income tax, at 1939 income levels becomes:

(3) $27,819,590

It should be observed that whenever later basic data have become available the probable net yields of the various types of income taxes shown in Chapter VII of the Report, though made by reference to the techniques outlined above, have utilized such later basic data.

Section VII

The Estimation of the Probable Net Yield of a Pennsylvania State progressive Income Tax

A. Some General Aspects of the Problem

The construction of an estimated frequency distribution of taxable income of Pennsylvania residents presupposes the formulation of a concept of 'taxable income.'

Though a large variety of concepts of taxable income[1] are in existence it was decided to use a concept as closely akin to that underlying the Federal personal income tax statute as available data and statistical techniques permitted. This choice seemed logical in view of the fact that, following precedent, any practical Pennsylvania state personal income tax is most likely to be built around the Federal concept of taxable income.[2]

Granting the choice of the concept of taxable income the problem of estimating the frequency distribution of taxable income of Pennsylvania residents is reduced to 1) an evaluation of existing data and 2) the development of statistical techniques designed to compensate for the deficiencies of these data.

B. The Nature of the Available Data

The only data available which bear pertinently upon the problem in hand are published annually in "Statistics of Income."[3] "Statistics of Income" presents both 'number of income tax returns' and 'net income' by states. Unfortunately, however, the income as well as the number of returns data for recipients of income of less than $5,000 are inadequate, because of the exemption and reporting requirements of the Federal statutes. Inasmuch as a substantial percentage of total taxable income accrues to recipients having less than $5,000 annually, the problem of estimating the dollar amounts of income probably accruing to potential state income taxpayers in this class becomes acute.

The major statistical problems arising in this connection are 1) to find the characteristic of the distribution curve which can reasonably be expected to describe the distribution of Pennsylvania taxable incomes below $5,000 and 2) to estimate the probable amount of taxable income as well as the probable number of returns to be distributed in accordance with the characteristic of the distribution curve.

Upon examination of the available data that might prove helpful in connection with the construction of a distribution curve for income of Pennsylvania residents having annual incomes of less than $5,000, it was decided that the comprehensive statistics made available by the Wisconsin Tax Commission[4] might serve the purpose in hand. In other words, it was decided that the characteristic of the Wisconsin distribution curve could be utilized in determining the probable distribution of Pennsylvania taxable incomes below $5,000.

C. Some Necessary Adjustments of the Wisconsin Data[5]

Taxable income as reported by the Wisconsin Reports does not include 1) dividends received from Wisconsin corporations and 2) Federal income taxes paid. Inasmuch as it is not mandatory for any state to recognize these deductions when determining taxable income, it was decided to adjust the Wisconsin distribution by adding both items to the net income in the appropriate income classes.

The addition of dividends from Wisconsin corporations and Federal income taxes paid, to the income in the appropriate class interval necessitates some assumptions.

The basic assumptions underlying the addition was that the number of returns and the amount of income to be shifted from one income class interval to the succeed-

[1] Wueller, P. H., "Concepts of Taxable Income," I, II, and III, Political Science Quarterly, March 1938, p. 83; December 1938, p. 557 and December, 1939, p. 555.

[2] In passing it may be observed that both the present Pennsylvania corporate income tax as well as the Pennsylvania inheritance tax lean heavily upon Federal concepts and procedures. Cf. Commerce Clearing House, "Tax Systems," Chicago, 1940, 8th edition, p. 59.

[3] United States Treasury Department, Bureau of Internal Revenue, "Statistics of Income."

[4] Wisconsin Tax Commission, "Wisconsin Individual Income Tax Statistics, 1936 Incomes, Volume I, Tax Analysis."

[5] Wisconsin Tax Commission, op. cit., Table II, Cols. 3 and 5.

[5] Twentieth Century Fund, "Studies in Current Tax Problems," New York, 1937, p. 107 and following

[6] See, Appendix B, p. B-25.

[7] Strayer, op. cit., p. 128 and following.

ing and higher class interval was to be the greater of the two numbers (a) the number of returns reporting deductible dividends, or (b) the number of returns reporting Federal income taxes paid.

This assumption seems justified in view of the fact that there would seem to be a large amount of duplication in the number of returns reporting dividends and the number of returns reporting Federal income taxes paid.

With a view of clarifying the nature of the basic assumption under consideration and to illustrate the technique used in adding dividends and Federal income taxes paid to the appropriate class interval, the following notation is introduced:

b_i = lower boundary of the i^{th} income class
B_i = upper boundary of the i^{th} income class
$B_i^{(m)}$ = upper boundary of the $(i+m)^{th}$ income class
k = an integer
$k_i^{(m)}$ = the number of individuals that will shift from the i^{th} class to the $(i+m)^{th}$ class
f = the number of returns in the class (i) (Table I, Column 2) *
f_D = the number of returns in the class (i) reporting dividends deductible (Table II, Column 2) *
f_T = the number of returns in the class (i) reporting
D = Federal taxes paid (Table II, Column 4) * the amount of the dividend deductions (Table II, Column 3) *

T = the amount of the Federal taxes paid (Table II, Column 5) *
f' = f_D, or $f' = f_T$ whichever is greater
* Wisconsin Tax Commission, op. cit., Tables I & II

Assumptions:

1. The number of individuals in a class subject to shifting is f'.
2. The f' individuals are uniformly distributed within the class.
3. Each of the f' individuals is to have an increased net income equal to $\frac{D+T}{f'}$ (the average amount added to the aggregate income of the class).
4. An individual to be shifted has an income equal to the average of his class plus the increased income $\frac{D+T}{f'}$
5. An individual in the class with upper boundary B_i is to be shifted to the class with upper boundary $B_i^{(m)}$ if his income after adding $\frac{D+T}{f'}$ is between $B_i^{(m-1)}$ and $B_i^{(m)}$..

Procedure:

The Net Income of the k^{th} individual in the class with upper boundary B is

$$b' + \left(\frac{(k-\frac{1}{2})}{f'}\right)\frac{(B-b)}{} + \frac{D+T}{f'}.$$

Let $k^{(m)}$ be the largest integer such that

$$b + \left(k^{(m)} - \tfrac{1}{2}\right)\left(\frac{B-b}{F'}\right) + \frac{D+T}{i} = B^{(m)}.$$

Then $k^{(0)}$ is the number of individuals out of the f' that will remain in the class. The number that will shift from the B_i class to the $B_i^{(1)}$ is $k^{(1)} - {}^{(0)}$. In general the number that will shift to the $B_i^{(m)}$ class is $k^{(m)} - {}^{(m-1)}$. This procedure is continued until all f' individuals have been shifted.

The income to be shifted from class B to class $B^{(m)}$ is

$$\sum_{k^{(m-1)}+1}^{k^{(m)}}\left[b+(k-\tfrac{1}{2})\frac{(B-b)}{f'}\right] = \left[b-\tfrac{1}{2}\frac{(B-b)}{f'}\right]\left(k^{(m)}-k^{(m-1)}\right) + \left(\frac{B-b}{f'}\right)\left[\frac{k^{(m)}-k^{(m-1)}}{2}\right]\left[k^{(m-1)}+k^{(m)}+1\right]$$

After the necessary shifting of individuals and income, to each income class $B^{(m)}$ is added the income from dividends and taxes assumed to be associated with each individual shifting into the class $B^{(m)}$.

Application of the above technique to the Wisconsin data as reported produces what may be called an adjusted distribution curve and it is this adjusted Wisconsin distribution curve which is subsequently used to facilitate estimation of that segment of the Pennsylvania distribution of taxable incomes below $5,000.

D. Estimation of Frequency Distribution of Taxable Income of Pennsylvania Residents for 1936

The characteristic of the Pennsylvania distribution curve for incomes below $5,000 being assumed to be the same as the characteristic of the 'adjusted' distribution curve for Wisconsin,[6] it remains to estimate 1) the probable number of Pennsylvania returns and (2) the probable magnitude of the sum total of the taxable income of Pennsylvania residents. Both returns and income magnitude being given, an allocation in accordance with the characteristic of the 'adjusted' Wisconsin distribution curve can be made.

With a view of illustrating the procedure used in estimating both probable number of Pennsylvania returns and probable magnitude of the sum total of taxable income of Pennsylvania residents, the following notation is introduced:

x = midpoint of class interval
f = frequency of the class (number of returns)
F = cumulative f
N = total number of returns
$z = \frac{F}{N}\,100$

a = aggregate net income of the class
A = cumulative a
M = total income
$y = \frac{A}{M}\,100$

Further, let x, f, etc., represent Wisconsin data and x', f', etc., represent Pennsylvania data as reported by Statistics of Income" for the year 1936. Let N', M' be total

[6] This assumption is the equivalent of ascertaining that the Lorenz curve for Wisconsin income is an adequate description of the Pennsylvania distribution.

number of expected Pennsylvania returns and expected Pennsylvania total taxable income, respectively.

In terms of this notation, the following is the procedure used in estimating N′ and M′:

The Wisconsin data as given in "Statistics of Income" were arranged in order of decreasing size of income class. The Pennsylvania data as given by the same source, were arranged likewise.

For purposes of first approximation, N″ and M″ were determined by the equations:

$$\frac{N''}{N} = \frac{\text{cum } f'}{\text{cum } f}$$

$$\frac{M''}{M} = \frac{\text{cum } a'}{\text{cum } a}$$

where cum f and cum f′ are the total number of returns for the classes $5,000 and above, for Wisconsin and Pennsylvania respectively; and cum a and cum a′ are the total aggregate income for the classes $5,000 and above for Wisconsin and Pennsylvania. With these values of N″ and M″, values of z″, y″ were determined corresponding to the classes above $5,000. For each pair of values (z″, y″), two equations were obtained in the following manner.

For each z″ there corresponds a z, and z_2, such that $z_1 \leq z'' \leq z_2$. Assuming that the point (z′, y′) lies on the line joining (z_1, y_1) and (z_2, y_2), the equation

$$\frac{z_1 - \frac{F'}{N'}\,100}{z_2 - z_1} = \frac{y_1 - \frac{A'}{M'}\,100}{y_2 - y_1}$$

is obtained. This is a linear equation in the unknowns N′, M′ since the F′ and A′ are values obtained from the frequency distribution for the classes above $5,000, using the data in "Statistics of Income". Thus, for each class above $5,000 an equation in N′ and M′ is obtained. Let the average of this set of equations be denoted by

(1) $\quad AN' + BM' + C = O.$

Likewise for each y″, there corresponds a y_3 and y_4 such that $y_3 \leq y'' \leq y_4$. Assuming that the point z′, y′) lies on the line joining (z_3, y_3) and z_4, y_4), the equation

$$\frac{z_3 - \frac{F'}{N'}\,100}{z_4 - z_3} = \frac{y_3 - \frac{A'}{M'}\,100}{y_4 - y_3}$$

is obtained. This also is a linear equation in N′ and M′.

Therefore, for each class above $5,000, another equation in N′ and M′ is obtained. Denote the average of this set of equations by

(2) $\quad PN' + QM' + R = O.$

The values of N′ and M′, the estimated number of returns, and the estimated total income are found by solving the system of simultaneous equations (1) and (2). The values, determined as indicated are:

N′=1,457,000
M′=$3,619,000,000.

In other words, the above outlined procedure when applied to the previously cited data ("Statistics of Income for 1936") indicates that the probable taxable income of Pennsylvania in 1936 amounted to $3,619,000,000 and that the number of returns associated with the estimated amount of taxable income approximated 1,457,000.

Restating the procedures and findings so far outlined and indicated, it may be noted that the following three sets of data are now given: (a) the characteristic of the frequency distribution of the taxable income of Pennsylvania residents ($5,000.00 and below segment); (b) the probable magnitude of the sum total of personal taxable income, and (c) the probable number of returns (or number of income recipients) associated with the sum total of personal taxable incomes. Hence, it now merely remains to allocate both number of returns and sum total of taxable income in accordance with the previously determined distribution curve. The procedure employed for the purpose in hand is as follows: Form an immediate distribution:

x	f″	a″

having the property that

$$\frac{f''}{f} = \frac{a''}{a} = c$$

and that

$$\Sigma f'' = N',$$

where f″ is the frequency of the class in the intermediate distribution, a″ the aggregate income of the class, and c is a constant.

Since

$$f'' = cf,$$

then

$$\Sigma f'' = c\Sigma f,$$

$$N' = cN,$$

and

$$c = \frac{N'}{N}$$

Therefore,

$$f'' = \frac{N'f}{N}$$

and

$$a'' = \frac{N'a}{N}$$

From the property that $\frac{f''}{f} = \frac{a''}{a}$ = constant for each class, the Lorenz curve for the intermediate distribution is the same as the Lorenz curve for Wisconsin. For this distribution the total number of returns is N′ (the number of expected returns from Pennsylvania) but the total aggregate income is $\frac{N'}{N}$ M, which is less than M′ (the estimated total aggregate income for Pennsylvania).

The problem must now be faced as to how to inflate aggregate Pennsylvania taxable income until it equals M′ without changing the ascertainable degree of inequality which characterizes its distribution.

The inflation of Pennsylvania's aggregate income necessitates the shifting of both number of returns as well

as selected income fractions from one income class interval to another. In turn the shifting procedure necessitates a postulate with regard to the distribution of returns within a given income class interval.

For purposes of the computation it was assumed that the returns are linearly distributed within any one class interval.

To introduce a notation to indicate the shifting procedure employed, let:

$$y=mx+k$$

represent the distribution within a class, where m is the slope of the line and k the y-intecept. The values m and k will vary from class to class but for each class they are determined by the equations

$$(3) \qquad \int_b^B (mx+k)dx=f(B-b),$$

$$(4) \qquad \int_b^B (mx+k)x\,dx=a(B-b)$$

where b is the lower and B the upper boundary of each class. Integrating, the conditions determining m and k become

$$(5) \qquad k=f-\frac{m}{2}(B+b),$$

$$(6) \qquad m\frac{(B-b)^2}{12}=f\left(\frac{a}{f}-\frac{B+b}{2}\right)$$

The aggregate income of the intermediate distribution is $\frac{N'}{N}$ — M. Since, however, the total income for the Pennsylvania distribution is to be M', each individual income in the intermediate distribution must be multiplied by the constant $\frac{M'N}{MN'}$. This is equivalent to assuming that the Lorenz curve associated with the Pennsylvania distribution is the same as that associated with the Wisconsin distribution even though the average income has increased.

A modification could be made at this point if one knew the changes in inequality of distribution caused by or related to increased average income. A suggested modification is

$$x'=(x)\left(\frac{N}{N'}\right)\left(\frac{M'}{M}\right)(r)$$

where

r=income of individuals before the change in N and M,

N=total number of returns in the old distribution,

M=total amount in the old distribution,

x'=income of an individual after the change in N and M,

N'=total number of returns in the new distribution,

M'=total amount in the new distribution,

and r=a factor which is a function of x, N, M, N', and M'.

The effect of the factor r is to change the inequality in the distribution. More time and better data would be necessary before the form of the function could be determined. It might be possible to study the Wisconsin Tax reports and the Federal Tax reports and by a combination of empirical and theoretical procedures determine the factor r.

In this work as presented r is assumed to be 1, which means that the same degree of inequality of distribution in Wisconsin is assumed to be in the Pennsylvania distribution.

In order to determine the number that will shift from one class to another, it is first necessary to find the values of x which upon multiplication by $\frac{M'N}{MN'}$ become class boundaries of the intervals. These values are determined by the equation

$$(7) \qquad x\left(\frac{N}{N'}\right)\left(\frac{M'}{M}\right)=B^{(m)} \qquad (m=1, 2, \ldots)$$

where $B^{(1)}=500$, $B^{(2)}=600$, etc., (the upper boundaries of the classes).

Let the solutions of (7) be designated by $L^{(m)}$. The number of returns to be shifted from the class with upper boundary B_i to the class with upper boundary $B^{(m)}$ is f_{im} where f_{im} is determined by the equation

$$(8) \qquad \int_{L^{(m-1)}}^{L^{(m)}} y\,dx = f_{im} \qquad (B_i-(B_i-{}_1)$$

and the corresponding amount to be shifted is a_{im}. where a_{im} is determined by the equation

$$(9) \qquad \int_{L^{(m-1)}}^{L^{(m)}} \left(\frac{M'}{M}\right)\left(\frac{N}{N'}\right)xy\,dx = a_{im}\,(B_i-(B_i-{}_1)$$

where $y=m_ix+k_i$ for $B_i-{}_1 \leq x \leq B_i$

and $y=0$ for all other values of x.

It is in accordance with the above outlined procedures that an estimated frequency distribution for 1936 of taxable income of Pennsylvania residents has been construed, the distribution of incomes in excess of $5,000.00 having been transcribed from "Statistics of Income for 1936."

E. Estimation of Frequency Distribution of Taxable Income of Pennsylvania Residents for 1940

The problem of estimating a frequency distribution of taxable income of Pennsylvania residents for 1940 depends upon 1) an estimation of the aggregate taxable income, and 2) an estimation of the number of returns. The procedures used in estimating the aggregate income and the total number of returns for the 1936 distribution are not applicable to the 1940 estimate since "Statistics of Income for 1940" will not be published until 1942, or even later. However, the Department of Commerce has made an estimate of the National Income for 1940 and this estimate can be used in determining the aggregate taxable income for Pennsylvania.

The procedure is as follows: The table following gives the ratio of Pennsylvania Income to National Income.

It may be observed that the ratio of Pennsylvania Income to National Income has decreased in the decade 1929-1939. In order to estimate the Pennsylvania Income for 1940, the estimate of the ratio for 1940 was determined by fitting a straight line to the series in Table B-IV. The straight line was fitted by the method of least squares and the ratio for 1940 was determined using this line. This ratio (.08036) is considered too low since the National Defense Program has caused increased activity of the heavy industries in Pennsylvania. However, no adjustment of the ratio is attempted. In using this value, the taxable income in Pennsylvania for 1940 is underestimated. The total Income for the United States for 1940 has been estimated at $74,000,000,000.[7] Therefore, the estimate of the total income paid out for Pennsylvania is .0836 times $74,000,000,000, which is $5,940,000,000.

TABLE B-IV

Relationship Between Pennsylvania Income Payments and United States Income Payments

Year	Pennsylvania Income (000,000)	National Income (000,000)	Ratio of Pennsylvania Income to National Income
(1)	(2)	(3)	(4)
1929	$7,230	$82,068	.08810
1930	6,653	74,520	.08928
1931	5,631	63,456	.08873
1932	4,253	49,320	.08623
1933	4,002	46,836	.08544
1934	4,595	54,012	.08507
1935	4,947	58,812	.08412
1936	5,698	67,848	.08398
1937	6,038	71,784	.08411
1938	5,347	66,240	.08072
1939	5,678	70,092	.08101

In order to estimate the taxable income for 1940, it is assumed that the ratio of taxable income in 1940 to total income paid out in Pennsylvania in 1940 is equal to the ratio of taxable income in 1936 to total income paid out in Pennsylvania in 1936.

In symbols,

$$\frac{M'}{I'} = \frac{M}{I}$$

where

M' = Taxable income in 1940
M = Taxable income in 1936
I' = Income paid out in Pennsylvania in 1940
I = Income paid out in Pennsylvania in 1936

A better approximation to M' would be

$$M' = (I') \left(\frac{M}{I}\right) (p)$$

where p is a function of "Capital Conversion." With the present data available, no estimation of (p) is made. An arbitrary assumption is made that (p) = 1. The following table indicates the behavior of the function (p) in the relationship of the actual amount of taxable income as reported by the Wisconsin Tax Commission and the income paid out estimated by the Department of Commerce.

[7] New York Times, December 15, 1940.

TABLE B-V

Income Paid Out in Wisconsin as Estimated by the Department of Commerce and Actual Taxable Income as Reported by the Wisconsin Tax Commission

Year	I	M	$\frac{M}{I}$	p	p'	p''
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1929	$1,906,000,000	$1,186,234,000	.6224	1.0		
1934	1,156,000,000	542,294,000	.4691	.7537	1.0	
1935	1,317,000,000	609,803,000	.4630	.7439	.98699	1.0
1936	1,545,000,000	723,984,000	.4686	.7529	.9989	1.0121

Column 5 gives the value of (p) which is the ratio of $\left(\frac{M'}{I'}\right)$ to $\left(\frac{M}{I}\right)$ using 1929 as the base year.

Column 6 gives the value of (p) using 1934 as the base year, and Column 7 is the value of (p) using 1935 as the base year. It is observed that the values of (p) given in Cols. 6 and 7 are near to 1.

Using the value of M previously estimated for 1936, the value of I for 1936 as reported by the Department of Commerce, and the value of I' for 1940 as previously estimated, and assuming (p) = 1, the value of M' is estimated to be $3,616,573,000.

The formation of a distribution of income depends upon the number of returns, the amount of taxable income, and assumptions as to the inequality in the distribution. The greatest difficulty arises with respect to the estimation of the number of returns. One might suppose that a reasonable estimate could be made on the assumption that the number of returns had grown in direct ratio to the rise in population. This assumption, however, ignores the important fact that the number of returns depends on the amount of taxable income as well as the population.

The following table exhibits the changes in the number of returns as related to changes in population and taxable income.

TABLE B-VI

The Number of Returns and Amount of Taxable Income from Wisconsin as Reported by the Wisconsin Tax Commission and the Population for Various Years as Interpolated from Census Data

Year	N	P	$\frac{N}{P}$	M	$\frac{N}{M}$
(1)	(2)	(3)	(4)	(5)	(6)
1929	476,173	2,908,312	.1637	$1,186,254,755	.4014
1934	417,831	3,018,438	.1384	542,294,227	.7705
1935	425,481	3,038,297	.1400	609,803,565	.6977
1936	443,350	3,058,155	.1450	723,984,690	.6124

The data available is insufficient to determine N empirically as a function of P and M. It is felt that to use the assumption that

$$\frac{N'}{N} = \frac{P}{P'}$$

where N' = the number of returns in 1940
P' = the population in 1940
N = the number of returns in 1936
N' = the population in 1936

is to underestimate too greatly the number of returns. To assume that $\frac{N'}{N} = \frac{M'}{M}$

is to overestimate the number of returns. The best estimate for $\frac{N'}{N}$ would be some value between $\frac{P'}{P}$ and $\frac{M'}{M}$

However, since the ratios are not so very far apart and because of the extremely simple procedure in estimating the distribution of income under the assumption that

$$\frac{N'}{N} = \frac{M'}{M},$$

this assumption is used in the estimation presented. The values of N, M, and M′ are:

$$N = 1,431,863$$
$$M' = 3,616,573,000 \quad \text{and the ratio } \frac{M'}{M} = 1.0424$$
$$M = 3,469,468,000$$

Operating with the assumption that the number of returns increased in the same ratio as the aggregate taxable income, Tables B-VII and B-VIII are constructed to show estimates of the number of returns and net taxable incomes for 1940 and Tables B-IX and B-X are constructed to show estimates of yields in 1940 of a Pennsylvania Income tax under various assumptions as to rates exemptions. These modified tables are shown on the following pages.

TABLE B-VII

Estimated Net Income * of Pennsylvania Residents and Estimated Number of Income Recipients by Income Classes (1940)

Net Income Classes	Estimated Number of Recipients	Estimated Amount of Income
(1)	(2)	(3)
$ 0— 500	81,856	$ 20,060,000
500— 1,000	119,147	94,160,000
1,000— 1,500	285,412	362,600,000
1,500— 2,000	297,553	515,850,000
2,000— 2,500	249,457	560,300,000
2,500— 3,000	184,799	504,910,000
3,000— 4,000	165,401	561,450,000
4,000— 6,000	65,819	305,605,000
6,000— 9,000	19,488	140,957,000
9,000— 12,000	7,961	82,311,000
12,000— 15,000	4,433	59,289,000
15,000— 25,000	6,041	114,648,000
25,000— 60,000	4,026	146,523,000
60,000—100,000	767	57,333,000
100,000 and over	415	90,538,000
Total	1,492,575	$3,616,534,000

* The concept of income underlying the above estimation closely approximates the concept underlying the Federal personal income tax.

TABLE B-VIII

Estimated Net Income of Pennsylvania Residents Subject to a Pennsylvania State Income Tax Under Alternate Assumptions * and Estimated Number of Returns (1940)

Net Income Class	Estimated Number of Returns	Estimated Income Subject to a Pennsylvania State Income Tax Under Alternative Assumptions Regarding Exemptions	
		Assumptions: A	Assumptions: B
(1)	(2)	(3)	(4)
$ 800— 1,000	70,056	$ 4,543,000	$ 3,857,000
1,000— 1,500	285,412	45,246,000	41,151,000
1,500— 2,000	297,553	60,399,000	44,717,000
2,000— 2,500	249,455	112,735,000	67,944,000
2,500— 3,000	184,800	154,783,000	106,849,001
3,000— 4,000	165,401	245,485,000	192,236,000
4,000— 6,000	65,819	180,606,000	158,447,000
6,000— 9,000	19,491	104,803,000	98,468,000
9,000— 12,000	7,961	68,442,000	66,039,000
12,000— 15,000	4,433	51,750,000	50,478,000
15,000— 25,000	6,041	104,930,000	103,307,000
25,000— 60,000	4,026	140,890,000	139,948,000
60,000—100,000	767	56,513,000	56,356,000
100,000 and over	416	90,034,000	89,958,000
Total	1,361,631	$1,421,159,000	$1,219,755,000

* Assumption: A. 1. Married persons not filing separate returns—$1,600 exemption. 2. Single person who are heads of families—$1,600 exemption. 3. Single persons not heads of families—$800 exemption. 4. Husbands filing separate returns—$800 exemption. 5. Wives filing separate returns—$800 exemption. 6. Each dependent—$400 exemption.
Assumptions: B. 1. Married persons not filing separate returns—$2,000 exemption. 2. Single persons who are heads of families—$2,000 exemption. 3. Single persons not heads of families—$800 exemption. 4. Husbands filing separate returns—$1,000 exemption. 5. Wives filing separate returns—$1,000 exemption. 6. Each dependent—$400 exemption.

Table B-IX

Estimated Gross Yield * of a Pennsylvania State Personal Income Tax Under Alternative Assumptions Regarding Both Means Effective Rates and Exemptions † (1940)

Mean Effective Tax Rate (in percent)	Estimated Gross Yield of a Pennsylvania State Personal Income Tax Under Alternative Assumptions Regarding Exemptions	
	Assumption: A	Assumption: B
(1)	(2)	(3)
1.0	$ 14,200,000	$ 12,300,000
1.5	21,400,000	18,300,000
2.0	28,500,000	24,400,000
2.5	35,500,000	30,500,000
3.0	42,600,000	36,600,000
3.5	49,700,000	42,700,000
4.0	56,800,000	48,800,000
4.5	64,000,000	54,900,000
5.0	71,100,000	61,000,000
5.5	78,200,000	67,100,000
6.0	85,300,000	73,200,000
6.5	92,400,000	79,300,000
7.0	99,400,000	85,400,000
7.5	106,600,000	91,500,000
8.0	113,700,000	97,600,000
8.5	120,800,000	103,700,000
9.0	127,900,000	109,800,000
9.5	135,000,000	115,900,000
10.0	142,100,000	122,000,000

Legend:
* 'Gross yield' is defined as 'means effective rate' multiplied by 'value of base.' No allowance has been made for administrative costs and probable degree of effectiveness of administration.
† For alternative assumptions regarding exemptions, see Table B-VIII, note 1.

Table B-X

Estimated Gross Yield of a Pennsylvania State Personal Income Tax If Levied at Rates Imposed in Selected States And Under Alternative Assumptions Regarding Exemptions * (1940)

State	Estimated Gross Yield of a Pennsylvania State Personal Income Tax Under Alternative Assumptions Regarding Exemptions	
	Assumption: A	Assumption: B
(1)	(2)	(3)
New York	$51,651,665	$46,352,927
Minnesota	51,832,139	48,178,913
Georgia	39,030,996	35,740,885
Kansas	27,142,831	24,570,070

Legend:
* For alternative assumptions regarding exemptions, see, Table B-VIII, note 1.

Appendix C

Supplementary Statistical Data

Appendix C contains supplementary statistical data which are believed to be useful in connection with an intensive study of Chapters I to VII, inclusive, of the Report.

Broadly speaking, the data contained in Appendix C may be conveniently divided into four groups. Group I comprises Tables C-I to C-XI, inclusive. These data relate in the main to tax yields for Pennsylvania and competing states. Group II comprising Tables C-XII to C-XXI, inclusive, presents balance sheet and income data upon

which the tax impact differentials presented and discussed in Chapter IV of the Report are based. Group III consists of Table C-XXII, which shows fourteen important series relating to distressed school districts. Perusal of Table C-XXII should prove useful in connection with a study of the materials presented in Chapters II and VII. Group IV consists of Tables C-XXIII to C-XXV, inclusive, which are believed to shed light upon certain matters relating to tax administration.

With a view of preventing misunderstandings regarding the limitation of the tax impact differentials shown and discussed in Chapter IV of the Report, the accountants[1] associated with the Joint State Government Commission who have assumed responsibility for the computation of these differentials wish to submit the statement quoted below. It is suggested that this statement be carefully read before Tables C-XII to C-XXI are used or interpreted.

"The accounts were assigned the task of making certain computations of state and local taxes with a view to showing

a. The effect of including local taxes and state taxes in the comparison by states, and
b. The variation between tax burden as computed for different industries in the same and in different states.

"In connection with carrying out this assignment it is desired to call attention to materials used, the sources of information used, and assumptions made.

Balance Sheets and Income Statements

"The statements for the various industrial groups were furnished by the Pennsylvania Department of Revenue which has stated that the samples were representative of the returns actually filed by leading Pennsylvania industries.

"The data obtained from the Department of Revenue were arranged in columnar form and consisted of anywhere from one to nine companies in various industrial groups. It was found that the companies vary widely in size and the character of the business conducted. It was thought desirable to eliminate very large companies, holding companies, and those showing losses, as well as certain companies in which data were incomplete on the returns. Accordingly the average balance sheet and income statement, as a general rule, is composed of from two to five or six companies, and in two instances is merely one sample company. Certain industries were omitted entirely because of the lack of data for computing sales taxes.

"The accountants are of the opinion that they are not in a position to form any judgment as to whether the samples used are typical or representative of the particular industries as a whole. To form such a judgment would require the consideration of a much larger sample and the consultation of persons thoroughly familiar with a particular industry. It is believed that several levels might be found, and it is also probable that even in the same company conditions may vary considerably from year to year. It is, accordingly, recommended that these financial statements be looked upon as samples taken from the various fields of industry represented in the study.

[1] The accountants associated with the Commission were Dr. S. K. Atkinson, and Professor Charles J. Rowland, C. P. A., assisted by Dr. R. H. Mack and Dr. R. W. Mayer.

Local Property Tax Computations

"The accountants desire to call attention to the following points:

1. The rates used are average mean effective rates for industrial county real property taxes for the selected states. These were compiled under the direction of Dr. Paul H. Wueller and the method used is fully explained elsewhere in the report.

2. The rates are applied to land and depreciated value of buildings as shown in the balance sheets submitted, unless a particular state calls for a special treatment.

3. In such states as tax general property—tangible and/or intangible property—the rates have been applied to the total of all taxable property according to the law of the State in question. Than a Computation was made for real property only. The difference is deemed to be the tax on property other than real property. In our judgment, to assume that general property is taxed at 100% efficiency even at mean effective rates would be grossly misleading and result in absurd comparisons. On the other hand, the accountants have no exact knowledge as to the efficiency of assessments of general property in the various states. Therefore the computations show state taxes and real property taxes in total. The other property taxes are then shown as computed on balance sheet values, on a 25% efficiency basis and a 50% efficiency basis. The reader can then form his own judgment as to the probable burden in comparison with other states.

"The situation with regard to assessment of general property taxes other than real estate is well described by Judge William R. Green in his book on "Theory and Practice of Modern Taxation," who states as follows:

'Direct taxes on tangible personal property are nowhere well administered and in most states very badly enforced. Part of this is owing to the inherent difficulties in enforcing the tax and part of it to the neglect, indifference, or partiality of the assessors. While tangible personal property is, of course, visible when found, it is not always easy to find it. For example: Cattle scattered over thousands of acres of mountains and valleys can not be seen except in part and their number is estimated with great difficulty. Lists are seldom, if ever, made up of property in private residences that is subject to taxation, and as a practical matter it is nearly impossible for the assessor to either list or value it completely. Animals on a farm, farm machinery, and factory machinery which is not affixed to the factory itself may easily be found but even then their value is usually carelessly appraised. On the whole the tax on tangible personal property may be said to be one of those taxes which in its practical application works with much inequality and injustice. But it is likely to remain on the statute books of many states for a long time, for the reason that it can not very well be abolished unless some other tax is substituted for it and the State legislatures are usually very reluctant to make radical changes of this nature. Its application and enforcement could be greatly improved but no very earnest effort has been made to improve its application. There is no doubt but that some of its worst features would be greatly mitigated if tax assessors and collectors were appointed by and made subject to some central authority. This matter also will be considered further on.'

State Tax Laws

"The data for the computation of local and state taxes has been obtained by consulting various tax services. Particular reference was made to the following:

State Tax Guide Service. Published by Commerce Clearing House, Inc., Chicago, Illinois.

Report on Comparative Study of Corporate Taxes in Fifteen Industrial States, by Clarence L. Turner. Published by the Pennsylvania State Chamber of Commerce.

State Tax Services, Commerce Clearing House, Massachusetts, Illinois, Indiana, Pennsylvania, New York New Jersey and Ohio.

Tax Systems of the World, Commerce Clearing House.

Moody's Investment Manual—Municipals.

Various State publications.

"Attention is called to the following matters which have been excluded from our calculations:

1. The fact that some states have a merit rating plan in fixing rates for the unemployment insurance tax. Pennsylvania does not have such a plan and its manufacturers and business men who may have stable employment pay more than they would in New Jersey, for example. No attempt has been made in our calculations to reflect this difference.

2. Sales taxes passed on to the consumer in the various states and cities have been ignored in our calculations.

3. The possible effect of making manufacturers subject to the Pennsylvania Mercantile Tax is not considered. If the Supreme Court after hearing the reargument of the case of Peerless Paper Speciality, Inc., holds manufacturers are liable for the mercantile tax, new regulations will be issued by the Department of Revenue.

Assumptions Made

"It is important that the readers of this chapter have in mind the following assumptions made in the calculations:

1. In each case the corporation is a domestic manufacturing corporation doing an intrastate business and having all assets within the state.

2. The income account is the same as reported for Federal income tax, except that it is assumed to be net income before any state taxes are computed, but after the Pennsylvania local property taxes have been deducted.

3. In making the computations, the accountants have exercised their judgment in supplying details lacking, allocating reserves for depreciation to particular assets, etc. This resulted in rather arbitrary decisions at times due to the lack of definite information.

4. In computing local taxes the mean effective rates developed from published rates are applied to book values, unless a particular state law prescribes a special procedure. This method, of course, does not take into consideration inefficiency of local assessors, local practices, failure to reach tangible and intangible personal property, etc.

5. In computing state income taxes where the State and Federal Income tax are interdependent, that is, where the state law permits both the deduction of the Federal and State income taxes in determining the net income upon which the tax is based, algebraic formulae were used. The Federal rates imposed by the Second Revenue Act of 1940 were used in these calculations. However, to avoid undue mathematical difficulties it was assumed that the corporations in question were not subject to the Declared Value Excess Profits Tax, nor to the new Excess Profits Tax imposed by the Second Revenue Act of 1940. In addition the information upon which to calculate such excess profits taxes was not available, requiring as it does information concerning invested capital and base period income, etc.

Conclusions

"The Accountants believe the results obtained in this investigation should be looked upon in the following manner:

1. It is an attempt to indicate the total state and local tax burden based upon published rates and book values. It is not a result that can be said to have a high degree of precision when applied to the affairs of a single company because of the great importance which special facts and circumstances have in individual cases.

2. The results, particularly with respect to taxes on property other than real estate, if 100 per cent assessment is made, are absurd. For example, if the rates are applied in some of the cases under review, the corporation would pay 50-70% of its net income for local taxes. This leads to the practical conclusion that the general property tax law is not very well enforced and to the extent that it is enforced the rates are applied to valuations much lower than the book values."

—STERLING K. ATKINSON.

Appendix C

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Table C-I

Value Added by Manufacture in Fourteen 'Competitive States' 1927-1937 *

($000)

State	1927	1929	1931	1933	1935	1937
(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States	27,585,210	31,783,010	19,357,643	14,538,018	19,496,269	25,173,539
Pennsylvania	2,987,502	3,426,354	1,982,419	1,454,489	1,960,950	2,664,410
California	1,588,592	1,337,818	763,335	609,381	826,623	1,091,597
Connecticut	688,724	806,059	470,324	357,459	504,279	680,787
Illinois	2,464,911	2,921,155	1,721,448	1,200,784	1,688,986	2,319,036
Indiana	926,311	1,135,820	636,329	470,270	720,985	1,018,980
Massachusetts	1,639,039	1,706,535	1,139,191	868,122	1,019,992	1,256,490
Michigan	1,898,263	2,065,947	1,248,601	940,946	1,588,489	2,091,663
New Jersey	1,460,853	1,765,993	1,138,620	807,196	1,064,630	1,362,708
New York	4,595,889	4,957,258	3,397,583	2,399,873	3,008,157	3,316,180
North Carolina	593,827	692,402	381,509	319,140	377,957	475,834
Ohio	2,353,197	2,882,285	1,561,121	1,140,467	1,681,103	2,306,627
Tennessee	262,604	319,688	207,182	172,939	227,575	295,627
West Virginia	202,332	251,316	160,703	134,375	173,142	222,774
Wisconsin	820,325	948,782	529,402	370,037	546,044	709,824

* United States Department of Commerce, Biennial Census of Manufacturers, 1937 (for 1937 figures) and Statistical Abstract of the United States, 1938, Table 793 (for years prior to 1937).

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TABLE C-II

STATE TAX COLLECTIONS IN 'COMPETITIVE STATES' 1929-1939 *

($000)

State	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	125,851	142,791	165,393	136,099	141,485	125,353	140,069	180,458	278,087	264,548	235,055
California	93,729	90,261	99,175	89,963	77,763	127,231	154,845	185,200	226,162	241,365	244,562
Connecticut	29,939	31,967	33,964	29,824	25,799	25,309	26,433	32,537	38,062	29,144	38,809
Illinois	58,271	82,032	110,626	73,865	79,304	126,769	130,904	153,892	175,520	189,025	188,501
Indiana	37,020	41,265	43,706	41,196†	30,897‡	52,696	61,069	64,047	72,091	73,572	72,740
Massachusetts	50,235	53,525	56,269	52,797†	49,325	75,745	81,967	88,032	105,086	108,374	105,323
Michigan	80,343	98,108	93,550	84,026	50,119	101,695	108,284	122,083	134,853	124,316	133,381
New Jersey	74,899	88,072	78,841	75,792	76,057	96,806	100,536	127,412	112,331	119,151	116,465
New York	312,535	347,935	298,477	253,360	245,750	293,538	293,304	384,357	397,298	422,860	416,287
North Carolina	31,842	35,973	29,367	35,687	36,930	42,426	48,065	56,227	67,780	69,597	66,762
Ohio	58,675	61,650	64,151	57,874†	51,596	96,828	157,771	177,562	183,530	163,981	191,950
Tennessee	21,167	26,954	26,913	25,687	23,072	24,628	26,518	30,316	34,834	40,541	40,716
West Virginia	19,761	20,780	20,466	18,481	15,034	24,530	35,303	39,412	43,014	44,283	41,185
Wisconsin	43,209	48,416	49,191	50,616	47,564	59,501	58,551	68,122	75,543	80,689	75,843

* Sources: 1929—Kimmel, L. H. Cost of Government in the United States, 1935-37, p. 48.
1930—Financial Statistics of States, 1930, U. S. Department of Commerce, Bureau of the Census, Washington, 1932, pp. 64-65.
1931—Financial Statistics of States, 1931, U. S. Department of Commerce, Bureau of the Census, Washington, 1933, pp. 58-59.
1932—Financial Statistics of State and Local Governments, op cit. pp. 9-17.
1933—Wueller, P. H. and associates, op. cit., Table R.-VIII.
1934—1935—Tax Systems, 7th edition, pp. 394-405.
1936—1939—Tax Policy League, Tax Yields, 1939, New York, 1940, p. 52-95.
1939—Massachusetts, Ohio and West Virginia were taken from State and Local Government Special Study No. 10, Preliminary Report, Department of Commerce, Bureau of the Census, Washington, 1940, p. 8.
All Years: Pennsylvania—See Chapter III, Table I, p. 51.
1929—1938—New York—State Tax Commission, pp. 103-108.

† Interpolations. Indiana was estimated by inflating 1933 collections to a twelve month's basis.

‡ Nine months only because of change of fiscal year.

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TABLE C-III

LOCAL TAX COLLECTIONS IN 'COMPETITIVE STATES' 1929, 1932-1938 *

($000)

State	1929	1932	1933	1934	1935	1936	1937	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	343,092	305,188	279,805	289,330	297,536	303,063	299,603	298,700
California	324,585	332,589	277,723	233,059	229,704	255,711	272,544†	289,376
Connecticut	70,356	76,367	72,375	71,957	74,962	78,002	77,295	76,592‡
Illinois	309,393	333,420	290,661	280,472	325,311	292,901	305,400†	317,899
Indiana	128,119	127,463	104,328	84,831	92,734	90,585	96,110	101,973
Massachusetts	244,842	252,171	233,979	220,947	223,753	227,013	234,039	241,271‡
Michigan	243,653	214,096	207,519	154,530	147,496	146,301	156,378†	166,454
New Jersey	239,943	213,854	231,625	214,051	216,213	220,188	229,900†	239,611
New York	740,702	831,265	736,599	752,847	796,266	827,029	868,800	904,157
North Carolina	65,457	56,369	43,756	35,023	34,683	35,821	36,760	37,723‡
Ohio	307,586	301,392	228,302	194,497	181,882	191,725	190,862†	189,998
Tennessee	45,322	42,874	41,881	35,122	34,512	39,652	45,556§	52,393§
West Virginia	50,067	47,134	41,150	26,356	25,791	25,468	26,052	26,701
Wisconsin	131,937	130,453	110,647	89,846	91,136	93,537	99,467†	105,397

* Sources: 1929—Kimmel, L. H., Cost of Government in the United States, 1935-1937, National Industrial Conference Board, New York, 1938, p. 50.
1932—Financial Statistics of State and Local Governments, U. S. Department of Commerce, Bureau of the Census, Washington, 1935, pp. 9-17.
1933—Wueller, P. H. and associates, The Fiscal Capacity of the States: A Source Book, Social Security Board, Bureau of Research and Statistics, Memorandum 29, Washington, April 1938, Table R-VIII.
1934-1936—Tax Systems of the World, seventh edition, Commerce Clearing House, Chicago, 1939, pp. 394-405. Illinois and West Virginia obtained from Kimmel, L. H., op. cit., p. 50.
1937-1938—Tax Policy League, Tax Yields, 1939, New York, 1940, pp. 121-125. North Carolina, Tax Systems, op. cit. 401.
All years: Pennsylvania—See, Chapter III, Table I; p. 4.
New York,—Annual Report of the State Tax Commission, 1938, Albany, 1939, pp. 103-108.

† Interpolations.
‡ Estimated on the basis of the 1936-37 percentage change.
§ Estimated on the basis of the 1935-36 percentage change.

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TABLE C-IV

ESTIMATED STATE TAX IN 'COMPETITIVE STATES'*

(1929-1939)

State	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	13.2	14.8	17.1	14.1	14.6	12.9	14.9	18.4	28.3	26.9	23.8
California	17.2	15.9	17.1	15.2	12.9	20.6	24.6	28.9	34.7	36.5	36.0
Connecticut	18.9	19.9	21.0	18.3	15.8	15.4	15.9	19.5	22.7	23.2	22.8
Illinois	7.8	10.8	14.4	9.6	10.3	16.4	16.9	19.8	22.5	24.1	24.0
Indiana	11.5	12.7	13.4	11.4	9.4	15.9	18.3	19.1	21.4	21.7	21.3
Massachusetts	11.9	12.6	13.2	12.4	11.6	17.7	19.1	20.5	24.5	25.2	24.4
Michigan	17.0	20.3	19.2	17.1	10.1	20.3	21.4	24.0	26.3	24.0	25.6
New Jersey	18.9	21.8	19.5	18.6	18.7	23.7	24.5	31.0	27.3	28.8	28.1
New York	25.3	27.6	23.5	19.8	19.1	22.7	22.5	29.3	30.1	31.8	31.1
North Carolina	10.3	11.3	9.1	11.0	11.2	12.7	14.3	16.5	19.6	19.9	18.9
Ohio	8.8	9.3	9.6	8.6	7.7	14.3	23.3	26.1	26.9	23.9	27.9
Tennessee	8.2	10.3	10.2	9.6	8.5	9.0	9.6	10.8	12.3	14.2	14.1
West Virginia	11.6	12.0	11.7	10.5	8.4	13.6	19.4	21.5	23.3	23.7	31.9
Wisconsin	14.9	16.5	16.6	17.0	15.9	19.7	19.3	22.3	24.5	26.0	24.3

* 1930 and final 1940 population figures taken from U. S. Department of Commerce, Bureau of the Census, release of December 20, 1940. Population figures for 1931-1939 are interpolations.

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TABLE C-V

Estimated Local Per Capita Tax 'Collections in Competitive States' * 1929, 1932-1938

State	1929	1932	1933	1934	1935	1936	1937	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	36.0	31.5	28.8	29.7	30.5	30.9	30.5	30.3
California	59.5	56.1	45.9	37.8	36.5	39.9	41.4	43.4
Connecticut	44.4	46.9	44.2	43.7	45.2	46.8	46.0	45.4
Illinois	41.2	43.4	37.7	36.2	41.9	37.6	39.1	40.5
Indiana	39.9	38.9	31.7	25.6	27.8	27.0	28.5	30.1
Massachusetts	58.8	59.2	54.8	51.7	52.2	52.9	54.5	56.1
Michigan	51.6	43.5	41.8	30.9	29.2	28.7	30.5	32.2
New Jersey	59.1	52.6	56.8	52.4	52.7	53.5	55.7	57.9
New York	59.9	65.1	57.3	58.2	61.1	63.0	65.8	68.0
North Carolina	21.0	17.3	13.3	10.5	10.3	10.5	10.7	10.8
Ohio	47.6	45.0	33.9	28.8	26.8	28.2	27.9	27.7
Tennessee	17.5	16.0	15.5	12.8	12.5	14.2	16.1	18.3
West Virginia	29.4	26.7	23.1	14.7	14.2	13.9	14.1	14.3
Wisconsin	45.4	43.8	36.9	29.8	30.0	30.6	32.3	34.0

* 1930 and final 1940 population taken from U. S. Department of Commerce, Bureau of the Census, release of December 20, 1940. Population figures for 1931-1939 are interpolations.

Appendix C

TABLE C-VI

Estimated State and Local Per Capita Tax Collections in 'Comppetitive States' *

State	1929	1932	1933	1934	1935	1936	1937	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania	49.2	45.6	32.4	42.6	44.8	49.4	58.8	57.2
California	76.7	71.3	58.8	58.4	61.1	68.7	76.3	79.7
Connecticut	63 3	65.3	59.9	59.0	61.2	66.3	68.7	68.5
Illinois	48.9	53.0	48.0	52.6	58.8	57.4	61.5	64.6
Indiana	51.5	51.5	41.0	41.5	46.1	46.1	49.9	51.8
Massachusetts	70.1	71.5	66.4	69.4	71.4	73.4	78.9	81.3
Michigan	68.6	60.5	51.9	51.2	50.7	52.7	56.7	56.2
New Jersey	79.6	71.0	75.5	76.0	77.2	84.5	83.0	86.7
New York	85.2	85.0	75.9	80.8	83.6	92.3	95.8	99.8
North Carolina	31.3	28.3	24.5	23.3	24.5	27.0	30.3	30.7
Ohio	56.7	53.6	41.6	43.7	50.1	54.3	54.8	51.6
Tennessee	25.7	25.6	24.0	21.8	22.1	25.0	28.4	32.5
West Virginia	41.0	37.2	31.5	28.3	33.6	35.4	37.3	38.0
Wisconsin	60.2	60.8	52.8	49.5	49.3	52.9	56.9	60.1

* 1930 and final 1940 population taken from U. S. Department of Commerce, Bureau of the Census, release of December 20, 1940. Population figures for 1931-1939 are interpoplations.

Appendix C

TABLE C-VII

Capital-, Net Income-, Transaction-, and License-, Base State Taxes for Major Taxpayer Groups in 'Competitive States' Fiscal Year 1939*
($000)

State	Business Taxes					Personal Taxes					Total Business and Personal Taxes
	Capital Value	Income	Transactions	License	Total	Capital Value	Income	Transactions	License	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Pennsylvania	34,429	16,423	25,739	7,056	83,647	41,115	0	18,793	0	59,908	143,555
California	414	20,231	20,252	5,662	46,559	8,372	20,510	92,391	4,743	126,016	172,575
Connecticut	0	6,661	5,198	127	11,986	8,407	0	2,571	7	10,985	22,971
Illinois	3,085	0	27,883	3,034	34,002	6,189	0	82,099	775	89,063	123,065
Indiana	188	0	6,370	3,827	10,385	8,170	740	19,981	876	29,767	40,152
Massachusetts	16,381	608	11,498	0	28,487	29,085	18,797	1,165	294	49,341	77,828
Michigan	14,268	0	4,131	8,076	26,475	6,932	0	51,869	0	58,801	85,276
New Jersey	4,464	0	42,562	86	47,112	24,131	0	0	0	24,131	71,243
New York	33,525	45,453	65,363	17,372	161,713	35,450	103,347	1,598	0	140,395	302,108
North Carolina	3,497	6,958	6,272	3,008	19,735	1,455	2,758	10,995	0	15,208	34,943
Ohio	4,346	0	35,424	5,751	45,521	11,970	0	55,562	932	68,464	113,985
Tennessee	1,962	1,793	5,433	1,585	10,773	2,668	1,410	2,714	0	6,792	17,563
West Virginia	1,250	0	1,081	0	2,331	1,902	1,642	20,630	256	24,430	26,761
Wisconsin	14,483	7,501	3,483	5,565	31,032	4,521	7,229	0	14	11,764	42,796

* For Classification of taxes see Tax Systems, 8th edition, Commerce Clearing House, Chicago, 1940, pp. 11-75. Gasoline taxes and motor vehicle registration fees have been omitted.

Appendix C

TABLE C-VIII

Proportional and Progressive State Taxes Imposed Upon Major Groups of Taxpayers in 'Competitive States' Fiscal Year 1939*

State	Proportional			Progressive			Total Taxes
	Business	Personal	Total	Business	Personal	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pennsylvania	83,648	38,830	122,478	0	21,077	21,077	143,555
California	46,559	97,134	143,693	0	28,882	28,882	172,575
Connecticut	11,755	7,272	19,027	231	3,713	3,944	22,971
Illinois	33,628	83,427	117,055	374	5,636	6,010	123,065
Indiana	7,709	28,730	36,439	2,676	1,037	3,713	40,152
Massachusetts	28,487	38,256	66,743	0	11,085	11,085	77,828
Michigan	25,878	53,816	79,694	597	4,985	5,582	85,276
New Jersey	47,113	17,215	64,328	0	6,915	6,915	71,243
New York	161,713	1,599	163,312	0	138,796	138,796	302,103
North Carolina	19,735	11,519	31,254	0	3,689	3,689	34,943
Ohio	45,521	63,018	108,539	0	5,446	5,446	113,985
Tennessee	10,772	5,353	16,125	0	1,438	1,438	17,563
West Virginia	1,647	22,419	24,066	684	2,011	2,695	26,761
Wisconsin	21,021	902	21,923	10,011	10,862	20,873	42,796

* For classification of taxes see Tax Systems, 8th edition Commerce Clearing House, Chicago 1940, pp. 11-75.

Appendix C

TABLE C-IX

Assessed Value of Taxable and Assessed Value of Tax Exempt Real Estate for County Purposes, Pennsylvania, 1937

County	Real Estate Assessments: Taxable (000)	Tax Exempt (000)	Total (000)	Col. (2) / Col. (4) x 100	Col. (3) / Col. (4) x 100
	(1)	(2)	(3)	(4)	(5)	(6)
Adams	$ 15,427	$ 881	$ 16,308	94.6	5.4
Allegheny	1,816,908	425,793	2,242,701	81.0	19.0
Armstrong	44,966	10,390	55,356	81.2	18.8
Beaver	91,592	9,497	101,089	90.6	9.4
Bedford	14,688	1,261	15,949	92.1	7.9
Berks	197,619	28,982	226,601	87.2	12.8
Blair	63,945	11,590	75,535	84.7	15.3
Bradford	18,233	4,378	22,611	80.6	19.4
Bucks	65,965	11,283	77,248	85.4	14.6
Butler	59,089	5,984	65,073	90.8	9.2
Cambria	145,151	23,130	168,281	86.3	13.7
Cameron	1,754	461	2,215	79.2	20.8
Carbon	29,579	4,734	34,313	86.2	13.8
Centre	14,900	2,153	17,053	87.4	12.6
Chester	102,731	18,427	121,158	84.8	15.2
Clarion	8,930	1,991	10,921	81.8	18.2
Clearfield	14,490	3,283	17,773	81.5	18.5
Clinton	10,685	2,074	12,759	83.7	16.3
Columbia	27,344	5,260	32,604	83.9	16.1
Crawford	35,060	1,213	36,273	96.7	3.3
Cumberland	46,837	14,538	61,375	76.3	23.7
Dauphin	120,114	70,488	190,602	63.0	37.0
Delaware	269,861	34,282	304,143	88.7	11.3
Elk	7,662	1,621	9,283	82.5	17.5
Erie	115,617	16,521	132,138	87.5	12.5
Fayette	77,202	4,715	81,917	94.2	5.8
Forest	1,460	270	1,730	84.4	15.6
Franklin	33,789	7,331	41,120	82.2	17.8
Fulton	2,103	154	2,257	93.2	6.8
Greene	41,611	2,334	43,945	94.7	5.3
Huntingdon	19,575	4,544	24,119	81.2	18.8
Indiana	34,568	6,964	41,532	83.2	16.8
Jefferson	18,175	2,562	20,737	87.6	12.4
Juniata	4,513	312	4,825	93.5	6.5
Lackawanna	176,914	25,335	202,249	87.5	12.5
Lancaster	136,566	20,097	156,663	87.2	12.8
Lawrence	63,057	10,460	73,517	85.8	14.2
Lebanon	62,314	6,304	68,618	90.8	9.2
Lehigh	146,363	22,664	169,027	86.6	13.4
Luzerne	303,842	37,543	341,385	89.0	11.0
Lycoming	32,691	8,396	41,087	79.6	20.4
McKean	32,755	4,466	37,221	88.0	12.0
Mercer	53,103	8,015	61,118	86.9	13.1
Mifflin	15,158	3,828	18,986	79.8	20.2
Monroe	16,971	2,655	19,626	86.5	13.5
Montgomery	276,078	39,631	315,707	87.4	12.6
Montour	4,743	4,530	9,273	51.1	48.9
Northampton	116,294	25,755	142,049	81.9	18.1
Northumberland	48,132	9,680	57,812	83.3	16.7
Perry	9,128	1,492	10,620	86.0	14.0
Philadelphia*	2,637,722	691,930	3,329,652	79.2	20.8
Pike	9,394	524	9,918	94.7	5.3
Potter	4,403	651	5,054	87.1	12.9
Schuylkill	117,868	11,862	129,730	90.9	9.1
Snyder	7,085	734	7,819	90.6	9.4
Somerset	29,637	7,768	37,405	79.2	20.8
Sullivan	2,630	374	3,004	87.5	12.5
Susquehanna	16,215	9,167	25,382	63.9	36.1
Tioga	11,580	2,948	14,528	79.7	20.3
Union	7,662	1,761	9,423	81.3	18.7
Venango	33,515	8,714	42,229	79.4	20.6
Warren	19,853	9,038	28,891	68.7	31.3
Washington	124,875	18,557	143,432	87.1	12.9
Wayne	13,785	5,633	19,418	71.0	29.0
Westmoreland	152,018	18,387	170,405	89.2	10.8
Wyoming	5,080	861	5,941	85.5	14.5
York	76,507	9,869	86,376	88.6	11.4
Totals	$8,336,079	$1,769,030	$10,105,109	82.5	17.5

Legend: Columns (2), (3), and (4) through the courtesy of the Pennsylvania Department of Internal Affairs, Bureau of Statistics, Division of Assessments and Taxes.

* Philadelphia assessments are for city purposes primarily, but are included for the sake of completeness.

Appendix C

TABLE C-X

County Personal Property Tax Collections, Combined Real Property and Occupation Tax Colections, Total County Tax Collections and Personal Property Tax Collections as Percent of Total Tax Collections, Fiscal Year 1938*

County	Personal Property† Tax Collections	Real Estate† and Occupation Taxes	Total Tax† Collections	Col. (2) / Col. (4) x 100
	(1)	(2)	(3)	(4)	(5)
Adams	$ 16,473	$ 101,001	$ 117,474	14.0
Allegheny	2,292,676	12,726,890§	15,019,566	15.3
Armstrong	21,103	228,763	249,866	8.4
Beaver	50,872	736,897	787,769	6.5
Bedford	‡	‡	132,984‡	
Berks	256,538	1,044,794	1,301,332	19.7
Blair	49,435	379,680	429,115	11.5
Bradford	30,176	208,703	238,879	12.6
Bucks	134,081	232,235	366,316	36.6
Butler	54,979	233,050	288,029	19.1
Cambria	21,116	667,907	719,023	7.1
Cameron	4,258	35,328	39,586	10.8
Carbon	22,127	371,557	393,684	5.6
Centre	23,696	111,083	134,779	17.6
Chester	181,931	266,118	448,049	40.6
Clarion	25,567	80,226	105,793	24.2
Clearfield	24,445	140,855	165,300	14.8
Clinton	17,848	97,068	114,916	15.5
Columbia	16,249	153,210	169,459	9.6
Crawford	51,744	294,953	346,697	14.9
Cumberland	‡	‡	201,439‡	
Dauphin	165,165	600,089§	765,254	21.5
Delaware	504,480	1,066,007§	1,570,487	32.1
Elk	19,668	130,488	150,156	13.1
Erie	157,890	728,533	886,423	17.8
Fayette	44,493	695,803	740,296	6.0
Forest	‡	‡	18,756‡	
Franklin	‡	‡	251,257‡	
Fulton	1,893	20,195	22,088	8.6
Greene	18,927	308,852	327,779	5.8
Huntingdon	‡	‡	80,229‡	
Indiana	16,625	273,918	290,543	5.7
Jefferson	22,683	152,005	174,688	12.9
Juniata	3,736	29,217	32,953	11.3
Lackawanna	213,547	855,325§	1,068,872	19.9
Lancaster	211,617	288,856§	500,473	42.3
Lawrence	71,379	403,876	475,255	15.0
Lebanon	56,336	171,028§	227,364	24.8
Lehigh	141,794	674,247	816,041	17.4
Luzerne	248,881	2,009,408	2,258,289	11.0
Lycoming	67,501	301,281	368,782	18.4
McKean	100,779	274,983	375,762	26.8
Mercer	42,612	361,490	404,102	10.5
Mifflin	‡	‡	104,838‡	
Monroe	23,310	120,554§	143,864	16.2
Montgomery	894,107	678,995§	1,573,102	56.8
Montour	8,178	37,476	45,654	17.9
Northampton	161,446	1,198,250	1,359,696	11.9
Northumberland	52,624	290,630	343,354	15.3
Perry	5,405	57,933	63,398	8.5
Philadelphia	3,467,623	39,200,970§	42,668,593	8.8
Pike	12,957	36,746§	49,703	26.1
Potter	6,169	53,427	59,596	10.4
Schuylkill	86,727	592,290	679,017	12.8
Snyder	3,844	51,982	55,826	6.9
Somerset	21,131	253,185	274,316	7.7
Sullivan	3,181	31,180	34,361	10.2
Susquehanna	16,550	150,936	167,486	9.9
Tioga	‡	‡	130,288‡	
Union	5,066	64,068	69,134	7.3
Venango	223,104	160,884	383,988	5.8
Warren	‡	‡	210,962‡	
Washington	110.669	834,860	945,529	11.7
Wayne	13,758	80,607	94,365	14.6
Westmoreland	108,573	943,851§	1,052,424	10.3
Wyoming	4,147	67,623	71,770	5.8
York	‡	‡	710,442‡	
Total, excluding Philadelphia			42,198,917	
Total, including Philadelphia			84,867,510	12.9¶

* From Joint State Government Commission.
† Total amount actually collected, including penalties.
‡ Collections not separable for the various taxes.
§ No occupation tax levied in this county.
¶ Not exact, since those counties were excluded where information was incomplete or unavailable.

TABLE C-XI

Pennsylvania Local Tax Collections by Levels of Government*
1929-1937
($000)

	Levels of Government												
			Cities						Townships				
Year	Counties	Poor Districts	First Class	Second Class	Second Class A	Third Class	Total	Boroughs	First Class	Second Class	Total	School Districts	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1929	$48,727	5,081	$66,753	$22,648	.....	$19,231	$108,632	$21,224	$5,182	$13,529	$18,711	$140,719	$343,094
1930	50,847	5,482	63,933	23,824	.....	20,095	107,852	21,288	5,265	13,364	18,629	145,851	349,949
1931	47,590	5,759	63,753	22,912	.....	19,471	106,136	20,556	5,141	11,992	17,133	136,633	333,807
1932	41,940	7,305	61,651	17,765	2,009	18,153	99,578	17,530	4,869	9,488	14,357	124,479	305,189
1933	39,847	6,396	58,162	15,249	1,639	15,386	90,433	15,169	4,393	7,256	11,649	116,180	279,674
1934	40,457	7,006	58,102	15,723	1,738	17,171	92,734	15,911	4,801	6,048	10,849	122,374	289,331
1935	40,901	7,084	58,288	17,564	1,645	17,914	95,411	16,961	4,942	5,684	10,626	126,552	297,535
1936	45,701	7,318	54,199	17,441	1,477	19,069	92,186	17,286	5,125	5,541	10,666	129,906	303,063
1937	47,794	6,623	51,290	17,923	1,657	18,784	89,654	18,560	5,592	5,453	11,045	125,927	299,603

* From Pennsylvania Department of Internal Affairs, Bureau of Statistics, Division of Assessments and Taxes.

Appendix C

TABLE C-XII

Turner's Manufacturing Corporations*
Statement of Assets and Liabilities

	Assets	Book Value	Actual Value
(A) FIXED ASSETS			
Land		$ 300,000.00	$ 300,000.00
Buildings	$3,000,000.00		
Less—Reserve for Depreciation	1,400,000.00	1,600,000.00	1,600,000.00
Machinery and Equipment	3,650,000.00		
Less—Reserve for Depreciation	2,640,000.00	1,010,000.00	1,010,000.00
INVESTMENTS			
Stocks of Domestic Corporations		575,000.00	500,000.00
Stocks of Foreign Corporations		550,000.00	375,000.00
Bonds		175,000.00	100,000.00
CURRENT ASSETS			
(B) Cash		560,000.00	560,000.00
Notes Receivable		80,000.00	10,000.00
Accounts Receivable		3,750,000.00	3,650,000.00
(C) Inventories		2,100,000.00	1,675,000.00
DEFERRED CHARGES		60,000.00	
		$10,760,000.00	$ 9,780,000.00
	Liabilities		
CAPITAL AND SURPLUS			
(D) Capital Stock		$ 3,500,000.00	
Paid in Surplus		250,000.00	
Surplus and Undivided Profits		3,230,000.00	
CURRENT LIABILITIES			
Notes Payable		500,000.00	
Accounts Payable		2,550,000.00	
Accrued Taxes Payable		60,000.00	
RESERVES (Other than Depreciation)		670,000.00	
		$10,760,000.00	

Notes—Necessary Supplemental Data

(A)	Tangible property outside of state illustrated	$10,000.00
(B)	Cash outside of state illustrated	25,000.00
(C)	Inventories classified at actual values as follows:	
	Work in Process (Labor & Overhead)	$ 1,050,000.00
	Materials	625,000.00
		$ 1,675,000.00

(D) Authorized capital consists of 100,000 shares having a par value of $100.00 per share.

Turner's Manufacturing Corporation†
Statement of Profit and Loss

(1) Gross Sales		$18,000,000.00
Returns and Allowances		725,000.00
Net Sales		17,275,000.00
(2) Cost of Sales		14,225,000.00
Gross Profit		$ 3,050,000.00
Other Income		
(3) Rents	$ 60,000.00	
(3) (4) Interest	10,000.00	
(3) Dividends	115,000.00	
(5) Capital Losses	2,000.00	
Miscellaneous	53,000.00	236,000.00
		$ 3,286,000.00
Other Deductions		
(6) Interest Paid	$ 32,000.00	
Miscellaneous	2,422,000.00	2,454,000.00
Net Income before Federal Income and State Taxes		$ 832,000.00

Notes: Necessary Supplemental Data

(1) Allocation of gross sales in all states where required with exception of (Ohio)	$3,900,000.00
(Ohio) sales allocated to state on basis of origin of shipment.	
(2) Allocation of wages (Connecticut, Massachusetts and Pennsylvania):	
Total wages paid	2,720,000.00
Wages paid in the state illustrated	2,310,000.00
(3) Rents, interest and dividends are allocated to state illustrated.	
(4) Includes income from bonds of $3,000.00. (Ohio)	
(5) Gross proceeds from sale of capital assets, $30,000.00.	
(6) Includes rent paid of $30,000.00. (Conn.)	

* Turner, C. L., Report on Comparative Study of Corporate Taxes in Fifteen Industrial States, Pennsylvania State Chamber of Commerce, Harrisburg, Pa., 1938, p. 17.

† Turner, C. L., Report on Comparative Study of Corporate Taxes in Fifteen Industrial States, Pennsylvania State Chamber of Commerce, Harrisburg, 1938, Page 18.

Appendix C

TABLE C-XIII

Average Corporation A
Income Account Before Deduction for State and Federal Taxes*

	Income	
Gross Sales		$ 725,591
Less: Sales Return and Allowance		8,381
Net Sales		$ 717,210
Less: Cost of Goods Sold		551,785
Gross Profit on Sales		$ 165,425
Interest on Loans, Notes, Mtgs., etc.	$ 1,159	
Rents	221	
Capital Gains/Loss	(567)†	
Dividends	604	
Other Income	6,644	$ 8,061
Total Income		$ 172,487

Expenses		
Deductions		
Compensation of officers	$ 25,311	
Salaries and wages	40,090	
Rent	5,863	
Repairs	6,498	
Bad Debts	968	
Interest	2,129	
Taxes	9,060	
Contributions or Gifts	477	
Losses by Fire, Storm, etc.	5,285	
Depreciation	11,747	
All Other Deductions Authorized	98,715	
Total Deductions		$ 146,143
Net Income		$ 26,344

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.
† Minus figure.

Appendix C

TABLE C-XIV

Average Corporation B

Income Account Before Deduction of State and Federal Taxes*

Income		
Gross Income		
Gross Sales		$634,190
Less Sales Returns and Allowances		125
Net Sales		$634,065
Less Cost of Goods Sold		21,776
Gross Profit on Sales		$112,289
Interest on Loans, Notes, Mtgs.	$2,328	
Rent	4,846	
Royalties	2,124	
Gain on Sale and Exchange of Assets	1,953	
Other Income	820	12,071
Total Income		$124,360

Expenses		
Deductions		
Compensation of Officers	$40,731.50	
Rent	4,846	
Repairs	3,609.50	
Bad debts	308	
Interest	3,455.50	
Taxes	23,241	
Depreciation	22,507.50	
Total Deductions		$94,301.50
Net Income		$30,058.50

* Constructed by Accountants' Committee from balance Sheets supplied by the Pennsylvania Department of Revenue.

Appendix C

TABLE C-XV

Average Corporation C

Income Account Before Deduction for State and Federal Taxes *

Gross Sales		$2,207,673
Less: Returns and Allowances		41,476
Net Sales		$2,166,197
Less: Cost of Goods Sold		1,518,357
Gross Profit from Sales		647,840
Other Income		
Interest on Loans, Notes, etc.	$9,383	
Royalties	735	
Dividends	4,599	
Miscellaneous Income	12,380	27,597
Total Income		$675,437
Deductions		
Compensation of Officers	$113,645	
Salaries and Wages	57,534	
Repairs	25,694	
Bad Debts	10,745	
Interest	4,054	
Taxes	74,117	
Contributions or Gifts	4,347	
Depreciation	40,652	
Other Deductions Authorized by Law	179,085	
Total Deductions		509,873
Net income		$165,564

*Constructed by Accountants' Committee from Income Accounts supplied by Pennsylvania Department of Revenue.

Appendix C

TABLE C-XVI

Average Corporation D

Income Account Before Deduction for State and Federal Taxes *

Gross Income		
Net Sales		$921,388
Less: Cost of Goods Sold		735,801
Gross Profit		$185,587
Interest on Loans	$169	
Interest on U. S. Obligations	199	
Royalties	30	
Capital Gains	223	
Dividends	162	
Other Income	3,391	4,174
Gross Income		$189,761
Deductions		
Compensation of Officers	30,070	
Salaries and Wages	37,229	
Rent	5,035	
Repairs	3,027	
Bad Debts	897	
Interest	1,615	
Taxes	13,373	
Contributions or Gifts	460	
Loss by Fire, Storm, etc.	179	
Depreciation	7,447	
Other Deductions	72,588	
Total Deductions		$171,920
Net Income		$17,841

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.

Appendix C

TABLE C-XVII

Average Corporation E

Income Account Before Deduction for State and Federal Taxes *

Gross Income		
Sales		$720,479
Less Sales Returns and Allowances		4,402
Net Sales		$716,077
Loss		574,470
Gross profit		$141,607
Interest on Loans, Notes, etc.	$1,367	
Interest on obligation of U. S.	637	
Rents	640	
Capital Gain/Loss	910	
Dividends	1,750	
Other Income	943	6,247
Gross Income		$147,854
Deductions		
Compensation of officers	$24,140	
Salaries and Wages	30,730	
Rent	3,555	
Repairs	4,361	
Bad Debts	6,444	
Interest	1,675	
Taxes	12,111	
Depreciation	14,301	
Other Deductions	30,041	
Total Deductions		127,358
Net Income		$20,496

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.

Appendix C

TABLE C-XVIII

Average Corporation F

Income Account Before Deduction for State and Federal Taxes *

Income		
Gross Income		
Gross Sales		$4,879,836
Less: Sales Return and Allowances		59,629
Net Sales		$4,820,207
Less Cost of Goods Sold		3,163,505
Gross Profit on Sales		$1,656,702
Interest on Bonds, Notes, Mtgs.	$10,948	
Interest on U. S. Obligations	2,792	
Rents	11,925	
Royalties	2,495	
Capital Gain/Loss	2,172	
Gain/Loss on Sale or Exchange of Capital Assets	(306)†	
Dividends	14,068	
Other Income	30,431	74,527
Total Income		$1,731,229

Expenses		
Deductions		
Compensation of officers	$61,802	
Salaries and Wages	236,955	
Rents	6,010	
Repairs	141,983	
Bad Debts	23,330	
Interest	1,315	
Taxes	140,981	
Contributions and Gifts	1,354	
Depreciation	137,035	
All other Deductions Authorized	538,681	
Total Deductions		1,299,446
Net Income		$431,783

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.
† Minus figure.

Appendix C

TABLE C-XIX

Average Corporation G

Income Account Before Deduction for State and Federal Taxes *

Gross Income		
Net Sales		$4,381,323
Less: Cost of Goods Sold		2,885,881
Gross Profit		$1,495,442
Interest on Loans	$4,203	
Interest on U. S. Obligations	4,901	
Rents	419	
Royalties	17,792	
Capital Gain/Loss	(1,214)†	
Dividends	111,291	
Other Income	9,166	146,558
Gross Income		$1,642,000
Deductions		
Compensation of Officers	$74,669	
Salaries and Wages	137,652	
Rent	11,202	
Repairs	177,818	
Bad Debts	7,318	
Interest	3,003	
Taxes	119,479	
Contributions or Gifts	2,513	
Losses by Fire, Storm, etc.	122	
Depreciation	114,089	
Other Deductions	335,032	
Total Deductions		982,897
Net Income		$659,103

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.
† Minus figure.

Appendix C

TABLE C-XX

Average Corporation H

Income Account Before Deduction for State and Federal Taxes *

Gross Sales		
Net Sales		$18,966,345
Less: Cost of Goods Sold		14,156,685
Gross Profit		$4,809,660
Interest on Loans, Mortgages, etc.	$3,093	
Interest on Obligations of U. S.	64,722	
Rents	29,001	
Capital Gain/Loss	12,813	
Gain/Loss on Exchange of Property	5,863	115,492
Gross Income		$4,925,152
Deductions		
Compensation of Officers	$110,000	
Salaries and Wages	612,657	
Rents	60,105	
Repairs	142,672	
Bad Debts	2,820	
Interest	11	
Taxes	390,422	
Contributions or Gifts	2,364	
Depreciation	416,175	
Other Deductions Authorized by Law	2,156,412	
Total Deductions		3,893,638
Net Profit		$1,031,514

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.

Appendix C

TABLE C-XXI

Average Corporation I

Income Account as Reported for Federal Income Tax*

Gross Income		
Net Sales		$9,646,529
Less: Cost of Goods Sold		7,699,482
Gross Profit		$1,947,047
Interest on Notes, Bonds, etc.	$2,072	
Interest on U. S. Obligations	1,676	
Rents	96	
Royalties	9,176	
Capital Gain/Loss	(49)†	
Dividends	331	
Other Income	13,529	26,831
Gross Income		$1,973,878
Deductions		
Compensation of Officers	$99,451	
Salaries and Wages	422,666	
Rent	6,453	
Repairs	190,763	
Bad Debts	11,343	
Interest	11,799	
Taxes	221,197	
Contributions or Gifts	3,343	
Loss by Fire, Storm, etc	3,060	
Depreciation	309,427	
Depletion	280	
Other Deductions	112,466	
Total Deductions		1,392,248
Net Income		$581,630

* Constructed by Accountants' Committee from income statements supplied by the Pennsylvania Department of Revenue.
† Minus figure.

Appendix C

TABLE C-XXII

SELECTED FISCAL DATA FOR DISTRESSED SCHOOL DISTRICTS 1938-1939*

County and School District	Class of District	Assessed Value of Taxable Property (000)	Nominal Millage for School Purposes	True Valuation of Property (000)	Effective millage for School Purposes	True Valuation per Teacher	Average Daily Membership	Per Capita Tax Rate	Taxes Levied			Taxes Collected		
									Per Capita Tax	Property	Total	Per Capita Tax	Property	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Adams														
Biglerville	4	$ 400	20	$ 464	17.2	$ 36	361	$ 4.00	$ 1,768	$ 7,901	$ 9,669	$ 1,272	$ 7,396	$ 8,668
Hamiltonban	4	514	17	911	9.6	65	344	3.00	2,349	8,834	11,183	914	6,675	7,589
Mt. Joy	4	396	15	518	11.5	58	279	4.00	2,520	5,983	8,503	1,677	5,283	6,960
Allegheny														
Elizabeth	3	3,880	24	4,474	20.8	104	1,474	5.00	18,895	93,113	112,008	5,297	73,410	78,707
Glassport	3	6,230	17	8,584	12.3	187	1,484	3.00	13,983	105,913	119,896	4,896	78,037	82,933
Homestead	3	12,608	19	21,041	11.4	174	3,002	.....	.....	240,197	240,197	.....	197,290	197,290
N. Versailles	3	4,038	27	5,088	21.4	164	1,332	4.00	12,324	109,016	121,340	2,512	67,337	69,849
Plum	3	5,605	16	6,426	14.0	174	1,365	5.00	12,440	89,675	102,115	4,363	75,435	79,798
Stone	3	10,329	21	14,695	14.8	100	2,793	2.00	12,906	216,911	229,817	2,432	183,593	186,025
Turtle Creek	3	10,778	18	14,595	13.8	160	2,696	3.50	18,949	193,996	212,945	861	157,588	158,449
Braddock	4	912	25	1,576	14.5	153	312	2.50	2,260	22,801	25,061	610	11,970	12,580
Castle Shannon	4	2,609	20	3,960	13.2	228	529	3.00	5,616	52,184	57,800	2,444	41,885	44,329
Glenfield	4	548	20	838	13.1	209	132	5.00	2,435	10,960	13,395	981	7,226	8,207
Leet	4	937	20	1,545	12.1	193	182	5.00	2,880	18,747	21,627	1,637	15,917	17,554
Lincoln	4	366	20	505	14.5	126	254	4.00	1,260	7,328	8,588	182	3,218	5,400
Patton	4	2,905	20	3,837	15.1	132	1,173	2.50	5,407	58,095	63,503	1,876	37,900	39,777
Port Vue	4	3,276	27.5	5,358	16.8	225	722	.....	.....	70,438	70,438	.....	58,071	58,071
Verona	4	3,606	16	3,449	16.7	108	877	3.00	6,918	57,700	64,618	3,535	48,793	52,329
Wall	4	797	22	1,151	15.2	96	332	1.00	921	17,534	18,455	255	9,306	9,531
West Elizabeth	4	654	23	827	18.2	118	232	3.00	1,623	15,034	16,657	403	10,428	10,831
Armstrong														
Brady's Bend	4	671	12	810	9.9	58	379	5.00	4,085	8,056	12,141	1,243	6,380	7,623
Cadogan	4	198	20	253	15.7	31	184	5.00	1,500	3,967	5,467	1,013	3,865	4,878
Mahoning	4	617	15	649	14.3	36	447	5.00	5,685	9,253	14,938	1,134	4,448	5,582
N. Apollo	4	451	20	459	19.6	57	337	5.00	2,785	9,016	11,771	1,026	5,946	6,973
Red Bank	4	807	15	820	14.8	45	411	4.00	3,736	12,812	16,548	454	6,054	6,509
S. Bethlehem	4	223	12	221	12.1	110	108	5.00	1,485	2,673	4,158	945	2,315	3,216
Beaver														
Monaca	3	3,231	28	4,545	19.9	71	1,857	.....	.....	90,479	90,479	.....	71,574	71,574
Big Beaver	4	591	14	875	9.5	109	226	2.00	1,350	8,274	9,624	477	5,504	5,981
Center	4	638	20	689	18.5	89	380	.....	.....	12,755	12,755	.....	9,233	9,233
Conway	4	647	30	818	23.7	74	363	5.00	4,070	19,338	23,408	1,675	15,495	17,171
E. Rochester	4	244	18	429	10.2	107	139	3.00	909	4,390	5,299	326	3,389	3,715
Homewood	4	80	25	82	24.5	41	73	5.00	905	2,002	2,907	172	1,294	1,467
Hopewell	4	1,218	24	1,181	24.8	73	687	1.00	1,602	29,243	30,845	671	21,091	21,762
Industry	4	618	18	1,136	9.8	189	217	3.00	1,800	11,126	12,926	786	8,775	9,561
New Galilee	4	177	25	195	22.7	61	108	2.00	616	4,432	5,048	276	3,822	4,098
Ohio	4	529	12	536	11.8	76	262	3.00	1,758	6,344	8,012	714	4,000	4,714
Rochester	4	1,321	20	2,583	10.2	12	391	.....	.....	26,414	26,414	.....	15,480	15,480
So. Heights	4	208	23	388	12.3	129	105	5.00	1,675	4,781	6,456	850	3,712	4,563
Bedford														
Bedford	4	1,046	12	1,077	11.7	67	415	3.00	3,621	12,556	16,117	1,873	11,694	13,567
Broad Top	4	749	22	792	20.8	20	892	3.00	5,349	16,480	21,829	960	8,972	9,932
East Providence	4	290	13	307	12.3	26	270	2.00	1,260	3,776	5,036	978	3,129	4,107
Hopewell	4	77	20	78	19.7	20	60	3.00	606	1,543	2,149	155	1,037	1,192
Liberty	4	393	20	406	19.4	33	†	5.00	3,615	7,856	11,471	2,296	7,250	9,546
Londonderry	4	262	12	288	10.9	32	306	5.00	3,375	3,188	6,513	1,479	2,980	4,459
Monroe	4	338	14	312	15.2	21	261	2.00	1,388	4,712	6,100	854	3,616	4,470
Rainsburg	4	53	14	51	14.6	25	45	2.00	258	740	998	233	753	986
Union	4	51	15	71	10.7	24	80	5.00	665	764	1,429	315	528	843
Berks														
Cumru	3	3,007	25	5,037	14.9	157	1,103	3.00	10,749	75,163	85,912	7,806	46,541	54,347
Spring	3	4,541	20	7,989	11.4	168	1,541	4.00	16,732	30,829	107,561	9,419	77,476	86,896
Douglass	4	555	20	730	15.2	91	281	5.00	3,720	11,096	14,816	1,347	6,866	8,214
Tilden	4	479	16	695	11.0	99	211	5.00	2,935	7,984	10,919	2,025	7,027	9,052
Blair														
Altoona	2	74,977	14.5	94,761	11.5	174	14,680	5.00	230,510	1,087,162	1,317,672	184,219	1,097,042	1,281,261
Logan	3	2,942	30	3,695	23.9	88	1,591	4.00	18,708	88,259	106,967	5,483	60,253	65,736
Tyrone	3	2,900	32	7,582	12.2	105	1,985	5.00	26,700	92,633	119,403	10,639	75,464	86,103
Antis	4	690	25	1,108	15.6	48	†	5.00	8,790	17,260	26,050	1,957	10,919	12,877
Duncansville	4	371	25	588	15.8	74	252	5.00	3,855	9,281	13,136	947	6,861	7,708
Freedom	4	399	20	567	14.1	63	353	4.00	3,244	7,974	11,208	.....	5,375	5,375
Juniata	4	145	20	313	9.3	53	134	3.00	765	3,179	3,994	96	1,367	1,463
Newry	4	61	15	109	8.5	55	38	2.00	404	919	1,323	122	509	631
Northwoodbury	4	638	23	1,268	11.6	91	265	4.00	3,056	14,683	17,739	1,468	12,813	14,281
Williamsburg	4	768	18	1,198	11.5	67	555	5.00	5,915	13,820	19,735	.....	14,305	14,305
Woodbury	4	445	16	697	10.2	70	287	5.00	1,990	7,126	9,116	717	5,166	5,883

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Bradford														
Monroe	4	195	20	151	25.9	29	50	3.00	1,590	3,896	5,486	787	2,797	3,584
No. Towanada	4	146	23	145	23.2	73	15	3.00	996	3,369	4,365	636	3,293	3,929
Sheshequin	4	417	15	434	14.4	50	81	4.00	2,080	6,248	8,328	1,128	5,268	6,396
South Creek	4	191	18	204	16.8	55	105	3.00	1,209	3,430	4,639	735	3,078	3,813
Bucks														
Morrisville	3	2,724	25	4,051	16.8	45	1,163	3.00	9,855	68,202	78,057	7,497	61,477	68,974
Butler														
Bruin	4	302	24	367	19.7	57	190	5.00	1,820	7,247	9,067	946	3,934	4,880
Evansburg	4	843	20	903	18.7	60	536	5.00	4,780	16,868	21,648	2,326	14,466	16,792
Cambria														
Adams	3	3,002	30	3,550	25.4	70	1,836	5.00	12,980	90,062	103,012	8,403	80,039	88,442
Nanty-Glo	3	1,381	30	2,629	15.8	69	1,348	5.00	13,930	41,439	55,369	10,121	31,621	41,742
Portage	3	1,318	30	1,505	26.3	32	1,488	5.00	11,400	39,528	50,928	4,872	32,112	36,984
Ashville	4	81	25	90	22.4	...	153	5.00	930	2,014	2,944	268	900	1,160
Cassandra	4	83	30	104	24.1	34	101	3.20	768	2,505	3,273	186	1,615	1,801
Cresson	4	737	14	981	10.5	126	249	5.00	4,225	10,312	14,537	982	8,852	9,834
Croyle	4	1,371	21	1,418	20.3	56	880	5.00	7,495	28,794	36,289	3,743	22,081	25,824
Daisytown	4	106	25	135	19.6	45	71	5.00	1,010	2,651	3,661	438	1,880	2,318
Dale	4	1,301	23	1,845	16.2	57	786	5.00	9,580	29,932	39,512	4,229	25,585	28,814
East Carroll	4	723	16	760	15.2	63	281	4.00	2,640	11,562	14,612	1,400	7,060	8,400
East Conemaugh	4	1,696	21	1,922	18.5	49	1,357	5.00	10,415	35,624	46,039	4,502	31,131	35,633
Elder	4	327	25	351	23.3	32	372	5.00	3,650	8,179	11,129	488	6,123	6,611
Hastings	4	462	25	466	24.8	19	744	5.00	4,700	11,547	16,247	1,978	9,442	11,420
Lilly	4	309	30	384	24.1	20	537	5.00	5,070	11,425	16,495	2,383	8,139	10,522
Patton	4	1,162	18	1,234	17.0	44	760	5.00	7,880	20,917	28,797	4,651	13,410	18,061
Richland	4	2,776	18	5,752	8.7	205	1,009	20.00	2,842	49,976	52,818	1,706	44,778	46,484
Sankertown	4	179	35	226	27.7	56	104	5.00	2,155	6,248	8,403	736	4,295	5,031
Stoneycreek	4	1,572	20	3,527	8.9	252	412	5.00	5,875	31,431	37,306	1,841	23,693	25,534
Susquehanna	4	875	25	948	23.1	31	819	5.00	8,560	21,884	30,444	2,779	17,516	20,295
Tunnelhill	4	79	20	80	19.8	40	80	5.00	1,185	1,585	2,770	240	569	809
Vintondale	4	439	25	442	24.8	26	57	5.00	3,565	10,971	14,536	3,004	2,242	5,246
West Carroll	4	742	30	785	28.4	34	633	5.00	5,790	22,246	28,036	3,121	18,443	21,564
Cameron														
Portage	4	27	30	29	27.8	29	‡	5.00	365	800	1,165	237	605	842
Carbon														
Lansford	3	3,815	28.5	10,676	10.2	217	1,281	5.00	20,225	108,717	128,942	9,582	85,305	94,887
Mauch Chunk	3	2,952	47	16,168	8.6	274	1,619	5.00	13,730	138,742	152,672	6,646	107,994	114,639
Summit Hill	3	2,169	30.5	4,707	14.1	98	1,103	5.00	13,435	66,144	79,579	.....	58,825	58,825
Banks	4	1,440	32	2,717	17.0	97	604	5.00	6,395	46,072	52,467	2,506	31,394	33,900
Beaver Meadow	4	314	35	400	27.5	40	376	5.00	4,840	10,977	15,817	2,505	8,599	11,104
East Side	4	60	25	67	22.4	67	44	5.00	735	1,507	2,242	186	877	1,063
Lausanne	4	32	17	33	16.5	33	33	5.00	385	549	934	201	516	727
Mauch Chunk	4	1,237	25	1,679	18.4	67	420	5.00	9,720	30,916	40,636	3,889	23,669	27,558
Packer	4	198	20	280	14.2	70	115	5.00	1,300	3,968	5,268	569	3,095	3,664
Packerton	4	495	25	675	18.3	61	253	5.00	2,905	12,381	15,286	881	3,977	4,858
Penn Forest	4	121	20	123	19.7	41	41	5.00	975	2,414	3,389	571	2,149	2,720
Centre														
Boggs	4	167	18	174	17.3	24	369	5.00	3,815	2,998	6,813	1,097	1,898	2,995
Milesburg	4	104	25	302	17.5	50	122	4.00	1,640	2,595	4,235	777	2,057	2,834
Penn	4	293	18	302	17.5	50	122	3.00	1,293	5,279	6,572	829	4,756	5,565
Rush	4	428	32	689	19.8	25	234	3.00	5,916	13,688	19,604	813	8,903	9,716
S. Philipsburg	4	41	35	103	13.8	34	102	3.00	753	1,484	2,237	258	915	1,172
Spring	4	761	24	1,937	9.4	88	777	3.00	5,505	18,275	23,780	2,127	15,009	17,135
Taylor	4	81	30	161	15.0	40	110	5.00	1,025	2,420	3,445	193	1,415	1,608
Chester														
Caln	4	1,047	16	2,149	7.8	239	271	5.00	4,335	16,756	21,091	2,512	14,516	17,028
Clarion														
Brady	4	25	35	34	26.1	17	37	5.00	505	886	1,391	161	688	849
Clarion	4	1,031	23	2,273	10.4	73	785	5.00	9,870	23,727	33,597	7,556	21,769	29,325
Foxburg	4	95	25	167	14.3	42	69	5.00	1,405	2,387	3,792	1,300	1,668	2,968
Limestone	4	397	18	525	13.6	48	164	5.00	3,255	7,142	10,397	2,278	6,066	8,344
Porter	4	464	25	632	18.3	40	352	5.00	3,125	11,588	14,713	7,381	10,340	11,721
Red Bank	4	391	12	561	8.4	44	342	5.00	4,195	4,493	8,888	888	3,955	4,843
Clearfield														
Clearfield	3	2,753	39	7,572	14.2	95	§	4.00	19,184	107,384	126,568	.....	99,208	99,208
Lawrance	3	587	45	1,132	23.3	38	§	5.00	12,995	26,398	39,393	1,928	20,933	22,961
Beccaria	4	367	35	820	15.7	28	813	2.50	2,852	12,844	15,696	1,098	6,819	7,917
Bigler	4	267	35	419	22.3	14	773	5.00	6,935	9,332	16,267	1,965	6,167	8,133
Bloom	4	71	30	109	13.6	27	99	5.00	1,150	2,139	3,289	425	1,417	1,843
Boggs	4	184	35	300	21.5	25	413	2.50	1,750	6,444	8,194	219	4,571	5,790
Brisbin	4	29	35	54	19.0	14	91	5.00	1,155	1,030	2,185	145	515	660
Burnside	4	48	35	72	23.3	24	75	2.50	507	1,673	2,181	177	1,250	1,428
Coalport	4	143	35	205	24.4	20	406	5.00	2,895	4,998	7,893	1,478	3,520	4,999
Cooper	4	326	35	757	15.1	24	925	4.00	4,280	11,423	15,703	1,104	8,449	9,553
Decatur	4	281	35	816	12.1	37	723	1.00	1,600	9,846	11,446	254	6,024	6,278
Ferguson	4	119	22	165	15.8	28	113	1.00	265	2,608	2,873	82	1,821	1,903
Girard	4	82	25	87	23.6	15	199	2.50	755	2,044	2,799	180	907	1,087
Glen Hope	4	29	30	53	16.2	53	38	3.00	279	892	1,171	43	171	214
Gulich	4	171	35	405	14.8	25	495	2.50	2,607	5,982	8,589	547	3,251	3,798
Houtzdale	4	242	35	400	21.1	33	411	5.00	4,030	8,469	12,499	1,199	5,462	6,661
Huston	4	139	35	217	22.4	14	336	3.00	2,130	5,176	7,306	579	2,518	3,097
Irvona	4	122	28	273	12.6	34	175	3.00	1,569	3,440	5,009	567	2,505	3,072
Karthaus	4	127	12	182	8.4	30	203	5.00	2,160	1,520	3,680	820	1,297	2,117
Knox	4	111	20	225	9.8	25	183	2.00	802	2,217	3,019	165	1,007	1,172
Lumber City	4	7	35	149	§	75	73	5.00	825	2,491	3,316	267	2,164	2,431
Morris	4	259	35	633	14.3	20	982	5.00	5,000	9,064	14,064	1,460	4,751	6,211
Osceola Mills	4	361	24	749	11.6	34	609	3.00	2,838	8,637	11,475	996	7,046	8,042
Pike	4	347	33	607	1.9	55	296	1.00	487	10,325	10,812	.....	8,342	8,342

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Clearfield														
Ramey	4	90	35	167	18.8	24	214	.....	2,253	901	3,154	1,706	683	2,389
Sandy	4	385	35	183	16.2	26	1,186	5.00	8,420	13,462	21,882	3,010	9,486	12,496
Union	4	106	30	172	18.4	34	144	5.00	795	3,167	3,962	631	2,425	3,056
Wallaceton	4	60	30	191	9.5	95	91	2.00	392	1,810	2,202	79	1,564	1,643
Westover	4	108	35	197	19.2	39	177	5.00	1,615	3,773	5,388	.....	3,714	3,714
Woodward	4	137	39	373	14.4	16	614	3.00	3,189	5,359	8,548	729	3,110	3,839
Clinton														
Colebrook	4	24	25	23	26.5	11	55	1.00	126	610	736	20	301	321
Flemington	4	180	33	241	24.7	35	256	5.00	3,210	5,801	9,011	998	4,812	5,810
Lamar	4	394	21	475	17.4	42	301	5.00	3,475	8,264	11,738	.....	7,773	7,773
Noyes	4	146	20	222	13.2	18	157	4.00	1,648	2,916	4,564	399	2,180	2,579
Renovo	4	1,108	29	1,346	23.9	43	795	5.00	10,915	32,129	43,044	2,429	20,795	23,224
S. Renovo	4	238	34	252	32.1	41	117	5.00	2,690	8,099	10,789	2,690	5,314	7,904
Columbia														
Beaver	4	311	26	399	20.3	49	273	5.00	1,980	8,096	10,076	665	5,877	6,542
Centralia	4	401	35	457	30.7	42	424	1.00	1,102	14,043	15,145	401	7,240	7,641
Crawford														
Troy	4	341	20	370	18.4	42	182	1.00	355	6,820	7,175	285	4,034	4,318
Cumberland														
E. Pennsboro	4	1,819	22	2,429	16.5	74	1,065	5.00	.....	53,506	53,506	.....	38,332	38,332
Newton	4	703	13	766	11.9	96	254	4.00	2,904	9,139	12,043	1,628	8,457	10,085
Dauphin														
Swatara	3	2,178	23	280	§	54	1,375	3.00	11,031	50,094	61,125	2,352	44,573	46,924
Wiconisco	4	1,111	20	1,317	16.9	75	585	2.00	2,506	22,215	24,721	.....	22,167	22,167
Delaware														
Collingdale	3	3,887	30	6,479	18.0	127	1,395	.....	.....	116,601	116,601	.....	99,492	99,492
Chester	4	1,231	29	2,039	17.5	170	370	2.00	1,966	35,690	37,656	596	28,192	28,788
Clifton Heights	4	2,706	25	3,021	22.4	92	879	.....	.....	67,645	67,645	.....	55,468	55,468
Darby	4	5,118	29	1,812	§	86	1,643	.....	.....	148,435	148,435	.....	125,128	125,128
Folcroft	4	1,087	28	1,822	16.7	154	249	.....	.....	30,430	30,430	.....	25,918	25,918
Morton	4	735	30	2,196	10.1	215	185	.....	.....	22,040	22,040	.....	15,034	15,034
Upper Chichester	4	1,725	30	4,228	16.2	182	1,214	5.00	9,780	51,516	61,290	3,131	37,778	40,909
Elk														
Jay	4	249	35	599	14.5	24	682	3.00	3,282	8,704	11,986	858	7,393	8,251
Erie														
Albion	4	591	25	914	16.2	47	441	5.00	5,093	14,410	19,503	.....	14,448	14,448
Conneaut	4	603	12	904	8.0	87	218	5.00	3,010	7,235	10,245	1,592	5,812	7,040
Union	4	496	20	650	15.3	65	210	5.00	3,185	9,923	13,108	.....	1,925	1,925
Fayette														
Menallen	3	796	35	1,183	23.6	38	1,049	2.50	4,287	27,855	32,142	869	13,899	14,768
N. Union	3	3,619	35	3,991	31.7	41	3,270	1.00	5,601	126,649	132,250	845	100,809	101,654
Redstone	3	4,514	35	6,782	23.3	55	4,648	5.00	25,030	158,000	183,030	2,870	115,776	118,646
S. Union	3	2,603	35	2,940	31.0	47	2,080	.....	.....	91,118	91,118	.....	61,809	61,809
Uniontown	3	18,990	15	19,271	14.8	133	4,603	5.00	72,390	284,857	357,247	12,238	195,828	208,066
Brownsville	4	325	35	1,015	11.2	102	308	2.50	2,145	11,390	13,535	330	5,540	5,870
Bullskin	4	679	18	1,207	10.1	52	783	1.00	1,765	12,215	13,980	292	6,122	6,414
Dawson	4	220	31	368	18.5	92	104	1.00	484	6,819	7,303	193	4,891	5,084
Everson	4	318	22	363	19.3	91	169	3.50	2,520	6,986	9,596	255	3,305	3,561
Fairchance	4	502	20	664	15.1	37	404	5.00	4,025	10,036	14,061	655	5,563	6,218
Fayette City	4	435	28	562	21.6	47	309	5.00	4,450	12,174	16,624	.....	9,796	9,796
Masontown	4	1,095	35	2,505	15.3	89	81	4.00	4,408	38,341	44,749	716	14,937	15,253
New Salem	4	626	35	1,247	17.6	69	428	5.00	5,495	21,917	27,412	258	19,772	20,030
Nicholson	4	822	25	1,447	14.4	69	728	3.00	3,966	20,796	24,762	499	10,153	10,652
Ohiopyle	4	88	23	183	11.0	37	149	4.00	1,048	2,015	3,063	204	1,228	1,432
Point Marion	4	680	30	792	25.8	38	737	5.00	6,205	20,398	26,603	2,432	12,359	14,791
Saltlick	4	486	33	1,413	11.4	72	654	.....	.....	16,039	16,039	.....	11,591	11,591
S. Connellsville	4	425	35	785	18.9	62	509	5.00	6,590	14,869	21,459	1,156	8,457	9,613
Springfield	4	308	29	644	13.9	40	517	1.00	909	11,031	12,021	174	5,801	5,975
Spring Hill	4	1,185	20	1,652	14.3	66	674	4.00	6,552	23,700	30,252	.....	8,412	8,412
Stewart	4	314	22	535	12.9	45	259	3.00	1,563	6,917	8,480	258	3,332	3,590
Upper Tyrone	4	378	33	723	17.3	49	395	1.00	1,397	12,481	13,878	88	6,320	6,408
Vanderbilt	4	156	35	260	20.9	37	219	5.00	2,470	5,451	7,921	309	2,824	3,133
Forest														
Tionesta	4	129	12	321	4.8	39	305	1.00	249	1,552	1,801	138	1,232	1,370
Franklin														
Mont Alto	4	142	20	170	16.7	43	122	2.00	718	2,835	3,553	.....	2,496	2,496
Fulton														
Dublin	4	169	18	230	13.2	35	173	5.00	1,935	3,045	5,031	804	1,945	2,748
Licking Creek	4	105	30	137	23.1	14	288	3.00	1,356	3,158	4,514	.....	2,957	2,957
Greene														
Greensboro	4	180	20	251	14.3	80	92	3.50	1,229	3,590	4,819	373	2,998	3,370
Huntingdon														
Broad Top City	4	91	14	100	12.8	33	125	5.00	1,485	1,388	2,873	654	793	1,447
Carbon	4	200	18	211	17.1	30	132	3.00	507	3,607	4,114	110	2,867	2,977
Coalmont	4	26	10	27	9.7	27	22	2.50	207	259	467	112	213	325
Dudly	4	71	20	80	17.8	16	95	2.50	507	1,418	1,925	435	1,192	1,627
Hopewell	4	152	12	161	11.3	32	102	4.00	1,352	1,818	3,170	490	1,091	1,581
Logan	4	228	13	244	12.1	46	§	5.00	1,120	2,961	4,081	437	2,236	2,703
Orbisonia	4	192	17	218	15.0	22	318	3.50	1,414	3,270	4,684	.....	3,631	3,631
Petersburg	4	224	13	228	12.8	40	314	5.00	1,785	2,912	4,697	.....	2,787	2,787
Shade Gap	4	27	15	27	14.5	27	26	4.00	324	407	731	215	353	568
Shirly	4	589	15	629	14.1	42	388	3.00	2,313	8,832	11,145	453	5,580	6,034
Tell	4	184	15	197	14.0	33	183	5.00	1,810	2,762	4,572	521	2,167	2,688
West	4	210	7	223	6.6	45	81	3.00	642	1,473	2,115	396	1,032	1,428

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Indiana														
Banks	4	283	14	330	12.0	25	304	3.00	1,779	3,967	5,746	258	3,061	3,319
Burrell	4	1,368	14	1,473	13.0	64	671	1.00	1,562	19,156	20,718	284	12,986	13,271
Montgomery	4	427	15	561	11.4	27	611	5.00	4,560	6,402	10,962	1,046	4,971	6,017
Saltsburg	4	617	16	676	14.6	43	363	4.00	2,636	9,879	12,515	1,104	8,523	9,627
W. Wheatfield	4	670	16	577	18.6	38	387	5.00	5,225	10,721	15,946	.....	6,775	6,775
Jefferson														
Brockway	4	1,054	22	1,137	20.4	47	1,098	5.00	6,825	23,181	30,006	4,715	20,864	25,579
McCalmont	4	276	20	317	17.4	24	347	5.00	2,995	5,524	8,519	876	4,372	5,248
Perry	4	348	17	345	17.1	27	313	5.00	2,640	5,911	8,551	1,060	4,183	5,326
Porter	4	160	11	155	11.3	31	123	5.00	1,585	1,761	3,346	820	1,363	2,184
Summerville	4	326	29	334	28.3	26	279	5.00	2,880	9,447	12,327	1,175	8,290	9,465
Timlin	4	86	20	107	16.0	36	121	5.00	960	1,713	2,673	453	1,396	1,849
Young	4	4	17	334	....§	22	325	5.00	5,070	4,708	9,778	.....	5,578	5,578
Juniata														
Beale	4	209	16	292	11.5	73	143	2.00	686	3,346	4,032	.....	3,617	3,617
Mifflintown	4	369	17	617	10.1	47	195	5.00	3,240	5,531	8,771	.....	7,113	7,113
Milford	4	329	18	477	12.4	68	170	3.00	1,215	5,915	7,130	.....	5,624	5,624
Spruce Hill	4	219	16	273	12.8	46	107	3.00	918	3,516	4,424	.....	4,473	4,473
Tuscarora	4	227	15	343	9.9	38	217	4.00	2,228	3,404	5,632	.....	4,298	4,298
Walker	4	646	15	757	12.8	76	319	2.00	1,672	9,682	11,358	944	7,720	8,664
Lackawanna														
Archbald	3	2,756	38	3,240	32.3	53	1,737	5.00	19,240	104,743	123,983	1,045	43,500	44,545
Blakely	3	606	40	3,649	6.6	59	1,859	5.00	20,220	104,255	124,475	5,354	63,793	69,147
Dunmore	3	10,144	30	10,769	28.3	68	4,808	2.50	28,807	304,326	333,133	5,542	180,210	185,752
Fel	3	1,736	44	1,995	38.3	35	1,470	3.00	5,565	76,399	81,964	237	26,709	26,946
Old Forge	3	2,900	42	3,422	35.6	30	2,687	5.00	27,285	121,805	149,090	825	59,049	59,884
Olyphant	3	5,177	34	6,318	27.8	66	1,954	5.00	23,320	176,020	199,340	4,771	128,190	132,962
Taylor	3	4,545	29	5,375	24.5	64	2,109	1.00	4,748	131,806	136,554	337	79,209	79,546
Throop	3	2,897	40	4,044	28.6	49	2,022	4.00	12,484	115,893	128,377	1,791	74,006	75,798
Winton	3	2,022	45	2,749	33.1	40	1,759	5.00	16,675	90,011	106,686	.....	29,238	29,238
Carbondale	4	806	35	835	33.8	44	406	5.00	3,940	28,227	32,167	555	16,574	17,129
Dalton	4	768	22	754	22.4	69	295	4.00	2,068	16,900	18,986	1,353	14,181	15,535
Jermyn	4	1,363	20	1,397	19.5	58	646	4.00	7,068	27,256	34,324	1,203	17,455	18,659
Mayfield	4	854	31	924	28.7	29	807	5.00	6,840	26,478	33,318	405	11,887	12,292
Ransom	4	449	25	456	24.7	65	....§	3.00	1,692	11,237	12,929	903	7,779	8,682
Vandling	4	310	33	466	22.0	33	248	3.00	1,611	10,231	11,842	261	4,668	4,929
West Abington	4	161	15	154	15.7	77	42	3.00	291	2,408	2,699	63	1,825	1,888
Lawrence														
Ellport	4	336	25	385	21.8	48	189	5.00	2,555	8,405	10,960	662	4,335	4,997
Mahoning	4	988	25	1,020	24.2	38	586	5.00	6,615	24,706	31,321	2,156	20,780	22,937
S. New Castle	4	228	30	284	24.1	41	174	5.00	2,435	6,840	9,175	278	2,999	3,277
Taylor	4	708	22	1,093	14.3	121	202	5.00	3,050	15,585	18,635	430	9,139	9,624
Wayne	4	563	20	654	17.2	55	440	5.00	4,700	11,267	15,967	1,688	7,736	9,425
Lehigh														
Whitehall	3	5,089	22	18,016	6.2	286	2,288	5.00	27,565	111,966	39,531	11,589	93,013	104,582
Coplay	4	987	22	2,293	9.5	176	428	5.00	7,175	21,712	28,887	3,139	15,848	18,980
Salisbury	4	1,930	17	4,797	6.8	252	541	4.00	6,992	32,815	83,807	2,777	24,122	26,899
Luzerne														
Duryea	3	2,303	46	2,814	37.7	41	96	2.50	9,338	105,957	115,295	1,113	60,207	61,320
Foster	3	1,556	43	1,825	36.7	40	96	4.00	9,696	66,899	76,595	3,463	56,712	60,176
Plains	3	6,883	39	8,746	30.7	67	96	3.00	20,442	268,434	288,876	20,443	268,612	289,054
Swoyersville	3	2,124	35	3,182	23.3	59	94	3.00	9,348	74,331	83,679	5,359	3,255	38,614
Avoca	4	1,160	29	1,243	27.1	33	994	5.00	11,915	34,099	46,014	1,630	23,381	25,011
Bear Creek	4	277	28	763	10.2	91	134	3.00	1,164	7,763	8,927	195	3,534	3,729
Butler	4	806	27	880	24.7	88	362	5.00	5,855	21,766	27,621	3,949	17,158	21,107
Conyngham	4	589	32	647	29.2	29	536	5.00	5,525	18,855	24,380	2,431	12,569	15,000
Courtdale	4	279	35	....§	...§	..§	190	3.00	1,560	9,766	11,326	3,117	3,999	4,316
Denison	4	193	25	216	22.3	43	114	2.00	726	4,815	5,541	426	3,406	3,832
Dupont	4	808	35	904	31.3	28	1,104	3.00	6,513	28,294	34,807	1,439	20,745	22,184
Fairmont	4	233	20	301	15.4	38	173	4.00	1,828	4,653	6,481	867	3,267	4,134
Franklin	4	315	15	363	13.0	73	124	3.00	1,119	4,719	5,838	.....	4,213	4,213
Hunlock	4	368	25	262	25.3	45	356	5.00	4,560	9,206	13,766	1,919	6,493	8,413
Pittston	4	1,233	35	1,630	26.5	51	952	5.00	9,905	43,158	53,063	205	29,903	30,108
Pringle	4	603	35	658	32.1	41	411	2.50	2,407	21,091	23,498	200	5,486	5,486
Wright	4	308	30	391	23.6	130	142	5.00	1,910	9,241	11,151	654	6,391	7,045
Lycoming														
S. Williamsport	3	2,285	27.5	3,936	16.0	98	1,316	4.50	14,971	62,824	77,795	7,286	48,869	56,155
Clinton	4	282	25	392	18.0	36	91	5.00	3,630	7,125	10,755	2,024	6,081	8,105
Eldred	4	143	20	297	9.7	59	119	5.00	1,515	2,867	4,382	810	2,028	2,838
Hughesville	4	394	34	774	17.3	48	434	5.00	5,705	13,380	19,085	3,719	11,397	15,116
McIntyre	4	118	24	289	9.7	32	231	4.00	1,932	2,633	3,565	.....	2,429	2,429
Montgomery	4	566	25	902	15.7	67	788	5.00	6,150	14,160	20,310	.....	14,500	14,500
Muncy Creek	4	398	25	600	16.6	52	124	5.00	3,760	9,938	13,698	1,900	8,349	10,240
Old Lycoming	4	343	25	463	18.5	51	389	5.00	5,235	8,571	13,806	2,793	6,751	9,545
Plunketts Creek	4	89	25	225	9.9	75	62	1.00	180	2,220	2,400	75	1,511	1,586
Salladasburg	4	31	25	76	10.4	38	40	5.00	715	775	1,500	358	607	965
Mercer														
E. Lackawonnock	4	370	14	534	9.7	34	....	3.00	1,086	5,173	6,259	794	4,129	4,923
Hempfield	4	774	20	1,465	10.6	163	338	5.00	5,050	15,480	20,530	3,076	13,112	16,188
Pine	4	457	30	609	22.5	51	363	5.00	4,515	13,719	18,234	2,783	11,116	13,899
Springfield	4	551	22	753	16.1	54	372	5.00	5,115	12,127	17,242	1,310	9,825	11,135
Stoneboro	4	337	25	458	18.4	34	297	5.00	3,535	8,417	11,952	1,859	7,216	9,075
Mifflin														
Bratton	4	265	17	273	16.5	45	228	4.00	2,180	4,509	6,689	861	3,676	4,537
Decatur	4	253	18	284	16.1	75	331	4.00	2,724	4,558	7,282	187	2,999	3,186
Derry	4	1,058	29	1,250	24.6	36	1,396	5.00	14,150	30,681	44,831	3,954	22,418	26,372

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Montgomery														
Upper Dublin ...	4	4,138	20	6,735	12.3	269	641	....	.....	82,770	82,770	.....	75,541	75,541
W. Pottsgrove ...	4	1,091	18	1,609	12.2	95	610	5.00	6,220	19,609	25,829	3,376	17,597	20,973
Montour														
Derry	4	299	17	301	16.9	60	....†	2.50	880	5,076	5,956	695	3,829	4,524
Mahoning	4	313	15	314	15.0	52	190	5.00	4,555	4,702	9,257	2,375	4,024	6,399
Valley	4	258	16	264	15.7	55	119	5.00	1,640	4,134	5,774	875	3,472	4,347
Northampton														
Glendon	4	201	16	225	14.3	75	75	5.00	1,650	3,214	4,864	639	2,709	.....
Roseto	4	358	25	579	15.5	64	295	5.00	4,560	8,960	13,520	.....	9,692	9,692
Wind Gap	4	486	25	1,065	11.4	130	222	5.00	4,100	12,152	16,252	1,840	9,163	11,003
Northumberland														
Coal	3	10,495	40	21,223	19.8	135	3,758	....	.....	432,268	432,268	.....	145,994	145,994
Kulpmont	3	1,142	45	2,281	22.5	58	1,090	5.00	12,245	51,373	63,618	4,725	24,493	29,218
Mt. Carmel	3	3,482	15	5,617	21.7	68	2,880	5.00	34,080	121,860	155,940	11,992	88,201	100,193
Delaware	4	622	15	678	13.8	56	276	3.00	2,139	9,333	11,472	1,283	7,840	9,123
E. Cameron	4	831	13.5	1,306	8.6	145	301	3.00	1,464	11,224	12,688	1,005	3,877	4,882
Herndon	4	178	19	273	12.4	37	174	5.00	2,075	3,383	5,458	1,542	2,785	4,327
Jackson	4	169	22	225	16.6	37	153	2.00	758	3,718	4,476	.....	3,987	3,987
Jordan	4	149	20	260	11.5	43	181	5.00	1,725	2,983	4,708	1,202	2,514	3,716
Marion Heights .	4	322	25	442	18.2	40	249	5.00	3,900	8,041	11,941	.....	6,133	6,133
Northumberland .	4	1,051	30	1,578	20.0	48	1,025	5.00	12,640	31,518	44,158	12,714	21,748	34,462
W. Cameron	4	301	33	482	20.6	96	157	2.00	578	9,929	10,507	480	1,653	2,133
Zerbe	4	3,658	18	8,501	7.7	283	766	1.00	1,500	22,720	24,220	1,472	16,002	17,474
Potter														
Eulalia	4	105	20	163	13.0	81	9	1.00	206	2,108	2,214	164	1,857	2,021
Keating	4	57	20	85	13.3	21	67	1.00	170	1,191	1,361	92	800	892
Lewisville	4	143	35	198	25.3	29	159	4.00	1,424	4,978	6,402	993	3,967	4,960
Schuylkill														
Ashland	3	3,308	25	5,815	14.2	157	1,111	1.00	3,639	82,700	86,339	3,205	70,179	73,384
Cass	3	2,929	42	4,694	26.2	74	1,164	1.00	1,727	123,031	124,758	752	52,792	53,544
Coaldale	3	2,466	42	2,518	41.1	48	1,213	5.00	17,175	104,116	121,291	7,421	78,466	86,387
Frackville	3	2,599	32	3,696	22.5	58	2,077	5.00	83,160	20,105	103,265	57,206	9,250	66,456
McAdoo	3	746	35	1,251	20.9	39	1,093	5.00	12,705	26,102	38,807	4,107	22,153	26,260
Minersville	3	2,696	37	3,392	29.4	59	1,302	5.00	.....	115,753	115,753	.....	81,132	81,132
St. Clair	3	2,088	37	5,695	13.6	125	1,379	5.00	17,555	77,250	94,805	7,199	51,774	58,973
Sch. Haven	3	2,559	24	3,835	16.0	89	1,342	5.00	20,320	61,600	81,920	12,842	57,633	70,475
Shenandoah	3	7,371	24	10,574	16.7	92	3,051	5.00	46,060	176,908	222,968	11,609	135,556	147,165
Tamaqua	3	5,177	24	15,681	7.9	212	2,415	5.00	25,980	124,252	160,232	12,950	94,975	107,925
W. Mahonoy ...	3	3,820	42.6	5,587	29.1	82	1,683	1.25	3,255	164,111	167,366	1,069	150,826	151,895
Branch	4	2,325	30	7,707	9.1	308	456	....	.....	69,759	69,759	.....	22,024	22,024
Butler	4	4,074	28.4	7,333	15.8	204	841	1.00	2,044	115,697	177,741	1,272	62,600	63,872
Delano	4	452	35	1,181	13.4	91	290	5.00	2,870	15,832	18,702	1,297	3,545	4,842
E. Norwegian ...	4	1,382	27	2,541	14.7	231	269	1.00	573	37,319	37,892	81	20,506	20,587
E. Union	4	686	35	1,577	15.2	69	655	5.00	6,025	23,993	30,017	1,518	10,647	12,165
Eldred	4	223	25	367	15.2	41	283	5.00	2,570	5,567	8,137	2,075	4,806	6,881
Foster	4	853	21	1,286	13.9	90	238	1.00	516	17,918	18,434	177	13,028	13,205
Frailey	4	2,762	10.5	7,613	3.8	810	208	....	.....	28,997	28,997	.....	4,622	4,622
Gilberton	4	1,383	35	1,873	25.8	51	1,001	3.00	5,547	48,407	53,954	259	5,515	5,774
Girardville	4	1,557	25	2,734	14.3	101	615	3.00	8,208	38,929	47,137	2,199	28,349	30,548
Hegins	4	2,200	19	6,652	6.3	185	1,012	1.00	1,732	41,805	43,537	1,589	21,062	22,651
Kline	4	1,007	35	1,523	23.1	73	468	3.00	3,504	35,252	38,756	1,260	32,739	33,999
Mechanicsville ..	4	229	25	688	11.7	229	96	5.00	2,030	8,005	10,035	705	6,958	7,663
Middleport	4	318	35	585	19.0	98	145	3.00	1,554	11,119	12,673	347	8,165	8,512
New Castle	4	1,510	31	3,710	12.6	206	347	1.00	1,038	36,797	47,835	329	25,814	26,143
New Philadelphia	4	962	27.7	1,924	14.6	321	104	5.00	5,950	26,653	32,603	643	18,942	19,585
Norwegian	4	2,589	16	5,344	7.7	382	255	1.00	755	41,418	42,173	318	8,305	8,623
Palo Alto	4	477	23	784	14.0	131	284	4.00	4,084	10,976	15,060	998	6,882	7,880
Porter	4	2,313	20	4,034	11.5	112	935	2.00	3,700	46,263	49,963	2,746	19,851	22,597
Reilly	4	3,574	19.5	10,050	6.9	396	263	1.00	804	69,712	70,516	428	11,285	11,714
Schuylkill	4	2,740	20	8,961	6.1	498	368	1.00	1,255	54,805	56,060	550	26,655	27,205
Tremont	4	991	26	1,598	15.2	102	447	3.00	4,017	25,776	29,793	3,313	19,165	22,478
W. Pine Grove ..	4	93	18	137	12.2	46	77	5.00	1,145	1,788	2,933	558	1,301	1,859
Snyder														
Spring	4	296	21	301	20.6	30	311	5.00	3,110	6,206	9,316	2,273	5,212	7,485
Washington	4	269	12	271	11.9	45	128	3.00	1,056	3,251	4,307	645	2,252	2,897
W. Beaver	4	285	26	277	26.8	21	347	5.00	3,580	7,414	10,994	1,674	4,952	6,626
Somerset														
Conemaugh	3	2,776	30	3,500	23.8	64	2,263	5.00	19,140	83,254	102,394	10,789	65,809	76,598
Jenner	3	2,142	23	2,447	20.1	63	1,159	5.00	12,450	49,142	61,492	7,048	41,979	49,027
Shade	3	1,600	35	1,958	28.6	36	1,721	5.00	11,310	55,994	67,304	6,711	46,659	53,370
Allegheny	4	....§	..	268	...	34	121	....	.....	.....	.....	.....	.....	.....
Brothers Valley .	4	1,125	16	1,535	12.7	70	980	5.00	6,305	19,448	25,753	3,806	15,385	19,191
Central City	4	526	25	584	22.5	39	444	5.00	4,375	13,154	15,529	2,022	7,989	10,011
Elk Lick	4	606	16	930	10.4	47	453	5.00	5,350	9,702	15,052	3,343	8,392	11,735
Garrett	4	137	35	280	17.2	31	233	5.00	2,005	4,807	6,812	438	3,544	3,982
Lower Turkeyfoot	4	173	20	182	19.0	18	....¶	5.00	1,995	3,451	4,446	611	2,122	2,733
New Baltimore ..	4	30	17	31	16.6	31	48	5.00	445	517	962	365	471	836
Northampton	4	117	21	139	17.7	23	111	5.00	1,345	2,457	3,801	573	1,265	1,838
Rockwood	4	338	25	392	21.5	28	377	5.00	3,395	8,445	11,840	2,151	6,312	8,463
Salisbury	4	134	25	223	15.0	22	292	5.00	2,425	3,347	5,772	1,694	2,957	4,651
Ursina	4	69	14	58	16.6	29	48	5.00	720	966	1,686	232	541	773

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Sullivan														
Cherry	4	605	20	608	19.9	25	447	3.00	2,898	12,104	15,002	1,424	6,782	8,206
Colley	4	200	22	283	15.5	20	248	3.00	1,704	4,391	6,905	1,314	3,433	4,747
Davidson	4	174	20	180	18.4	18	227	5.00	2,390	3,488	5,878	1,374	2,855	4,299
Susquehanna														
Great Bend	4	304	20	305	19.9	76	17	3.00	1,146	6,074	7,330	303	2,766	3,069
Harmony	4	186	16	217	13.7	43	99	5.00	1,445	2,974	4,419	493	1,975	2,468
Little Meadows	4	68	13	72	12.3	72	20	2.00	216	880	1,104	186	836	1,022
Middletown	4	169	18	195	15.6	65	69	2.00	374	3,035	3,409	152	2,231	2,383
Tioga														
Bloss	4	47	35	67	24.4	13	104	2.50	690	1,633	2,323	232	1,494	1,726
Blossburg	4	422	30	535	24.1	32	346	5.00	6,240	12,666	18,906	3,119	10,992	14,111
Charleston	4	538	25	541	24.9	42	383	5.00	3,780	13,439	17,219	1,748	9,016	10,764
Hamilton	4	126	35	174	25.4	15	205	4.50	2,020	4,407	6,427	.....	4,873	4,873
Clymer	4	214	35	221	33.9	26	146	1.00	379	7,488	7,867	189	6,008	6,097
Union														
Gregg	4	320	14	320	14.0	64	146	4.00	1,700	4,486	6,186	1,091	3,453	4,544
White Deer	4	565	15	566	15	47	344	5.00	5,015	8,479	13,494	.....	9,242	9,242
Venango														
Sugar Creek	3	44	14	50	12.5	123	1,221	5.00	275	620	895	170	558	728
Washington														
Cecil	3	3,319	25	3,618	22.9	67	2,001	3.00	12,504	82,972	95,476	4,527	70,632	75,159
E. Bethlehem	3	1,550	32	1,569	31.6	32	1,579	5.00	12,050	49,590	61,640	4,510	46,245	50,775
Monongahela	3	6,588	14	9,522	9.7	129	1,438	5.00	25,520	106,313	131,833	11,728	89,423	101,151
Smith	3	3,071	22	3,222	21.0	45	1,438	5.00	13,590	67,566	81,156	5,307	56,325	61,632
Coal Centre	4	135	25	183	18.4	46	118	5.00	1,880	3,375	5,255	555	2,917	3,472
W. Brownville	4	458	27.5	721	17.5	90	281	3.00	2,525	12,585	15,150	532	8,392	8,924
Wayne														
S. Canaan	4	397	16	407	15.6	49	231	5.00	2,760	6,345	9,105	1,768	5,075	6,843
Westmoreland														
Derry	3	4,143	25	7,471	13.9	78	3,184	5.00	20,835	103,586	124,421	6,545	68,503	75,048
E. Huntingdon	3	1,990	18	2,523	14.2	59	5,501	5.00	17,370	35,821	53,191	4,263	28,270	32,533
Hempfield	3	7,270	26	9,318	20.3	67	4,180	5.00	30,070	189,026	219,096	19,896	155,813	175,709
Mt. Pleasant	3	4,250	19	2,475	32.6	58	2,539	1.00	3,340	80,751	84,091	1,427	78,543	79,970
N. Huntingdon	3	3,995	26	4,039	25.7	55	2,599	5.00	18,970	103,857	122,827	10,899	87,205	98,104
Penn	3	2,731	26	2,839	25.0	79	1,417	5.00	10,970	71,004	81,974	7,355	62,617	69,972
Salem	3	2,007	24	2,533	19.0	73	1,101	3.00	5,034	48,179	53,213	4,608	40,352	44,960
S. Huntingdon	3	3,785	18	3,981	17.1	80	1,634	2.50	6,000	68,135	74,135	2,135	63,491	65,889
Unity	3	5,252	18	5,533	17.1	111	1,605	1.00	4,640	94,534	99,174	1,540	81,703	83,243
Bell	4	1,128	18	1,228	16.5	60	721	5.00	3,330	20,316	23,646	1,336	19,569	20,905
Bolivar	4	278	25	463	15.0	33	411	2.50	952	6,945	7,897	375	3,663	4,038
E. Vandergrift	4	335	35	602	19.5	43	356	5.00	2,250	11,707	13,957	1,047	8,206	9,253
Fairfield	4	842	17	1,202	11.9	71	400	2.50	1,710	14,319	16,029	503	8,553	9,056
Lower Burrell	4	1,333	28	1,739	21.4	69	957	5.00	6,960	37,321	44,281	3,800	31,803	35,603
Loyalhanna	4	819	17	1,093	12.7	70	419	5.00	2,795	13,924	16,719	695	8,585	9,280
N. Irwin	4	417	26	550	19.7	78	172	5.00	3,220	8,852	14,072	1,461	8,337	9,748
Saint Clair	4	183	18	225	14.6	75	92	4.00	632	3,294	3,926	186	2,594	2,780
Seward	4	337	25	339	24.9	43	243	5.00	2,025	8,429	10,454	766	5,556	6,322
W. Newton	4	1,353	19	2,394	10.7	80	746	5.00	6,265	25,702	31,967	4,279	24,474	28,753
Youngstown	4	128	16	167	12.3	83	60	3.00	789	2,053	2,842	219	1,371	1,790
Wyoming														
Braintrim	4	29	25	49	15.0	49	14	5.00	220	728	948	.....	595	595
Laceyville	4	124	29	246	14.6	27	183	5.00	1,600	3,610	5,210	1,174	3,429	4,603
Meshoppen	4	191	25	256	18.7	23	187	....	.....	4,767	4,767	.....	4,593	4,593
Nicholson	4	217	18	690	5.7	53	80	5.00	1,950	3,904	5,854	1,143	2,249	3,392
Overfield	4	325	28	642	14.2	161	....§	2.00	762	9,104	9,866	.....	6,958	6,958
Tunkhannock	4	846	22.5	1,698	11.2	77	583	5.00	6,640	19,039	25,679	3,660	17,515	21,175
Tunkhannock	4	249	22	500	10.9	63	186	2.00	1,200	5,469	6,669	232	2,968	3,200
York														
Franklintown	4	53	16	83	10.2	83	61	5.00	815	851	1,666	463	669	1,132

* Through the courtesy of the Superintendent of Public Instruction.
† Member of a joint school district.
‡ School closed.
§ No information.
¶ No schools.

TABLE C-XXIII

LIST OF PERMANENT STATE TAX COMMISSIONS—1925*

State	Name of Body	When established	No.	How appointed	Term Yrs.	Salary Chairman	Salary Members
Ala.	State Tax Commission	1919	3	Governor	4	$3,000	$3,000
Ariz.	State Tax Commission	1912	3	Elected	6	3,000	3,000
Ark.	Ark. Tax Commission	1909	3	Governor	6	2,400	2,400
Cal.	State Board of Equalization	1872	5	Elected	4	4,000	4,000
Colo.	Colo. Tax Commission	1911	3	Governor	6	3,600	3,600
Conn.	Tax Commissioner	1901	1	Governor	4	.....	6,000
Del.	State School Tax Commissioner	1921	1	Governor	4	.....	4,000
Fla.	State Equalizer of Taxes	1921	1	Governor	..	.....	4,000
Ga.	State Tax Commissioner	1913	1	Governor	6	.....	4,000
Ida.	State Board of Equalization	1889	5	Elected	..	.....	.....
Ill.	State Tax Commission	1917	3	Governor	6	6,000	6,000
Ind.	State Board of Tax Commissioners	1891	3	Governor	4	4,500	4,500
Kan.	State Tax Commission	1907	3	Governor	4	3,500	3,500
Ky.	State Tax Commission	1917	3	Governor	4	3,600	3,600
La.	State Tax Commission	1917	3	Governor	6	5,000	5,000
Me.	Board of State Assessors	1891	3	Governor	6	2,500	2,500
Md.	State Tax Commission	1914	3	Governor	6	6,000	5,000
Mass.	Commissioner of Corporations and Taxation	1919	1	Governor	3	.....	7,500
Minn.	Minn. Tax Commission	1907	3	Governor	6	4,500	4,500
Mich.	Board of State Tax Commissioners	1899	3	Governor	6	3,500	3,500
Miss.	Board of State Tax Commissioner	1916	3	Governor	4	2,500	2,500
Mo.	Commissioner of Budgets	1921	1	Governor	..	.....	5,000
Mont.	State Board of Equalization	1891	5	Elected	..	.....	.....
Nebr.	State Tax Commissioner	1921	1	Governor	2	.....	5,000
Nev.	State Tax Commission	1917	7	Governor	4	3,000†	500
N. H.	State Tax Commission	1911	3	Supreme Court	6	3,000†	2,500
N. J.	State Board Taxation and Assessments	1915	3	Governor	3	5,000	4,000
N. M.	State Tax Commission	1915	3	Governor	6	3,500	10
N. Y.	State Tax Commission	1915	3	Governor	6	12,000	10,000
N. C.	Commissioner of Revenues	1921	1	Governor	4	.....	5,000
N. D.	State Tax Commissioner	1919	1	Governor	6	.....	4,000
Ohio	State Tax Commission	1910	3	Governor	6	.....	4,000
Ore.	State Tax Commission	1909	4	Governor	4	.....	3,000
R. I.	Board of Tax Commissioners	1912	3	Governor	6	5,000	5,000
S. C.	State Tax Commission	1915	3	Governor	6	2,500	§
S. D.	State Tax Commission	1913	3	Governor	6	3,250‡	3,000
Tenn.	State Tax Commissioner	1921	1	Legislature	6	.... .	4,500
Tex.	State Tax Board	1905	3	Governor	2	2,500	2,500
Utah	State Board of Equalization and Assessments	1896	3	Governor	4	4,000	4,000
Vt.	Commissioner of Taxes	1882	1	Governor	2	.....	3,000
Wash.	Department of Taxation and Examination	1921	1	Governor	..	.....	6,000
W. V.	State Tax Commissioner	1904	1	Governor	6	.....	4,000
Wisc.	State Tax Commission	1899	3	Governor	8	5,000	5,000
Wyo.	State Board of Equalization	1905	3	Governor	2	2,500	2,500

† Secretary to Commission. ‡Attorney to Commission.

§Members receive compensation of $5.00 per day.

* Source: Report of the Pa. Tax Commission to the General Assembly, Commonwealth of Pennsylvania, 1925, p. 88.

TABLE C-XXIV

Changes from Tax Commissions or Commissioners to Other Tax Administering Agencies from 1925 to 1940 and vice versa

	1925	1940
Alabama	State Tax Commission	Department of Revenue
Arizona	State Tax Commission	State Tax Commission
Arkansas	State Tax Commission	Commissioner of Revenue
California	State Board of Equalization	State Board of Equalization
Colorado	State Tax Commission	State Tax Commission
Connecticut	Tax Commissioner	Tax Commissioner
Delaware	State School Tax Commissioner	Tax Commissioner
Florida	State Equalizer of Taxes	Comptroller
Georgia	State Tax Commissioner	Commissioner of Revenue
Idaho	State Board of Equalization	State Board of Equalization
Illinois	State Tax Commission	Department of Finance
Indiana	State Board of Tax Commissioners	State Board of Tax Commissioners
Iowa*		Tax Commission
Kansas	State Tax Commission	Director of Revenue
Kentucky	State Tax Commission	Department of Revenue
Louisiana	State Tax Commission	State Tax Commission
Maine	Board of State Assessors	Bureau of Taxation
Maryland	State Tax Commission	State Tax Commission
Massachusetts	Commissioner of Corp. and Taxation	Commissioner of Corp. and Taxation
Michigan	Board of Tax Commissioners	Board of Tax Commissioners
Minnesota	Minnesota Tax Commission	Commissioner of Taxation
Mississippi	Board of State Tax Commissioners	Board of State Tax Commissioners
Missouri	Commissioner of Budgets	Board of Equalization
Montana	State Board of Equalization	State Board of Equalization
Nebraska	State Tax Commissioner	State Tax Commissioner
Nevada	State Tax Commission	State Tax Commission
New Hampshire	State Tax Commission	State Tax Commission
New Jersey	State Bd. of Taxa. and Assess.	Tax Commissioner
New Mexico	State Tax Commission	State Tax Commission
New York	State Tax Commission	State Tax Commission
North Carolina	Commissioner of Revenue	Commissioner of Revenue
North Dakota	State Tax Commissioner	State Tax Commissioner
Ohio	State Tax Commission	State Tax Commission
Oklahoma*		Tax Commission
Oregon	State Tax Commission	State Tax Commission
Pennsylvania*		Department of Revenue
Rhode Island	Board of Tax Commissioners	Tax Administrator
South Carolina	State Tax Commission	State Tax Commission
South Dakota	State Tax Commission	Director of Taxation
Tennessee	State Tax Commissioner	Commissioner of Finance and Taxation
Texas	State Tax Board	Comptroller
Utah	State Board of Equalization	Tax Commission
Vermont	Commissioner of Taxation	Tax Department
Virginia*		Tax Commissioner
Washington	Dept. of Taxa. and Examination	Tax Commission
West Virginia	State Tax Commissioner	State Tax Commissioner
Wisconsin	State Tax Commission	Commissioner of Taxation
Wyoming	State Board of Equalization	State Board of Equalization

* No information given for 1925.

Note: An examination of the schedule showing "Agencies Administering Major State Taxes—1940" indicates that some tax commissions concern themselves primarily with one particular type of tax while other taxes are administered by various departments of the state government.

RECAPITULATION

Type of Agency	1925	1940
Tax Commissions or Commissioners	31	31
State Board of Equalization	5	5
State School Tax Commissioner	1	
State Equalizer of Taxes	1	
Board of State Assessors	1	
Commissioner of Corporations and Taxation	1	
State Board of Taxation and Assessments	1	
Department of Taxation and Examination	1	
Commissioner of Budgets	1	
Department or Commissioner of Revenues	1	7
Comptroller		2
Tax Department		1
Department of Finance		1
Bureau of Taxation		1
Total	44	48

TABLE C-XXV

Agencies Administering Major State Taxes—1940

	General Property	Income	Sales	Gasoline
Ala.	Dept. of Revenue	Department of Revenue	Department of Revenue	Department of Revenue
Ariz.	Tax Commission	Tax Commission	Tax Commission	Superintendent of Motor Vehicle Div.
Ark.	Corporation Commission	Commissioner of Revenues	Commissioner of Revenues	Commissioner of Revenues
Cal.	——	Franchise Tax Commissioner	Board of Equalization	Board of Equalization
Colo.	Tax Commission	Treasurer	Treasurer	Treasurer
Conn.	Tax Commissioner	Tax Commissioner	——	Commissioner Motor Vehicles
Del.	——	Tax Commissioner	——	Highway Department
Fla.	Comptroller	——	——	Comptroller
Ga.	Commissioner of Revenue	Commissioner of Revenue	——	Commissioner of Revenue
Ida.	Board of Equalization	Tax Commission	——	Tax Commissioner
Ill.	——	——	Department of Finance	Department of Finance
Ind.	Board of Tax Commissioners	——	Treasury Department	Auditor
Ia.	Tax Commission	Tax Commission	Tax Commission	Treasurer
Kan.	Director of Revenue	Director of Revenue	Director of Revenue	Director of Revenue
Ky.	Department of Revenue	Department of Revenue	——	Department of Revenue
La.	Tax Commission	Collector of Revenue	Collector of Revenue	Collector of Revenue
Me.	Bureau of Taxation	——	——	Bureau of Taxation
Md.	Tax Commission	Comptroller	——	Comptroller
Mass.	Commissioner Corp. and Tax	Commissioner Corp. and Tax.	——	Commissioner Corp. and Taxation
Mich.	——	——	Board of Tax Administration	Secretary of State
Minn.	Commissioner of Taxation	Commissioner of Taxation	——	Commissioner of Taxation
Miss.	Ch. Tax Commission	Ch. Tax Commission	Ch. Tax Commission	Commissioner Motor Vehicles
Mo.	Board of Equalization	Auditor	Auditor	Department Oil Inspection
Mont.	Board of Equalization	Board of Equalization	——	Board of Equalization
Nebr.	Tax Commissioner	——	——	Department Agri. and Inspection
Nev.	Tax Commission	——	——	Tax Commission
N. H.	——	——	——	Commissioner Motor Vehicles
N. J.	Tax Commissioner	——	——	Tax Commissioner
N. M.	Tax Commission	Commissioner of Revenue	Commissioner of Revenue	Commissioner of Revenue
N. Y.	——	Tax Commission	——	Tax Commission
N. C.	——	Commissioner of Revenue	Commissioner of Revenue	Commissioner of Revenue
N. D.	Tax Commissioner	Tax Commissioner	Tax Commissioner	Auditor
Ohio	——	——	Tax Commissioner	Tax Commissioner
Okla.	——	Tax Commission	Tax Commission	Tax Commission
Ore.	Tax Commission	Tax Commission	——	Secretary of State
Pa.	——	Secretary of Revenue	——	Secretary of Revenue
R. I.	——	——	——	Tax Administrator
S. C.	Tax Commission	Tax Commission	——	Tax Commission
S. D.	——	Director of Taxation	Director of Taxation	Treasurer
Tenn.	Superintendent of Taxation	Commissioner of Finance and Tax	——	Commissioner Finance and Taxa.
Tex.	Comptroller	——	——	Comptroller
Utah	Tax Commission	Tax Commission	Tax Commission	Tax Commission
Vt.	——	Tax. Department	——	Commissioner Motor Vehicles
Va.	——	Tax Commissioner	——	Div. Motor Vehicles
Wash.	Tax Commission	——	Tax Commission	Director of Licenses
W. V.	Tax Commissioner	Tax Commissioner	Tax Commissioner	Tax Commissioner
Wisc.	Commissioner of Taxation	Commissioner of Taxation	——	Treasury Department
Wyo.	Board of Equalization	——	Board of Equalization	Highway Department

TABLE C-XXV—Continued

Agencies Administering Major State Taxes—1940

	Motor Vehicle	Tobacco	Death	Liquor	No. of Agen.
Ala.	Department of Revenue	Department of Revenue	Department of Revenue	Board of Liquor Cont.	2
Ariz.	Sup't Motor Vehicle Division	Tax Commission	Treasurer	Tax Commission	3
Ark.	Commissioner of Revenues	Commissioner of Revenues	Commissioner of Revenues	Commissioner of Revenues	2
Cal.	Motor Vehicle Department	——	Controller	Board of Equalization	4
Colo.	Treasurer	——	Inherit. Tax Commissioner	Secretary of State	4
Conn.	Com'r Motor Vehicles	Tax Commissioner	Tax Commissioner	Tax Commissioner	2
Del.	Com'r Motor Vehicles	——	Tax Commissioner	Liquor Commission	4
Fla.	Com'r Motor Vehicles	——	Comptroller	Beverage Department	3
Ga.	Commissioner of Revenue	Commissioner of Revenue	Commissioner of Revenue	Commissioner of Revenue	1
Ida.	Department Law Enforce.	——	Tax Commissioner	Tax Commissioner	3
Ill.	Secretary of State	——	Attorney General	Department of Finance	3
Ind.	Treasury Department	——	Board of Tax Com'rs	Alcoholic Beverage Com.	4
Ia.	Department Public Safety	Tax Commission	Tax Commission	Tax Commission	3
Kan.	Highway Commission	Director of Revenue	Director of Revenue	Director of Revenue	2
Ky.	Department of Revenue	Department of Revenue	Department of Revenue	Department of Revenue	1
La.	Secretary of State	Collector of Revenue	(local)	Collector of Revenue	3
Me.	Secretary of State	——	Attorney General	Liquor Commission	4
Md.	Com'r Motor Vehicles	——	Comptroller	Comptroller	3
Mass.	Dept. Public Works	Com'r Corp. and Taxation	Com'r Corp. and Tax.	Com'r Corp. and Tax.	2
Mich.	Secretary of State	——	Auditor	Liquor Control Com.	4
Minn.	Secretary of State	——	Com'r of Taxation	Liquor Control Com.	3
Miss.	Com'r Motor Vehicles	Ch. Tax Commission	Ch. Tax Commission	Ch. Tax Commission	2
Mo.	Com'r Motor Vehicles	——	Treasurer	Department Liquor Cont.	6
Mont.	Registrar Motor Vehicles	——	Board of Equalization	Liquor Control Board	3

Nebr.	Dept. Roads and Irrigation	———	Tax Commissioner	Liquor Control Com.	4
Nev.	Secretary of State	———	———	Tax Commission	2
N. H.	Com'r Motor Vehicles	Tax Commission	Attorney General	Liquor Commission	4
N. J.	Com'r Motor Vehicles	———	Tax Commissioner	Tax Commissioner	2
N. M.	Commissioner of Revenue	———	Commissioner of Revenue	Com'r of Revenue	2
N. Y.	Tax Commission	Tax Commission	Tax Commission	Tax Commission	1
N. C.	Com'r of Revenue	———	Commissioner of Revenue	Com'r of Revenue	1
N. D.	Highway Commissioner	Laboratories Department	Tax Commissioner	Tax Commissioner	4
Ohio	Registrar Motor Vehicles	Tax Commissioner	Tax Commissioner	Tax Commissioner	3
Okla.	Tax Commission	Tax Commission	Tax Commission	Tax Commission	1
Ore.	Secretary of State	———	Treasurer	Liquor Control Com.	4
Pa.	Secretary of Revenue	Secretary of Revenue	Secretary of Revenue	Secretary of Revenue	1
R. I.	Tax Administration	Tax Administrator	Tax Administrator	Tax Administrator	1
S. C.	Highway Commissioner	Tax Commission	Tax Commission	Tax Commission	2
S. D.	Secretary of State	Secretary of Agriculture	Director of Taxation	Secretary of Agriculture	4
Tenn.	Com'r Finance and Tax.	Com'r Finance and Tax.	Com'r Finance and Tax.	Com'r Finance and Tax.	2
Tex.	Highway Commission	Comptroller	Comptroller	Liquor Control Board	3
Utah	Tax Commission	Tax Commission	Tax Commission	Tax Commission	1
Vt.	Commission Motor Vehicles	Tax Department	Tax Department	Liquor Control Board	3
Va.	Division Motor Vehicles	———	Tax Commissioner	Tax Commissioner	2
Wash.	Director of Licenses	Tax Commission	Tax Commission	Liquor Control Board	3
W. V.	Road Commission	———	Tax Commissioner	Tax Commissioner	2
Wisc.	Motor Vehicle Department	Treasury Department	Com'r of Taxation	Treasury Department	3
Wyo.	Secretary of State	———	Inherit. Tax Com'r	Liquor Commission	5

TABLE C-XXVI

Summary Cash Receipts:

General and Special "Operating" Funds

Bienniums 1927-1929 To 1939-1941

($000)

	1927-1929	1929-1931	1931-1933	1933-1935	1935-1937	1937-1939	1939-1941‡
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Fund*	$159,447	$200,095	$188,666	$183,455	$342,283	$382,157	$393,519
Special Funds							
Motor License Fund†	100,029	133,016¶	115,327	117,811	137,063	142,810	154,654
Fish Fund	850	918	844	849	939	1,397	2,107
Game Fund	2,194	2,498	2,494	2,371	2,586	2,964	3,936
Banking Fund	1,144	1,334	1,497	1,414	1,400	1,525	1,556
State Farm Show	.....	82	117	109	129	165	216
Milk Control Fund	.....	.....	.....	66	215	335	363
Forests and Waters	.....	.....	.....	.....	221	285	396
	$263,664	$337,943	$308,945	$306,074	$484,835	$531,638	$556,746

1 Amount of Federal Grants and other Receipts for Special Purposes Not Included Above

	1927-1929	1929-1931	1931-1933	1933-1935	1935-1937	1937-1939	1939-1941
a	$1,977	$1,284	$1,446	$5,444	$17,733	$40,123	$58,821
b	3,748	9,926	15,153	5,288	4,746	12,931	14,946

See notes below.

TABLE C-XXVII

Summary General Fund Disbursements "Applicable to the Biennium" and Special "Operating" Fund Disbursements

($000)

	1927-1929	1929-1931	1931-1933	1933-1935	1935-1937	1937-1939	1939-1941‡
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Fund*	$142,586	$188,833	$208,008	$229,218	$330,584	$409,533	$395,024
Special Funds							
Motor License Fund†	97,135	160,019	115,926	112,254	102,933	152,078	145,917
Fish Fund	678	841	937	842	876	968	1,754
Game Fund	1,869	2,383	2,374	2,213	2,424	2,959	3,362
Banking Fund	1,164	1,337	1,508	1,343	1,367	1,386	1,502
State Farm Show	.....	59	111	124	132	143	185
Milk Control Fund	.....	.....	.....	58	214	241	320
Forests and Waters	.....	.....	.....	.....	116	331	375
	$243,433	$353,473	$328,864	$346,053	$438,647	$567,639	$548,439

1 Amount of Federal Grants and other Receipts for Special Purposes not included Above

	1927-1929	1929-1931	1931-1933	1933-1935	1935-1937	1937-1939	1939-1941‡
a	$1,977	$1,284	$1,446	$5,444	$17,733	$40,123	$58,821
b	3,748	9,926	15,153	5,288	4,746	12,931	14,946

* Does not include Receipts for Special Purposes. Borrowing from Special Funds or Sale of Tax Anticipation Notes.

† Does not include Federal Aid to Highway or P.W.A. Funds.

‡ Includes return on $5,000,000 loan to Liquor Control Board and a $5,000,000 increase in estimated revenue as per budget message 2/3/41.

§ Includes $5,000,000 loan to Liquor Control Board and a deduction of estimated additional lapses of $3,000,000 as per budget message, 2/3/41.

¶ Does not include a General Fund Appropriation of $2,905,340 for North Office Building.

2 Other Special Funds Not Included as "Operating" Funds.

These Funds receive their money either from General Fund, Federal Grants, or Interest alone.

a—Trust Acct. National Industrial Recovery Highway Fund.
b—Bureau of Employment Fund.
c—Federal Unemployment Relief Fund.
d—State Stores Fund (Liquor Store Profits included in General Fund).
e—Veteran's Compensation.
f—Federal Social Security Fund.
g—Flood Control Fund.

3 All Custodial Funds Are Excluded.

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
I. CORPORATION TAXES				I.	
A. Bonus on Charter				A.	
1. Domestic	1. 1927 P. L. 322 amended 1939 P. L. 609 also 1901 P. L. 150	1. 1/5 of 1% of par value of capital stock authorized and increases therein or of stated capital and increases therein (no par.)	1. & 2. B. & L. Assns.; Corps. with no capital stock; credit unions.	1.	$ 1,439,205
2. Foreign	2. 1927 P. L. 322 amended 1939 P. L. 609 also 1901 P. L. 150.	2. 1/3 of 1% of value of capital employed in state and subsequent increases therein.		2.	.....
B. Capital Stock				B.	
1. Domestic	1. 1889 P. L. 420 amended 1935 P. L. 184, amended 1937 P. L. 239.	1. 5 mills per dollar value capital stock allocated on ratio of taxable assets in Pa. to total assets, wholesale distilling cos. 10 mills.	1. & 2. Corporations First-Class; Non-profit corps.; B. & L.'s; Agriculture co-ops; Securities of other corporations owned outright; Bank, Trust, Title, & Savings Companies; Foreign Insurance Co's.	1.	20,427,853
2. Foreign (franchise)	2. 1889 P. L. 420 amended 1935 P. L. 184, amended 1937 P. L. 239.	2. 5 mills per dollar value capital stock allocated on ratio of tangible assets, payrolls and gross receipts; wholesale distilling 10 mills.		2.	.....
C. Shares				C.	
1. Bank & Trust Co. (n)	1. 1897 P. L. 292 amended 1939 P. L. 53 (banks), 1907 P. L. 640 amended 1939 P. L. 48 (trust cos.)	1. (n) Banks—4 mills regular of actual value. Trust Cos.—5 mills regular of actual value.	1. & 2. If shareholders pay amount of tax (8 mills) then shares and so much capital not invested in real estate shall be exempt from other taxation under laws of the commonwealth.	1.	2,314,444
2. Bank & Trust Co. (e)	2. 1897 P. L. 292 amended 1939 P. L. 53 (banks), 1907 P. L. 640 amended 1939 P. L. 48 (trust cos.)	2. (e) Banks—4 mills extra—calendar yrs. 1936 to 1940. Trust Cos.—3 mills extra—calendar yrs. 1936 to 1940.		2.	.....
D. Stock				D.	
1. Bldg. & Loan (matured)	1. 1897 P. L. 178 repealed 1937 P. L. 62.	1. Equal to tax on money at interest.	1. Stock not matured or matured and in process of payment.	1.	246,930
E. Net Income				E.	
1. Corporate (e)	1. 1935 P. L. 208 amended 1939 P. L. 64. This tax in addition to all taxes now imposed.	1. 7% on each dollar of net income received or accrued from all business done in State, for calendar or fiscal year 1939 & 1940 as determined by Federal returns. If part business done outside State, then on net as allocated for foreign corporations franchise tax.	1. Building & Loan Assns.; Beneficial and Limited Life Insurance Cos.; Banks & Trust Cos.; Mutual Fire, Casualty & Life Ins., Cos.; Foreign Life, Fire & Casualty Ins.; Surety & Trust Cos.	1.	.....
F. Gross Receipts Tax				F.	
1. Utilities				1.	
a. Transportation power, and Transmission (n) (e)	a. 1889 P. L. 420 amended 1939 P. L. 51.	a. On gross receipts derived from business within state (n) 8 mills per $1 (e) 12 mills June 30, 1939 to December 31, 1940.	a. Municipally owned and operated Public Utilities for service inside its corporate limits.	a (n) (e)	4,329,842 .....
b. Motor Carriers (Motor L. Fund) (s)	b. 1931 P. L. 694.	b. 8 mills per $1 on gross, in ratio miles of operation in State bears to total.	b. Deductions: City excise tax for use of highway and 50% of registration fee.	b.	.....
2. Insurance				2.	
a. Domestic				a.	293,354
(1) Casualty	(1) 1889 P. L. 420 amended 1933 P. L. 1093, amended 1939 P. L. 212.	(1) 8 mills per dollar on gross premiums.	(1) (2) (3) Life ins. cos. and mutual cos. without capital stock and beneficial assns. Deductions: policies cancelled or returned; reinsurance premiums received.	(1)	Included
(2) Fire	(2) 1889 P. L. 420 amended 1933 P. L. 1093, amended 1939 P. L. 212.	(2) 8 mils per dollar on gross premiums.		(2)	In Above
(3) Excess re-ins.	(3) 1889 P. L. 420 amended 1933 P. L. 1093, amended 1939 P. L. 212.	(3) 8 mills per dollar on gross premiums.		(3)	Figure
(4) Marine	(4) 1927 P. L. 998 amended 1929 P. L. 442.	(4) 5% on proportion of average annual underwriters profit.	(4) None.	(4)	.....
b. Foreign				b.	
(1) Life	(1) 1921 P. L. 682 amended 1933 P. L. 1004, amended 1939 P. L. 213.	(1) 2% on gross premiums minimum. Greater on reciprocal basis depending on parent State.	(1) (2) and (3) Premiums on policies cancelled or not taken; re-insurance premiums received; dividends declared and used in payment of renewals in life insurance co.'s; advanced premiums returned to members of mutuals.	(1)	5,332,068
(2) Casualty	(2) 1921 P. L. 682 amended 1933 P. L. 1004, amended 1939 P. L. 213.	(2) 2% on gross premiums minimum. Greater on reciprocal basis depending on parent State.		(2)	Included

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
													I.
$1,556,772	$820,772	$425,867	$190,942	$143,643	$154,236	$131,960	$ 206,911	$ 438,177	$ 337,096	$ 108,390	$ 96,607		A. 1.
.....	417,678	584,664	414,285	192,794	206,835	189,235	148,285	497,918	426,283	294,198	144,675		2.
17,999,192	14,962,571	26,300,960	22,785,428	15,851,113	15,414,698	16,084,300	17,197,933[1]	35,854,996[1]	21,733,412	20,203,344	21,034,418		B. 1.
.....	1,143,448	1,155,846	1,099,663	836,948	989,112	1,040,652	1,524,828[1]	10,492,734[1]	7,792,338	7,732,136	6,837,095		2.
4,716,133	4,099,656	5,100,487	3,623,521	2,627,020	1,692,389	3,120,295	1,659,812	2,606,852	5,370,174	3,376,539	3,506,992		C. 1.
.....	.....	.....	.....	.....	.....	.....	.....	261,178	3,134,606	2,681,736	2,811,823		2
226,038	128,741	251,803	124,347	426,708	177,184	285,506	373,512	537,648	96,840	31,948	5,501		D 1.
.....	.....	.....	.....	.....	.....	.....	12,969,652	29,879,875	28,184,735	16,349,477	23,647,248		E. 1.
													F.
4,222,222	3,582,581	3,390,379	3,246,476	4,268,654	2,930,468	3,253,163	2,678,612	3,870,631	3,304,964	2,718,092	3,121,945		1.
.....	.....	.....	.....	.....	.....	.....	1,984,255	2,378,143	4,626,047	4,081,727	4,655,185		a
.....	.....	.....	.....	2,052	3,166	3,266	5,902	6,050	11,621	10,559	6,085		b
314,863	266,818	197,153	41,026	3,720	.....	3,606	.....	.....	.....	.....	.....		2. a
Included	Included	Included	111,799	102,871	49,920	104,699	70,238	101,159	130,234	165,072	114,796		(1)
In Above	In Above	In Above	113,104	92,230	99,968	83,042	72,128	65,878	74,749	108,955	92,125		(2)
Figure	Figure	Figure	.....	.....	.....	.....	.....	6,590	9,351	5,107	25,396		(3)
.....	.....	.....	7,798	1,103	1,042	1,169	1,043	77	28	231	1,983		(4)
5,700,596	4,812,572	5,065,710	5,149,780	4,902,663	4,652,007	4,831,804	4,866,255	5,228,111	5,394,930	5,368,400	5,383,134		b (1)
Included	1,134,678	1,111,664	973,506	845,319	808,716	920,054	831,284	1,086,254	1,160,144	1,257,343	1,156,442		(2)

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
(3) Excess fire	(3) 1921 P. L. 682 amended 1933 P. L. 1004, amended 1939 P. L. 213.	(3) 2% on gross premiums minimum. Greater on reciprocal basis depending on parent State.		(3)	In
(4) Marine	(4) 1927 P. L. 998 amended 1929 P. L. 442.	(4) 5% on proportion at average annual underwriters profit.	(4) None	(4)	Above
(5) Excess Ins. Brokers	(5) 1921 P. L. 789 amended 1929 P. L. 441 and 1929 P. L. 1186.	(5) 3% on Gross Premiums.	(5) Marine Ins. on vessels and property engaged in interstate or foreign commerce.	(5)	Figure
c. Foreign Fire Insurance Tax Fund (s)	(c) 1895 P. L. 408 amended 1935 P. L. 122. (Entire net amt. returned to Municipalities or Local Volunteer Fire Co.)	(c) 2% on Gross premiums or greater on reciprocal basis.	(c) None.	c.	1,084,043
G. Emergency Profits	G. 1929 P. L. 876.	G. ½% net income of corporations for calendar years 1923 and 1924.	G. B. & L's.; Corps. paying tax on gross premiums.	G.	29,060
II. BUSINESS TAXES				II.	
A. Anthracite Coal	A. 1921 P. L. 479 repealed 1929 P. L. 1806.	A. 1½% of value ready for mkt. until May 31, 1929; 1% until May 31, 1930; ½% until May 31, 1931.	A. None.	A.	10,309,239
B. Private Bankers (gross receipts	B. 1861 P. L. 708 amended 1929 P. L. 679.	B. 1% on gross receipts.	B. None.	B.	16,953
C. Savings Fund Societies	C. 1879 P. L. 112.	C. 3% of net annual earnings.	C. None.	C.	116,501
D. General Sales Tax (emergency Relief)	D. 1932 P. L. 92 (6 months, only, to Feb. 28, 1933).	D. 1% on gross income from sales.	D. Sales to U. S. Gov't and sales not subject to taxation under Commerce Clause of the U. S. Constitution.	D.	.....
E. Alcohol Tax				E.	
1. Malt Liquor	1. 1939 P. L. 284 amended 1937 P. L. 527.	1. ½¢ per pint or $1.24 per bbl.	1. None	1.	.....
2. Distilled Spirits	2. 1933 (special) P. L. 38 amended 1933 P. L. 91.	2. $1 per proof gal.—proportionate tax for fraction.	2., 3. & 4. When sold to the State or the United States or any governmental agency or school or college for research, or hospital, or holders of sacramental wine permit, or to pharmacist, or chemist, or manufacturing denatured alcohol or preparations unfit for beverage purposes.	2.	.....
3. Rectified Spirits	3. 1933 (special) P. L. 38 amended 1933 P. L. 91.	3. 30¢ proof gal. of rectified spirits.		3.	.....
4. Wines	4. 1933 (special) P. L. 38 amended 1933 P. L. 91.	4. ½¢ per unit of proof per wine gal.		4.	.....
F. Beverage License Law (s)	F. 1933 P. L. 252 amended 1937 P. L. 1827. (Receipts go to State Stores Fund except retail licenses which go to Liquor License Fund).	F. Mfg. $1000 ea. place; Distributor $400; Retailer $100 to $300 on population; Importer $900; Public Service $10 per car Max. operated any one day; Boats $50; special permits $25; Filing Fee $10.	F. None.	F.	.....
G. Liquor Control Act (s)	G. 1933 P. L. 15 amended 1937 P. L. 1762. (License Fees go to Liquor Control Fund, Application and transfer Fees go to State Stores Fund).	G. Retail $150 to $600 based on population; Clubs $50; Public Service $20 per car for Max. operated any one day; Boats $100; filing fee $20; Sacramental Wine $100; filing fee $10; Importers $100; filing fee $10; additional warehouse $25.	G. (The holder of a license under this Act is entitled to engage in business under the Beverage License Law.)	G.	.....
H. Liquor Sales (10%) (e)	H. 1936 P. L. 13 amended 1939 P. L. 46.	H. 10% on sales price till June 1, 1941.	H. None.	H.	.....
I. Liquid Fuel Tax				I.	
1. Liquid Fuel Tax Fund (n) (s)	1. 1931 P. L. 149 amended 1939 P. L. 55.	1. ½¢ per gallon permanent tax.	1., 2. & 3. Fuel delivered to U. S. Gov't and those fuels not within the taxing power of the state under commerce clause of constitution of United States.	1.	3,695,406
2. General Fund (e)	2. 1935 P. L. 412 amended 1939 P. L. 55.	2. 1¢ per gallon emergency tax to May 31, 1941.		2.	.....
3. Motor Fund (n) (s)	3. 1931 P. L. 149 last amended 1939 P. L. 55.	3. 2½¢ per gallon permanent tax.		3.	18,806,586
J. Cigarette Tax (e)	J. 1935 P. L. 341 amended 1939 P. L. 57.	J. 1¢ per ten cigarettes until May 31, 1941; Permits $1.	J. Sales not in taxing powers of commonwealth under the Commerce Clause of the Constitution of U. S.	J.	.....

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
In	66,931	36,296	39,730	45,466	50,311	64,155	18,702	17,356	41,579	25,365	15,725		(3)
Above	1,381	2.066	2.642	1,947	3,468	3,000	2,316	1,990	808	1,610	1,456		(4)
Figure	2,710	3,344	2,784	15,541	1,177	3,324	1,808	994	995	963	960		(5)
1,006,409	1,055,139	935,129	887,039	682,354	692,659	742,036	747,571	776,765	1,003,423	824,329	920,471		c.
20,755	2,968	1,039	1,587	1,279	682	175	331	50	-0-	279	20		G.
9,016,554	3,745,805	3,732,337	2,839,490	11,898	12,130	1,247	5,351	-0-	-0-	1,002	.....		II. A.
20,996	17,814	6,715	9,155	46,556	21,285	46,195	30,576	20,785	89,771	105,481	7,666		B.
165,103	125	131,017	127,262	96,972	92,841	71,378	24,609	314,582	174,155	71,173	130,006		C.
.....	.....	.....	.....	9,121,946	441,984	240,581	64,959	60,807	19,792	4,375	6,732		D.
													E.
.....	.....	.....	.....	444,232	5,189,671	6,072,130	6,748,954	7,406,610	7,433,528	6,843,170	7,133,636		1.
.....	.....	.....	.....	.....	208,269	24,172	20,761	20,649	19,921	11,557	8,236		2.
.....	.....	.....	.....	.....	5,181	4,076	8,707	6,035	6,920	6,583	6,929		3.
.....	.....	.....	.....	.....	58,467	4,542	869	677	845	1,622	906		4.
.....	.....	.....	.....	.....	100,330	186,470	1,160,034	1,053,927	1,456,281	1,359,482	1,404,551		F.
.....	.....	.....	.....	.....	2,280,187	3,762,550	3,873,051	4,679,883	5,338,908	5,696,825	5,938,278		G.
.....	.....	.....	.....	.....	.....	.....	.....	7,290.262	7,803,386	7,344,333	7,093,054		H.
													I.
4,075,820	4,580,189	5,072,827	5,451,298	5,115,010	5,286,971	5,476,723	5,921,438	6,698,210	7,023,450	7,068,787	7,125,926		1.
.....	.....	.....	.....	.....	.....	.....	9,242,919	13,136,842	13,836,148	13,996,411	14,245,010		2.
19,932,787	29,266,409	27,633,026	27,402,294	25,672,712	26,473,182	27,416,128	29,622,064	33,511,596	34,789,345	35,123,040	35,636,693		3.
.....	.....	.....	.....	.....	.....	.....	8,701,805	10,805,779	11,291,132	11,158,876	11,982,658		J.

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
K. Boxing & Wrestling	K. 1923 P. L. 710 amended 1937 P. L. 1698.	K. 5% Gross receipts exclusive of Federal Taxes.	K. Amateur exhibitions or matches.	K.	79,629
L. Amusements (e)	L. 1935 P. L. 429 Effective two years not re-enacted.	L. Annual Fee $1; 1¢ per each 25¢ or fraction of admission.	L. Religious, educational, charitable, etc. (not schools or wrestling); military organizations; mutual societies; Agricultural fairs.	L.	.....
M. Distillers Tax (e)	M. 1936 P. L. 92.	M. 4% of purchase payable therefor by the board August 15, 1936 to May 31, 1937.	M. None.	M.	.....
N. Liquor Floor Tax	N. 1933 P. L. 5.	N. $2 each proof gallon, or wine gallon, when below proof—proportionate tax on fractional parts.	N. None	N.	.....
III. MERCANTILE LICENSE TAX				III.	
A. Retail	A. 1899 P. L. 184 amended 1933 P. L. 1151.	A. $2 Plus 1 mill on each dollar gross business.	A. Drugs dispensed on physician's prescriptions.	A.	3,280,364
B. Wholesale	B. 1899 P. L. 184 amended 1933 P. L. 1151.	B. $3 Plus ½ mill on each dollar gross business.	B. Farmers selling own produce. Meat processors—Dealers in Malt or brewed beverages.	B.	988,522
C. Board of Trade	C. 1899 P. L. 184 amended 1933 P. L. 1151.	C. Vendor and Dealers—25¢ on each $1000 gross sold.	C. None.	C.	2
D. Restaurants	D. 1907 P. L. 117.	D. $2 annual fee plus 1 mill on each dollar gross business.	D. Social clubs.	D.	83,802
E. Billiards, etc.	E. 1907 P. L. 244 amended 1939 P. L. 676.	E. $20 for 1st game, $10 each additional Bowling Alleys $10 for 1st game $5 for each additional alley; summer resorts $25.	E. Social Clubs, Hospitals, Asylums, Institutions.	E.	214,904
F. Brokers	F. 1907 P. L. 175.	F. On gross annual commissions or earnings—up to $5,000—$10; $5,000 to $10,000—$25; $10,000 to $20,000—$50; over $20,000—$100.	F. National Banks exercising powers conferred by U. S. Government.	F.	218,356
G. Auctioneers	G. 1873 P. L. 332 amended 1921, P. L. 406.	G. Same as brokers except Phila. minimum $500.	G. Auctioneering of live stock and farm implements.	G.	19,571
H. Peddlers	H. 1830 P. L. 147 amended 1937 P. L. 1191.	H. On foot $8. One horse $16. Two horses $25. Within a county; state wide one horse $40. 2 horses $50. Tin and japanned ware and clocks $30 each county.	H. Goods of own manufacture, by himself or through agent, disabled soldiers secure license without cost to sell own goods.	H.	4,928
I. Appraisers	I. 1919 P. L. 159 Sec. 1.	I. Allegheny Co. only 50¢ fee except for brokers and auctioneers $75¢ fee.	I. None.	I.	14,292
J. Amusements	J. 1913 P. L. 229.	J. Cities 1st class $500; 2d class, over 1000 chairs $400, less than 1000 chairs but over 400, $75, less than 400 chairs $300. Boroughs, $30. Moving picture houses $25. Itinerant circuses $50 to $1000 depending on number of cars.	J. Repealed as to liquor license 1937 P. L. 1827.	J.	.....
IV. PERSONAL TAXES				IV.	
A. Property (e)	A. 1913 P. L. 507 amended 1939 P. L. 413; also 1935 P. L. 414 amended 1937 P. L. 633; 1939 P. L. 76.	A. (4 mills county permanent) 4 mills, State for calendar years 1939, 1940, 1941, on intangible personal property (mtg., judgment, notes and other evidence of indebtedness) by individuals and trustees.	A. Interest-bearing accounts in banks or trust companies and securities of corporations subject to Pa. capital stock or franchise tax corporate loan tax: Domestic or foreign corporations paying a capital stock or franchise tax and bank or trust co's. paying a tax on shares, make no return. Property held by resident in trust for non-resident, when created by non-resident. Building and Loan Associations; saving, life and fire associations having no capital stock; labor unions, beneficial or secret organizations.	A.	.....

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
86,363	95,442	76,118	53,789	40,551	29,879	34,045	32,827	47,590	42,201	38,456	45,357		K.
.....	.....	.....	.....	.....	.....	.....	2,662,794	4,140,696	965,807	2,534	17		L.
.....	.....	.....	.....	.....	.....	.....	.....	1,379,798	223,991	-0-	.....		M.
.....	.....	.....	.....	.....	787,273	2,904,881	3,165,376	158,621	-0-	2,192	.....		N.
													III.
2,928,538	3,319,929	2,978,434	2,729,957	2,473,660	2,170,477	2,353,607	2,657,459	2,353,773	2,607,830	2,559,889	2,553,572		A.
851,587	647,651	768,488	566,482	630,131	511,750	550,834	607,234	740,771	710,019	626,386	638,179		B.
													C.
165,131	144,131	164,738	154,175	141,491	147,007	162,232	169,172	255,803	257,957	238,907	211,854		D.
192,016	179,787	184,449	140,389	109,377	92,536	95,914	97,053	125,009	164,162	175,706	298,560		E.
181,202	141,251	164,410	108,968	123,140	105,568	109,065	108,894	120,638	143,734	123,338	146,181		F.
17,816	14,162	17,227	21,034	17,502	14,237	17,172	16,161	17,057	41,363	29,520	40,804		G.
4,800	3,803	2,527	1,289	529	270	166	158	259	291	168	148		H.
14,366	14,261	13,849	13,439	11,154	11,095	12,578	2,000	12,342	12,470	12,587	13,121		I.
.....	.....	.....	.....	.....	.....	.....	42,816	74,810	58,347	44,626	69,909		J.
													IV.
							518 787	17,794.517	11.919,750	12.095,284	11,556,479		A.

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
B. Inheritance				B.	
1. Resident				1.	
a. Transfer	a. 1919 P. L. 521 amended 1936 P. L. 44, 1939 P. L. 619, 1939 P. L. 721-724	a. On clear value of real and tangible personal property within State and intangibles wherever located. 2% on direct heirs, 10% on collateral heirs, including charities.	a. Personal property (except tangible personality & b. having situs here) of non-resident decedent on reciprocal basis with State or Country of decedent $500 widow exemptions; Bldgs., art, etc. willed for free use of Public within Pa.	a.	15,549,997
b. Estate	b. 1927 P. L. 859 amended 1931 P. L. 114, and 1939 P. L. 725.	b. Additional tax to absorb slack between tax at transfer rate and 80% of Federal Estate Tax.		b.	.....
c. Direct	c. 1917 P. L. 832.	c. 2% transfer.	c. None.	c.	13,782
d. Collateral	d. 1887 P. L. 79 amended 1919 P. L. 794.	d. 5% transfer.	d. Estates less than $250.	d.	799,049
2. Non-Resident				2.	
a. Transfer & Estate	a. See resident transfer and estate, supra.	a. Based only on property within State. Rate see resident inheritance, supra.	a. See resident transfer & estate, supra.	a.	796,347
C. Corporate Loans				C.	
1. Domestic (n)	1. 1937 P. L. 633 amended 1939 P. L. 76.	1. 4 mills permanent; 4 mills extra on each dollar of value for calendar year 1939 and 1940 or fiscal year beginning therein, on script, bonds or evidences of debt.	1. Corporations 1st class; agricultural co-ops; no capital stock and non-profit bank and trust co's. paying tax on shares; B. & L. domestic and foreign corporations subject to capital stock or franchise tax.	1.	4,194,973
2. Domestic (e)	2. 1937 P. L. 633 amended 1939 P. L. 76.	2. Same as 1.	2. Same as 1.	2.	.....
3. Foreign (n)	3. 1937 P. L. 633 amended 1939 P. L. 76.	3. Same as 1.	3. Same as 1.	3.	.....
4. Foreign (e)	4. 1937 P. L. 633 amended 1939 P. L. 76.	4. Same as 1.	4. Same as 1.	4.	.....
D. Public Loans	D.	D. 4 mills on each dollar of value.	D. Loans of this State or U. S. and those made taxable for state purposes.	D.	2,747,957
E. Stock Transfer	E. 1915 P. L. 828 amended 1939 P. L. 403.	E. 2c on each $100 face value or fraction of stock par value, 2c for each share no par value.	E. Stock deposited as collateral security; B. & L.; mere loans; stock delivered to executor or administrator; brokers' sales or purchases not for own use.	E.	445,556
F. Writs & Entries	F. 1830 P. L. 272, 1917 P. L. 415 amended 1921 P. L. 94, 1925 P. L. 494.	F. Prothy 25c & 50c; Deeds 50c; Wills, letters testamentary & Adm. $1; Marriage License State fee 50c.	F. Mortgages of RFC or Agricultural Credit Corp.	F.	472,562
G. Documentary Stamp	G. 1935 P. L. 203 and 1935 P. L. 439.	G. 5c each $100 or fraction on deeds, bonds, debentures, corporate securities and any renewals.	G. Leases, Securities of U. S., State or political subdivision, non-profit corp., or assoc. for religion or educational purposes.	G.	.....
V. MOTOR VEHICLE LICENSE				V.	
A. (Motor License Fund) (s)	A. 1929 amended 1939 P. L. 1135.	A. Registration fees: Cycles $2-$3; Vehicles 40c per hp. min. $10; trucks $16.50-$350; Busses $25-$400; Tractors $5-$50; Trailers $5-$150; Title $2; Oper. Lic. $1-$2.	A. Vehicles of Federal Gov't.; of other State on reciprocal basis; State or local Gov't.; volunteer fire, hospital, humane society, Red Cross, churches, scouts, Salvation Army, Vets, mine ambulances, diplomatic representatives.	A.	25,835,378
A. DEPT. OF AGRICULTURE				A.	
(1) Bakery License	(1) 1933 P. L. 912 Sec. 3 amended 1937 P. L. 2676.	(1) 1-99 bbl. per week $5; 100-199 bbl. $10; 200 or over $20.	(1) None—if less than 50 lbs. flour per week.	(1)	.....
(2) Carbonated Beverage	(2) 1925 P. L. 730 Sec. 3.	(2) $50.	(2) None.	(2)	43,050
(3) Cold Storage Warehouse	(3) 1919 P. L. 670 amended 1931 P. L. 134.	(3) $50.	(3) State owned institutions.	(3)	3,550
(4) Domestic Animals	(4) 1913 P. L. 938 as amended 1937 P. L. 628.	(4) Broker or dealer $5, agent $1.	(4) None.	(4)	2,410
(5) Milk Dealers	(5) 1925 P. L. 541 amended 1935 P. L. 614.	(5) $5.	(5) None.	(5)	12,642
(6) Milk Testers	(6) 1925 P. L. 541 amended 1935 P. L. 614.	(6) Certificate Fee $3—Exam. Fee $3.	(6) None.	(6)	.....
(7) Milk Weighers	(7) 1925 P. L. 541 amended 1935 P. L. 614.	(7) Certificate Fee $3—Exam. Fee $1.50.	(7) None.	(7)	.....
(8) Farm Produce Dealers	(8) 1937 P. L. 901.	(8) $10.	(8) Farm produce sold for cash. Farmers selling own or neighbor's produce. Seed sold at retail. Agricultural cooperatives.	(8)	.....
(9) Farm Products	(9) 1937 P. L. 901.	(9) $10 annually for each place.	(9) None.	(9)	.....
(10) Feeding Stuff	(10) 1909 P. L. 395 amended 1933 P. L. 21.	(10) $5 to $25 depending on amount sold.	(10) None.	(10)	75,422
(11) Fertilizer	(11) 1909 P. L. 344 amended 1917 P. L. 329.	(11) $15 to $50 depending on amount sold.	(11) None.	(11)	27,920

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
													B.
16,580,538	20,612,054	24,165,466	16,010,619	15,041,244	12,091,433	16,330,412	15,225,334	14,264,110	15,164,832	15,826,379			1. a.
											19,090,098		
.....	6,419,178	14,984,172	3,516,226	16,512,049	2,045,872	2,653,490	4,029,926	2,241,575	13,266,507	4,881,285			b.
28,873	16,352	34,754	5,975	5,876	10,409	2,131	4,088	3,171	2,223	8,052	3,834		c.
296,528	319,501	223,934	243,863	140,355	224,897	252,290	214,428	236,827	86,342	244,789	115,230		d.
													2.
620,127	465,732	234,547	137,760	145,208	98,053	132,459	74,728	111,476	178,298	116,106	135,153		a.
													C.
4,592,453	4,389,049	5,559,247	4,473,837	3,699,404	5,200,405	4,852,307	2,899,495	7,191,931	4,151,609	3,055,188	2,785,944		1.
.....	.....	.....	.....	.....	.....	.....	105,980	3,347,143	3,292,168	2,964,393	2,724,512		2.
.....	273,999	398,687	384,469	293,135	289,402	389,890	233,795	584,703	285,991	225,874	233,924		3.
.....	.....	.....	.....	.....	.....	.....	2,886	25,057	200,322	212,430	199,429		4.
1,455,057	2,566,165	2,334,762	2,681,999	2,561,410	2,453,422	3,139,466	1,902,795	4,445,971	2,737,951	1,485,107	4,506,284		D.
630,537	740,762	479,825	392,978	299,168	334,631	245,503	493,903	545,036	316,114	353,281	362,017		E.
446,764	418,773	391,194	351,577	305,664	279,491	292,418	291,757	293,483	294,206	281,202	300,524		F.
.....	.....	.....	.....	.....	.....	.....	414,705	472,768	56,726	964	357		G.
													V.
27,774,912	31,899,695	31,078,241	29,465,289	27,381,692	30,356,610	31,366,744	33,695,432	37,986,149	35,250,154	35,311,453	37,319,976		A.
.....	.....	.....	.....	.....	15,560	17,920	17,845	18,485	19,715	20,365	20,525		(1)
45,000	44,350	44,350	43,450	40,150	36,800	38,000	46,200	50,350	48,200	49,100	47,550		(2)
3,400	3,750	3,500	3,350	3,100	3,250	3,000	3,150	3,200	2,950	4,100	3,850		(3)
1,400	10	.....	.....	.....	.....	.....	.....	.....	4,236	4,186	5,076		(4)
12,514	6,550	5,975	5,745	5,615	5,575	5,505	6,115	6,494	.....	.....	.....		(5)
.....	4,014	4,083	3,873	3,834	4,074	4,602	4,707	5,092	.....	.....	.....		(6)
.....	1,944	1,893	1,866	1,743	2,313	2,249	2,300	2,639	.....	.....	.....		(7)
.....	.....	.....	.....	.....	.....	.....	.....	.....	2,250	2,650	1,770		(8)
.....	17,361	24,775	26,087	9,155	8,271	8,107	12,132	12,510	17,271	15,354	14,965		(9)
77,615	81,488	81,161	80,071	74,693	34,316	34,455	35,138	41,310	42,951	42,666	45,577		(10)
27,970	27,210	25,535	23,320	19,725	18,855	20,365	21,435	24,670	24,145	23,755	22,735		(11)

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
(12) Insecticide	(12) 1915 P. L. 678 Sec. 5 amended 1939 P. L. 221, Sec. 1.	(12) $5 to $20 depending on amt. sold of each brand. New mfgrs. to pay $5 for each brand sold.	(12) None.	(12)	1.692
(13) Ice Cream	(13) 1933 P. L. 1116.	(13) 100,000 gals.—$10: 100,000 to 250,000—$50: 250,000 gals. & over $100.	(13) Social — Fraternal — charitable etc. & farmers.	(13)	.....
(14) Lime and gypsum	(14) 1915 P. L. 678 amended 1933 P. L. 894.	(14) $5 to $20 on amount sold.	(14) Bulk sold at quarry if not over 100 tons a year.	(14)	1,255
(15) Egg Fees	(15) 1913 P. L. 58 amended 1919 P. L. 267.	(15) $50.	(15) None.	(15)	1,150
(16) Oleomargarine	(16) 1901 P. L. 327 amended 1913 P. L. 412.	(16) Mfg. $1000; Wholesale $500: Retail $100: Restaurant $50: Boarding House $10.	(16) None.	(16)	405.778
(17) Seed Testing	(17) 1921 P. L. 316.	(17) 25c.	(17) None.	(17)	.....
(18) State Farm Show	(18) 1929 P. L. 177.	(18) By regulation.	(18) None.	(18)	.....
B. DEPT. OF BANKING				B.	
(1) Examination Fees	(1) 1933 P. L. 457, 1933 P. L. 565-624-1935 P. L. 525-507-650-521.	(1) Reasonable Fee—Set by Banking Board.	(1) None.	(1)	453.953
(2) Overhead Assessment Fees	(2) 1933 P. L. 565, 624.	(2) Reasonable Fee—Set by Banking Board.	(2) None.	(2)	64.642
(3) Small Loan Act	(3) 1915 P. L. 1012 amended 1937 P. L. 989.	(3) $100 per year.	(3) None.	(3)	23.700
(4) Securities Commission	(4) 1927 P. L. 273 amended 1929 P. L. 720.	(4)	(4) None.	(4)	
(a) Dealers Application	(a) 1927 P. L. 273 amended 1929 P. L. 720.	(a) Yearly $10—Original or renewal.	(a) None.	(a)	.....
(b) Dealers Registration	(b) 1927 P. L. 273 amended 1929 P. L. 720.	(b) Yearly $40—Original or renewal.	(b) None.	(b)	.....
(c) Salesman Application	(c) 1927 P. L. 273 amended 1929 P. L. 720.	(c) Yearly $10—Original or renewal.	(c) None.	(c)	.....
(d) Salesman Registration	(d) 1927 P. L. 273 amended 1929 P. L. 720.	(d) Yearly $10—Original or renewal.	(d) None.	(d)	.....
(5) Investment License Act	(5) 1921 P. L. 374 amended 1933 P. L. 788.	(5) Fee $100—renewal $25 yearly.	(5) None.	(5)	.....
C. EXECUTIVE DEPARTMENT				C.	
(1) Notaries Public Fees	(1) 1901 P. L. 70.	(1) $25—4 years.	(1) None.	(1)	34.075
D. DEPT. OF FOREST & WATERS				D.	
(1) Water Power Supply	(1) 1923 P. L. 704.	(1) Reasonable fee made in each case.	(1) None.	(1)	.....
(2) Nav. Comm.—Del. River	(2) 1907 P. L. 496 amended 1937 P. L. 1960.	(2) $5 per application.	(2) Cities of the First Class.	(2)	.....
E. DEPARTMENT OF HEALTH				E.	
(1) Bathing Place	(1) 1931 P. L. 899.	(1) $10 application, $10 Yearly renewal.	(1) None.	(1)	.....
(2) Milk Inspector	(2) 1935 P. L. 589.	(2) $10 first year, $3 Yearly renewal.	(2) None.	(2)	.....
(3) Sewage, Industrial	(3) 1937 P. L. 1987 creates Sanitary Water Board.	(3) Board to fix fees.	(3) None.	(3)	.....
(4) Federal Transcript	(4) Federal Act.	(4) 3c fee on each death, birth or still birth transcript sent to Fed. Gov't.	(4) None.	(4)	.....
(5) Undertakers Exam.	(5) 1931 P. L. 485 amended 1935 P. L. 1324.	(5) Fixed by board.	(5) None.	(5)	19.647
(6) Vital Statistics	(6) 1915 P. L. 900 amended 1933 P. L. 96 and 1933 P. L. 979.	(6) $1 for certified copy.	(6) None.	(6)	.....
F. INSURANCE DEPARTMENT				F.	425.554
(1) Agents License	(1) 1921 P. L. 789 amended 1937 P. L. 936.	(1) Domestic 50c—Foreign $2.	(1) None.	(1)	Included
(2) Brokers' License	(2) 1921 P. L. 789 amended 1937 P. L. 936.	(2) Individual $10—Corporation $25.	(2) None.	(2)	.....
(3) Certified Copy Fees	(3) 1921 P. L. 789 amended 1937 P. L. 936.	(3) $1 and $2.	(3) None.	(3)	In
(4) Assoc. & Exchange	(4) 1921 P. L. 789 amended 1937 P. L. 936.	(4) $2.	(4) None.	(4)	.....
(5) Examination Fees	(5) 1921 P. L. 789 amended 1937 P. L. 936.	(5) The Expense of Examination.	(5) None.	(5)	.....
(6) Filing Fee	(6) 1921 P. L. 789 amended 1937 P. L. 936.	(6) $20 and $25.	(6) None.	(6)	Above
(7) Miscellaneous	(7) 1921 P. L. 789 amended 1937 P. L. 936.	(7)	(7) None.	(7)	.....
(8) Public Adjusters	(8) 1921 P. L. 789 amended 1937 P. L. 936.	(8) $100.	(8) None.	(8)	.....
(9) Process Service	(9) 1921 P. L. 789 amended 1937 P. L. 936.	(9)	(9) None.	(9)	.....
(10) Valuation of Policy	(10) 1921 P. L. 789 amended 1937 P. L. 936.	(10) 1c per $1000—Minimum $10.	(10) None.	(10)	Figure
G. DEPT. OF INTERNAL AFFAIRS				G.	
(1) Land Office	(1) 1873 P. L. 75 amended 1933 P. L. 100.	(1) Scale of fees 25c to $10.	(1) None.	(1)	.....
(2) Municipal Indebtedness	(2) 1937 P. L. 91 amended 1933 P. L. 97.	(2) $10 plus ½ mill per dollar of issue.	(2) None.	(2)	.....
(3) Weighmasters	(3) 1935 P. L. 1356 amended 1939 P. L. 865.	(3) $5 for 3 years.	(3) None.	(3)	.....

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
1,639	1,806	1,916	2,069	2,522	2,396	2,322	2,248	2,620	4,351	3,784	4,281		(12)
.....	.....	.....	.....	.....	15,600	13,730	15,645	18,260	18,630	18,465	20,695		(13)
1,359	1,339	1,335	1,276	1,233	1,269	1,350	1,561	1,464	2,220	2,505	2,225		(14)
1,100	1,200	1,100	2,590	2,910	2,845	2,490	2,505	2,628	3,112	3,049	2,693		(15)
438,414	480,850	474,977	357,291	292,478	319,641	382,523	413,952	430,099	416,556	385,806	333,584		(16)
67	90	79	78	104	621	524	742	735	566	552	722		(17)
.....	18,392	51,322	51,021	41,625	45,219	47,580	48,588	52,869	72,638	92,651	67,144		(18)
													B.
498,832	512,528	547,618	584,783	513,441	477,733	419,513	375,661	463,469	429,350	446,997	402,289		(1)
70,024	74,160	118,691	121,421	155,258	148,557	264,010	264,551	246,000	246,678	242,354	237,869		(2)
28,150	39,500	36,650	27,800	26,250	27,750	29,050	4,600	27,700	52,950	56,100	56,800		(3)
													(4)
.....	.....	.....	7,160	7,120	6,690	6,640	6,800	7,290	6,920	6,300	5,690		(a)
.....	.....	.....	26,140	25,280	24,320	23,060	23,960	25,840	24,820	23,660	21,740		(b)
.....	.....	.....	15,140	13,450	12,800	11,770	13,370	15,290	13,970	10,420	8,740		(c)
.....	.....	.....	56,700	47,300	40,960	41,810	48,140	58,720	60,080	43,450	34,420		(d)
.....	.....	.....	.....	.....	225	75	50	50	50	50	50		(5)
													C.
134,700	45,200	117,475	20,050	114,500	18,950	125,750	30,650	124,250	32,225	27,530	42,425		(1)
													D.
.....	664	3,130	2,945	8,660	2,928	14,078	12,137	12,088	12,116	12,118	12,406		(1)
.....	894	260	366	77	17	157	261	20	35	.....	19		(2)
													E.
.....	.....	.....	1,600	10,915	8,975	6,655	6,225	6,300	7,645	6,400	7,365		(1)
.....	.....	.....	.....	.....	.....	.....	1,420	1,397	1,257	1,258	1,730		(2)
.....	.....	.....	.....	.....	.....	.....	.....	.....	510	2,675	2,260		(3)
.....	7,193	9,389	9,134	8,450	5,790	7,115	7,156	8,319	8,438	7,977	8,975		(4)
11,103	12,264	10,420	9,589	10,247	12,413	22,754	21,458	25,270	25,233	24,430	26,222		(5)
.....	43,069	40,821	35,380	32,605	59,108	61,464	63,308	80,384	80,560	79,916	94,183		(6)
454,617													F.
Included	227,088	237,846	231,687	218,542	169,631	224,107	218,535	223,807	224,499	234,285	236,979		(1)
.....	72,713	71,915	69,005	67,644	67,405	69,434	71,493	76,706	77,056	81,588	81,395		(2)
In	8,108	7,070	5,901	5,412	5,987	5,519	7,412	5,862	6,461	6,399	8,808		(3)
.....	6,226	5,869	5,082	5,284	5,135	4,680	5,563	4,886	5,787	6,116	5,541		(4)
.....	78,488	86,841	62,662	100,102	31,307	77,134	163,822	30,867	79,128	158,548	103,202		(5)
Above	19,471	18,892	17,472	16,548	16,851	16,969	16,784	16,454	18,309	18,404	17,920		(6)
.....	2,908	2,974	2,054	1,196	2,834	778	.....	10	.....	4	.....		(7)
.....	3,300	3,700	3,650	3,400	2,575	2,400	2,200	2,277	2,466	2,200	1,700		(8)
.....	2,052	2,503	3,006	3,660	2,221	1,381	1,072	962	836	838	630		(9)
Figure	38,324	49,278	1,502	86,234	460	39,803	39,224	39,115	39,740	41,213	41,845		(10)
													G.
.....	2,211	1,640	913	816	1,113	813	778	1,273	891	1,065	703		(1)
.....	.....	.....	.....	141	18,049	17,764	22,150	19,641	16,378	23,292	10,566		(2)
.....	.....	.....	.....	.....	25,325	7,910	3,475	19,885	7,935	5,955	16,950		(3)

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
H. DEPT. OF JUSTICE				H.	
(1) Att'y & Litigation	(1) 1929 P. L. 343 Art. XIV.	(1) On appealed taxes due state comm. 5% of 1st $10.000 recovered. Court sets comm. above $10.000.	(1) None.	(1)	.....
(2) Board of Pardons	(2) Art. 4 Sec. 9 Pa. Const. Board fixes own fees.	(2) Application fee $1—Filing fee $10.	(2) No filing fee in capital cases.	(2)	.....
I. DEPT. OF LABOR & INDUSTRY				I.	
(1) Bedding & Upholstery	(1) 1923 P. L. 802 amended 1937 P. L. 926.	(1) Fee $25 annual renewal $1—Stamps $10—per M	(1) None.	(1)	.....
(2) Boiler Inspection	(2) 1929 P. L. 1513.	(2) Inspection $2—$5.	(2) None.	(2)	49.110
(3) Building Plans	(3) 1927 P. L. 465 amended 1933 P. L. 997.	(3) Fee not to exceed $25.	(3) None.	(3)	.....
(4) Elevator Inspection	(4) 1929 P. L. 1518 amended 1937 P. L. 277.	(4) Certificate $1: Inspection $3 and $12: Inspector's Fee $10: Renewal $2.	(4) None.	(4)	7.032
(5) Elevator Plans	(5) 1929 P. L. 1518 amended 1933 P. L. 999.	(5) $5 to $10.	(5) Repairs for less than ½ original.	(5)	.....
(6) Employment Agents	(6) 1929 P. L. 1260.	(6) Class "A"—$100: Class "B"—$100: Class "C" $200.	(6) None.	(6)	18.600
(7) Explosive Storage	(7) 1937 P. L. 2681.	(7) $2.50 to $25 according to quantity.	(7) None.	(7)	.....
(8) Industrial Homework	(8) 1937 P. L. 665.	(8) Employer original $200: renewal $50, $100 or $200: contractor $25.	(8) None.	(8)	.....
(9) Projectionist Exam.	(9) 1927 P. L. 465 amended 1933 P. L. 996.	(9) $2 examination fee: License $1 or $5: Apprentice $3: Apprentice Renewal $1.	(9) None.	(9)	.....
(10) Work. Comp. Assessment	(10) 1937 P. L. 2532.	(10) 1% on net prem. of insur. carriers writing W. C. Insurance until fund equals 5% of loss reserves.	(10) None.	(10)	.....
J. DEPT. OF MILITARY AFFAIRS				J.	
(1) Boxing & Wrestling	(1) 1923 P. L. 710 amended 1933 P. L. 551 and 1933 P. L. 1084 and 1929 P. L. 860.	(1) License in cities first class $100 to $250: 2nd Class $100: 3rd Class & Others $25: Other Fees $10 to $40.	(1) Amateur exhibitions.	(1)	23.638
K. DEPARTMENT OF MINES				K.	
(1) Bituminous Mines Exam.	(1) 1937 P. L. 551.	(1) $2.	(1) None.	(1)	.....
(2) Shot Firers & Mach. Op.	(2) 1937 P. L. 2122.	(2) Cost of exam.	(2) Mine officials & persons deputized in emergency.	(2)	.....
(3) Mine Foreman Exam.	(3) 1923 P. L. 481 amended 1937 P. L. 2479.	(3) $2 exam.—$3 certificate.	(3) None.	(3)	2.529
L. PENNA. LIQUOR CONTROL BD.				L.	
(1) Bailee for Hire	(1) 1933 P. L. 57 Sec. 15 amended 1937 P. L. 1811.	(1) Annual fee $100.	(1) None.	(1)	.....
(2) Distillery Permit	(2) 1933 P. L. 57 Sec. 15 amended 1937 P. L. 1811.	(2) $2.500 on 500.000 gal. $100 for each addit. 100.000 gal.	(2) Alcohol denatured in Pa. except when used in rectification or blending.	(2)	.....
M. DEPT. OF PUBLIC INSTR.				M.	
(1) Examining Boards	(1) 1925 P. L. 111.			(1)	
(a) Architects	(a) 1919 P. L. 933 amended act 402-1939.	(a) $25: renewal $10 Yearly.	(a) Persons working for public utility in interstate commerce—U. S. Employees—and personal plans.	(a)	2.125
(b) Barbers	(b) 1931 P. L. 589 amended 1935 P. L. 1581 and 1937 P. L. 1689.	(b) Established $2—Teachers $5.	(b) None.	(b)	.....
(c) Beauty Culture	(c) 1933 P. L. 242.	(c) Owners $5: Student $1: School Operator $2 $50.	(c) None.	(c)	.....
(d) Dental	(d) 1933 P. L. 216 amended 1937 P. L. 554.	(d) Fixed by department of Public Instruction.	(d) None.	(d)	18.344
(e) Medical	(e) 1911 P. L. 699 amended 1937 P. L. 725.	(e) Fixed by department of Public Instruction.	(e) None.	(e)	24.551
(f) Nurses	(f) 1927 P. L. 988 amended 1935 P. L. 93.	(f) Registration Nurses $10: Attendant $5—renewals $1.	(f) None.	(f)	31.922
(g) Optometrical	(g) 1917 P. L. 21 amended 1937 P. L. 795.	(g) Examination $25: Annual Fee $5: Branches $2.	(g) Licensed physicians or surgeons. Vendors of eye-glasses not practicing optometry.	(g)	9.052
(h) Osteopathic	(h) 1909 P. L. 46 amended 1937 P. L. 1649.	(h) Osteo. $50: Surgery $100: Renewals $10.	(h) None.	(h)	4.394
(i) Pharmacy	(i) 1917 P. L. 208 amended 1937 P. L. 2668 and P. L. 2679.	(i) Exam. $5: Certif. $20; Ass't $10; Foreign States $50.	(i) None.	(i)	23.419

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
													H.
.....	1,244	8,074	35,446	35,180	29,679	22,309	4,393	6,299	5,543	13,304	7,287		(1)
.....	.....	763	4,201	4,092	9,596	10,485	12,831	11,119	9,686	13,044	11,311		(2)
													I.
.....	54,322	50,754	46,431	38,687	43,392	40,599	49,067	68,050	52,126	57,380	73,250		(1)
48,140	42,876	46,710	51,087	44,189	42,452	46,475	39,237	45,622	55,541	56,901	90,547		(2)
.....	.....	.....	.....	.....	4,066	6,317	7,969	9,535	8,634	11,979	11,528		(3)
7,870	9,408	22,013	23,799	24,332	24,285	23,408	20,968	27,182	34,198	54,940	57,119		(4)
.....	.....	.....	.....	.....	720	907	1,082	1,965	2,883	3,245	3,035		(5)
18,050	32,020	25,905	18,700	13,800	14,005	13,600	13,700	16,205	22,100	20,600	23,400		(6)
.....	.....	.....	.....	.....	.....	.....	.....	.....	7,175	9,593	9,615		(7)
.....	.....	.....	.....	.....	.....	.....	.....	.....	25,025	11,475	8,325		(8)
.....	.....	.....	.....	.....	11,551	11,581	11,634	12,758	11,989	14,471	12,924		(9)
.....	.....	.....	.....	.....	.....	.....	.....	.....	12,075	17,289	19,664		(10)
													J.
27,520	30,475	18,395	18,619	20,439	18,842	19,787	17,595	19,030	.....	.....	.....		(1)
.....	.....	.....	.....	.....	.....	.....	.....	.....	116,908	15,217	12,807		(1)
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,026	2,809		(2)
4,306	4,247	7,845	3,745	3,337	1,475	5,529	1,189	7,928	4,512	13,000	5,346		(3)
													L.
.....	.....	.....	.....	.....	800	2,400	2,825	2,900	2,701	2,420	2,455		(1)
.....	.....	.....	.....	.....	111,350	141,875	152,500	163,155	106,980	115,090	114,390		(2)
													M.
2,465	2,445	1,770	1,225	1,340	5,317	6,035	5,389	6,145	5,717	6,718	7,565		(1) (a)
.....	.....	.....	49,987	52,420	51,184	48,013	46,110	46,237	33,165	42,700	46,674		(b)
.....	.....	.....	.....	.....	68,658	93,497	90,675	107,812	112,267	126,437	132,258		(c)
18,822	13,726	13,726	14,651	14,738	14,766	13,456	13,734	12,121	13,570	12,872	13,293		(d)
24,265	28,362	28,362	30,340	30,848	34,906	32,412	34,697	39,969	39,472	37,744	40,417		(e)
33,962	42,191	46,812	47,649	47,969	53,102	51,717	51,228	50,479	47,296	62,825	61,765		(f)
8,419	9,214	8,936	8,957	8,816	9,024	9,067	9,443	9,278	10,137	10,080	9,548		(g)
3,627	3,039	3,106	2,653	2,892	2,910	2,926	3,664	3,645	4,071	4,581	5,163		(h)
26,612	28,902	25,687	26,222	23,624	20,566	20,321	16,004	16,276	29,838	39,535	30,394		(i)

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
(j) Pre-Professional	(j) 1925 P. L. 111.	(j) Certificate $2; Exam. for those required $2.	(j) None.	(j)	4,812
(k) Prof. Engineers	(k) 1927 P. L. 820.	(k) $20; renewals $1 Yearly.	(k) None.	(k)	.....
(l) Public Acct's	(l) 1925 P. L. 111.	(l) Application fee $35.	(l) None.	(l)	2,955
(m) Real Estate Brk. & Salesmen	(m) 1929 P. L. 1216 amended 1937 P. L. 2811.	(m) Broker $10; renewals $5; Salesman $5; renewal $2.50.	(m) Attorneys and Justice of Peace.	(m)	.....
(n) Veterinary	(n) 1925 P. L. 111.	(n) Fee $10.	(n) None.	(n)	3,928
(2) Motion Picture Censors	(2) 1915 P. L. 534 amended 1919 P. L. 475.	(2) $2 each film.	(2) None.	(2)	139,230
(3) State Library & Museum	(3) 1929 P. L. 177 Art. XIII.	(3) Dept. of Pub. Inst. to make reasonable charge for use of slides or films.	(3) None.	(3)	.....
(4) Sunday Concert	(4) 1933 P. L. 1423.	(4) Permit $5	(4) None.	(4)	.....
N. PUBLIC UTILITY COMMISSION				N.	
(1) Filing and Copy Fees	(1) 1913 P. L. 1374 amended 1933 P. L. 1526.	(1) 25¢ to $10.	(1) None.	(1)	.....
(2) General Assessment	(2) 1937 P. L. 1053.	(2) Proportionate Shares of Expense of Commission not to exceed 1% gross revenue.	(2) Municippal corporations.	(2)	.....
(3) Special Assessment	(3) 1937 P. L. 1053.	(3) Commission expense of special investigation.	(3) None.	(3)	.....
(4) Standardization Testing	(4) 1923 P. L. 968, 1937 P. L. 1053.	(4) $3 to $50.	(4) None.	(4)	11,636
O. DEPT. OF REVENUE				O.	
(1) Amusement Permit (e)	(1) 1935 P. L. 429 (expired 1937)	(1) $1 annually each ploce.	(1)	(1)	.....
(2) Boxing and Wrestling	(2) 1923 P. L. 710 amended 1937 P. L. 1698 and 1937 P. L. 1865.	(2) Promoters, etc. 1st. Class Cities—2,000 seats, $100 to $250; 2d Class Cities $100; Others $25; Physicians $25. Referees $25. Judges $15. Timekeepers $10. Prof. Boxers $5. Prof. Wrestlers $10. Mgrs. $25. Seconds $10. Announcers $15. Matchmakers $25.	(2) Physicians & Referees at Amateur exhibitions when no compensation received.	(2)	.....
(3) Certificate and Copy	(3) (Note: Cert. & Copy covers a variety of certificates issued, fees for which are collected by dept. of Revenue.)	(3) Varies according to type of certificate.	(3) None.	(3)	.....
(4) Cigarette Permit	(4) 1935 P. L. 341 amended 1939 P. L. 57.	(4) $1.	(4) None.	(4)	.....
(5) Dog License	(5) 1921 P. L. 522 amended 1929 P. L. 456.	(5) Male $1. Kennel $10. —Female $2.—Kennel $20.	(5) None.	(5)	578,550
(6) Liquid Fuel Pumps	(6) 1937 P. L. 1193 Repealed 1939 P. L. 229.	(6) Fee $1 each pump.	(6) None.	(6)	.....
(7) Store and Theatre	(7) 1937 P. L. 1656 (Unconstitutional)	(7) $1 to $500—depending on number of units.	(7) None.	(7)	.....
P. DEPARTMENT OF STATE				P.	
(1) Corporations Comm. & Filing	(1) 1923 P. L. 685 amended 1933 P. L. 800.	(1) Fee ranging from 25¢ to $55.	(1) None.	(1)	.....
(2) Recorder of Deeds	(2) 1930 P. L. 272.	(2) $10 for commissions of Public officers.	(2) None.	(2)	.....
Q. DEPARTMENT OF WELFARE				Q.	
(1) Infants Boarding House	(1) 1925 P. L. 234 amended 1933 P. L. 95.	(1) $5.	(1) None.	(1)	.....
(2) Maternity Hospital	(2) 1929 P. L. 1561 amended 1933 P. L. 100.	(2) $15.	(2) None.	(2)	.....
(3) Private Homes and Hospitals	(3) 1931 P. L. 510 amended 1933 P. L. 1075.	(3) $15.	(3) None.	(3)	.....
(4) Solicitation Fees	(4) 1925 P. L. 644 amended 1935 P. L. 358.	(4) $10.	(4) None.	(4)	.....
R. FISH COMMISSIONS				R.	
(1) Fishing License	(1) 1925 P. L. 448 Sec. 220 amended 1937 P. L. 2643.	(1) Residents $1.50 fee; Non-residents fee same as home state, Min. $2.50; Tourist Fee $1.50.	(1) None.	(1)	356,974
(2) Motor Boat	(2) 1931 P. L. 202 amended 1937 P. L. 1984.	(2) Gasoline $1 per cylinder. Electric $2.	(2) None.	(2)	.....
S. GAME COMMISSIONS				S.	
(1) Hunting License	(1) 1937 P. L. 1225.	(1) Resident $2; Non-resident $15.	(1) President of U. S., Governor and Game Conservation Officials.	(1)	1,025,899

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
5,471	5,410	6,907	6,040	5,046	5,362	9,252	18,100	14,010	15,576	15,932	17,475		(j)
14,583	7,832	6,284	6,443	6,228	6,904	6,595	9,332	9,085	9,554	11,567	10,110		(k)
2,710	2,995	3,542	3,085	2,453	2,586	3,029	4,277	5,674	6,127	7,286	6,460		(l)
.....	73,794	83,591	46,435	44,298	40,903	41,330	46,530	48,553	60,720	51,960	55,593		(m)
1,640	1,459	1,412	1,254	1,358	1,304	1,374	1,442	1,480	1,302	1,870	1,874		(n)
152,356	127,630	125,684	121,056	124,971	130,167	135,768	149,071	158,288	166,682	153,917	158,385		(2)
.....	417	329	278	181	105	157	124	113	89	124	194		(3)
.....	.....	.....	.....	.....	65	115	65	75	55	35	65		(4) N.
.....	16,065	12,800	10,960	17,730	46,582	39,098	88,003	78,539	192,073	73,365	18,566		(1)
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	332,033	236,122		(2)
.....	.....	.....	.....	.....	.....	.....	.....	.....	52,246	159,829	465,599		(3)
13,519	12,197	12,801	12,998	13,139	11,772	13,086	12,611	11,785	13,396	13,423	11,036		(4) O.
.....	.....	.....	.....	.....	.....	.....	70,781	48,535	3,148	13	.....		(1)
.....	.....	.....	.....	.....	.....	.....	.....	.....	14,167	13,690	18,320		(2)
.....	1,524	1,764	1,775	1,579	1,612	1,936	1,819	2,020	2,150	3,241	2,820		(3)
.....	.....	.....	.....	.....	.....	.....	155,254	89,038	96,052	88,960	91,056		(4)
614,710	647,652	620,371	599,596	552,635	680,686	680,062	711,987	690,878	718,106	640,362	728,662		(5)
.....	.....	.....	.....	.....	.....	.....	.....	.....	86,524	81,390	.....		(6)
.....	.....	.....	.....	.....	.....	.....	.....	.....	151,517	.....	.....		(7) P.
.....	216,692	201,897	182,904	172,707	297,178	202,654	178,030	202,016	185,445	195,599	199,789		(1)
.....	19,979	3,989	20,309	4,023	16,024	3,624	16,581	6,005	14,222	5,807	15,037		(2) Q.
.....	.....	.....	.....	.....	325	290	190	240	285	290	385		(1)
.....	.....	.....	542	580	480	485	255	585	555	525	330		(2)
.....	.....	.....	10	170	855	1,215	1,095	1,635	1,365	1,740	2,535		(3)
.....	194	236	252	312	1,820	2,050	2,330	3,140	3,530	3,670	4,060		(4) R.
432,717	433,645	410,048	396,417	374,995	382,871	407,532	386,016	491,350	571,600	790,080	574,210		(1)
.....	.....	.....	5,826	5,072	5,466	7,422	2,901	5,368	12,273	9,738	12,466		(2) S.
1,001,240	1,038,565	1,166,645	1,290,894	1,170,406	1,135,007	1,240,612	1,351,994	1,186,654	1,442,757	1,434,349	1,389,873		(1)

PENNSYLVANIA TAX AND REVENUE SOURCES, CITATIONS, RATES, EXEMPTIONS AND RECEIPTS FOR EXCLUDED) YEAR

TAX	CITATIONS	RATE	EXEMPTIONS		1928
T. MILK CONTROL FUND				T.	
(1) Dealers License	(1) 1934 (1933-34) P. L. 174 Superseded by 1937 P. L. 417 Sec. 401.	(1) Annual fee $1 to $5,000 based on average daily pounds received.	(1) Dealer of less than 1500 lbs. per month and in markets of less than 1000 pop., for local consumption. Stores selling milk, all purchased from licensed dealer.	(1)	.....
(2) Weighing Permit Fees	(2) 1937 P. L. 417 Sec. 601.	(2) $5.	(2) None.	(2)	.....
(3) Milk Testers Cert. Fees	(3) 1937 P. L. 417 Sec. 601.	(3) $3.	(3) None.	(3)	.....
(4) Milk Weighers Cert. Fees	(4) 1937 P. L. 417 Sec. 601.	(4) $3.	(4) None.	(4)	.....
(5) Milk Test & Weigh. Exam.	(5) 1937 P. L. 417 Sec. 601.	(5) $3.	(5) None.	(5)	.....

[1] Includes increases in domestic taxes of $1,423,000 for 1936 and $4,498,000 for 1937 because of temporary removal of exemptions on laundering, meat processing, and manufacturing. Increases in taxes in foreign corporations due to this cause and also to new formula of computation started in 1936. Temporary removal of exemptions were made ppermanent beginning in 1938. Unusual increase in tax returns for 1937 was result of change in the law making the tax self-assessing causing date of payment to be advanced.
[2] Revenues from this source insignificant.

JOINT REPORT TO THE GENERAL ASSEMBLY OF RECOMMENDATIONS FOR AMENDING THE PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW

PART 1

By the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions

Commonwealth of Pennsylvania
Joint State Government Commission of the General Assembly

January, 1941

Capitol Building, Harrisburg, Pennsylvania

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939 P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Governments."

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Vice-Chairman: FREDERICK T. GELDER, President Pro Tem of the Senate
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JOINT LEGISLATIVE COMMITTEE TO STUDY UNEMPLOYMENT COMPENSATION PROVISIONS

Hon. Weldon B. Heyburn—Chairman

Hon. John H. Dent	Hon. Thomas A. Curran, Sec.
Hon. Robert M. Miller	Hon. Harry E. Trout
Hon. Hiram G. Andrews	Hon. Henry I. Wilson

LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

In pursuance of House Resolution, Serial No. 136 and Senate Concurrent Resolution, Serial No. 127, of the Regular Session of 1939, and under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating Joint State Government Commission), we submit herewith Report and Recommendations for amending the Pennsylvania Unemployment Compensation Law (Part One).

ELLWOOD J. TURNER, Chairman
Joint State Government Commission
WELDON B. HEYBURN, Chairman,
Joint Legislative Committee to Study Unemployment Compensation Provisions

January, 1941

FOREWORD

Unemployment compensation is a system devised for the payment of some compensation during all or part of the period a covered worker is unemployed.

The Federal Act levying a tax of three per cent on wages paid to all covered employes, grants credit up to 90% to those states which adopt some system of unemployment compensation, within certain restrictions and limitations. All of the 48 states have adopted unemployment compensation systems, but their provisions vary in many respects. Therefore, when comparing benefit payments or any other provisions in the laws of the several states, it is necessary to read the entire acts and make over-all comparisons. Experience in the operation

THE FISCAL YEARS ENDING 1928 TO 1940. (UNEMPLOYMENT COMPENSATION CONTRIBUTION TAX ENDING MAY 31ST

1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	
													T.
.....	.....	.....	.....	.....	41,114	24,213	113,687	81,197	181,610	93,212	92,482		(1)
.....	.....	.....	.....	.....	.....	.....	.....	.....	6,445	5,902	5,875		(2)
.....	.....	.....	.....	.....	.....	.....	.....	.....	4,557	4,470	4,534		(3)
.....	.....	.....	.....	.....	.....	.....	.....	.....	2,505	2,298	2,352		(4)
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,272	1,041	1,011		(5)

of the law and the amendments to the Federal Act in 1939 have made it necessary to revise and amend the several state laws. This need for change will continue.

The Regular Session of the General Assembly of 1939 charged the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions to study certain provisions of the Pennsylvania Unemployment Compensation Law.

These two groups effected a cooperative working plan and undertook a study of the several provisions of the law, with the exception of the civil service system which was being investigated and considered by a special legislative committee.

The Joint Legislative Committee to Study Unemployment Compensation Provisions conducted hearings, held meetings, made surveys and submitted only unanimous findings, conclusions and recommendations to the full Joint State Government Commission, upon which unanimous affirmative action of all the members present at its meetings was taken.

This Report is Part One. Part Two will deal with the question of merit or experience rating.

Both agencies undertook their task without any thoughts of partisanship. Their objective was to bring the Pennsylvania Unemployment Compensation Act into conformity with the 1939 amendments to the Federal Act so as to avoid confusion; to liberalize, wherever possible, the benefits to covered employes; to simplify the administrative procedure; to improve administrative efficiency; to reduce the burden of the tax, which is entirely upon the employer, and yet to preserve the integrity of the fund.

The proposals made by the employers, employes, organized labor, and the public were carefully considered.

A. ALFRED WASSERMAN, Director,
Joint State Government Commission.

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SUMMARY OF RECOMMENDATIONS FOR AMENDING THE PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW

SUMMARY

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1. Modify definition of "employer" 4 (i)
   (a) To include a "successor in interest" clause
   (b) To include employers of non-resident employes by election
2. Bring the Pennsylvania Unemployment Compensation Law into conformity with amendments made in 1939 to the Federal Act 4 (j)
   (a) Further exclusions:
      (1) Domestic service in local college club, fraternity, or sorority
      (2) Casual labor
      (3) Service performed in any calendar quarter for organizations exempt from the Federal Income Tax, if—
         (i) the remuneration for such service does not exceed $45, or
         (ii) such service (under certain conditions) is for a fraternal beneficiary society, order, or association, or
         (iii) such service is performed by a student
      (4) Service for agricultural or horticultural organizations
      (5) Service for a voluntary employes' beneficiary association
      (6) Service by a student for his college or university
      (7) Service for a foreign government
      (8) Service for an instrumentality of a foreign government
      (9) Service by student nurses and internes
      (10) Service by insurance agents on a commission basis
      (11) Service by minors under 18 years of age delivering newspapers or shopping news
   (b) Further inclusions:
      (1) Service for charitable or religious organizations, when a substantial part of the activities is directed to influencing legislation
      (2) Service for instrumentalities of the U. S. not wholly owned by the U. S. Government and not exempt under Federal Income Tax laws
   (c) Included and excluded service clause. Where service is mixed, all service to be classified as that part which represents more than 50 per cent of the total.
3. Redefine "Total Unemployment" 4 (s)
   (a) Terminology to be "no work for which remuneration is payable"
   (b) "Reasonable earnings" to be allowed—$3.00 per week earnings to be allowed without causing ineligibility for unemployment compensation
4. Modify definition of "wages" 4 (u)
   (a) By adopting Federal Definition
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INTRODUCTION

A. Brief History of The Joint State Government Commission and The Joint Legislative Committee to Study Unemployment Compensation Provisions

The Joint State Government Commission, established by the Act of July 1, 1937, P. L. 2460, consisted of thirteen members, and its duties, inter alia, were to make studies for the use of the legislative branch of the Government seeking to inmprove administrative organization of the State government, to eliminate waste and to institute economies.

By the Act of June 26, 1939, P. L. 1084, the membership of the Joint State Government Commission was increased to nineteen members, consisting of the Speaker of the House of Representatives, the President Pro Tempore of the Senate, ten members appointed by the Speaker of the House, and seven members of the Senate appointed by the President Pro Tempore of the Senate; and the powers and duties of the Commission were enlarged and more clearly defined.

On August 16, 1939, The Commission elected Hon. Ellwood J. Turner, Chairman; Hon. Frederick T. Gelder, Vice-Chairman; Hon. Robert E. Woodside, Jr., Secretary; Hon. William E. Habbyshaw, Treasurer; and A. Alfred Wasserman, Esq., Director.

By House Resolution, Serial No. 136, adopted May 26, 1939, the Joint State Government Commission was charged with making a study of merit rating as applied to unemployment compensation and with making a report of its findings and recommendations to the next session of the General Assembly.

The Joint Legislative Committee to Study Unemployment Compensation Provisions was created by Senate Resolution, Serial No. 127, adopted by the Senate on May 26, 1939, and concurred in by the House of Representatives on May 27, 1939, to study provisions of the Pennsylvania Unemployment Compensation Law. It consisted of three members of the Senate appointed by the President Pro Tempore of the Senate and four members of the House of Representatives appointed by the Speaker of the House. The Committee was organized on September 27, 1939.

Inasmuch as the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions were both charged with making studies of the provisions of the Unemployment Compensation Law in Pennsylvania, the Commission in order to avoid unnecessary duplication of work, requested the Joint Legislative Committee to make a study of the entire subject of unemployment compensation, including merit or experience rating for employers, and made the facilities and Research Staff of the Commission available to the Committee. A. Alfred Wasserman, Esq., Director of the Joint State Government Commission, was assigned by the Chairman of the Commission as Counsel and Director to the Committee.

There was no appropriation made to the Joint Legislative Committee to Study Unemployment Compensation Provisions to carry on its work. The Joint State Government Commission agreed to pay the necessary expenses of the Committee.

House Resolution Serial No. 136
(Adopted May 26, 1939)

JOINT STATE GOVERNMENT COMMISSION URGED TO STUDY "MERIT RATING"

Whereas, It is desirable and necessary to increase em-

ployment; and

Whereas, The present system of unemployment compensation does not offer any incentive to industry to increase employment; and

Whereas, "Merit Rating" provisions have been placed in the laws of other states as such an incentive; therefore, be it

Resolved, By the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania, that the Joint State Government Commission be urged to make a study of such system as applied to unemployment compensation taxes, including a study of systems prevailing in other states, and make a report of its findings and recommendations to the next session of the General Assembly.

Senate Resolution Serial No. 127

JOINT LEGISLATIVE COMMITTEE TO STUDY UNEMPLOYMENT COMPENSATION PROVISIONS

(Adopted by Senate, May 26, 1939)
(Concurred in by House, May 27, 1939)

Whereas, Pennsylvania is the only State which has in its Unemployment Compensation Law neither any provisions for relating the payroll tax to the regularity of employment achieved by an employer nor any provisions for studying the subject, and

Whereas, the public hearing held before the Senate Committee on Labor and Industry on May 11, 1939, evidenced a widespread public interest in and demand for the inclusion of provisions for experience rating in the Pennsylvania Law, and

Whereas, it is claimed that absence of such a provision places many Pennsylvania employers at competitive disadvantage with States having such provisions, Therefore, be it

Resolved, that a Special Joint Legislative Committee be appointed to study the subject and report with recommendations to the next regular or special session of the Legislature; that the Committee consist of four members of the House to be appointed by the Speaker of the House and three members of the Senate to be named by the President Pro Tem of the Senate, one of the Senators to be chairman; and that the records of the State Division of Unemployment Compensation and Employment Service be made freely accessible to the Committee for its work.

B. Brief History of Unemployment Compensation in Pennsylvania

A Committee was appointed in 1931 by Governor Pinchot to make a study of unemployment in Pennsylvania. The Committee filed a report entitled Alleviating Unemployment and a majority of the Committee recommended unemployment reserves as desirable. The Committee also drafted a bill providing for separate industry reserve funds, and during the 1931 Session of the Legislature a Bill[1] was introducel providing for unemployment reserve funds, but, aside from referring the bill to committee, no final action was taken.

In 1933 another Committee was appointed by Governor Pinchot to study the problem of unemployment in Pennsylvania. The Committee was divided in its recommendations and several reports were submitted by it. The Committee prepared a bill similar to the Wisconsin Unemployment Compensation Law which was introduced during the Regular Session of 1933.[2] Other Bills providing for Unemployment Reserve Commissions or Funds were also introduced during the Regular Session of 1933,[3] but no action was taken.

During the Regular Sessions of 1933 and 1935 and the First Special Session of 1936, a number of bills were introduced[4] providing for several types of unemployment compensation systems without any final action being taken by the General Assembly.

During the Second Special Session of 1936, a bill providing for a pooled fund was introduced and enacted into law.[5] This Act established the present unemployment compensation system in Pennsylvania.

The Unemployment Compensation Law was first amended on May 18, 1937. This Act:

(1) Amended the definition of the word "employer" as applied to contractors and subcontractors;

(2) Permitted employers subject to the Act to include:
  (a) Services performed entirely outside of the Commonwealth by employes domiciled within the Commonwealth;
  (b) The services of employes exempt under Subsection (j) of Section 4;

(3) Further defined "employment" by placing upon employers the burden of showing that certain employment is exempt from the Act;

(4) Amended the civil service provisions in the Act pertaining to qualifications of employes, holding of competitive examinations, allowing certain preference in examinations to applicants who are engaged in naval or military service of the United States, and filling of vacancies;

(5) Made more effective the collection of contributions and interest.

By the Act of July 2, 1937, P. L. 2823, the Sales in Bulk Act was amended to provide that unemployment compensation contributions due the Commonwealth shall be paid before any proposed transfer of property of any corporation, joint stock association, limited partnership or company shall be permitted.

During the 1939 Session of the Legislature, eleven bills were introduced dealing with the subject of unemployment compensation. Some of these dealt with the civil service provisions in the Act, while others dealt with experience rating and other provisions of the Unemployment Compensation Act.

Of the bills introduced in the 1939 Session of the General Assembly, two were passed by the Legislature. One bill[1] contained a number of amendments to the Unemployment Compensation Act, providing for redefining the benefit year; making employers who succeeded in interest liable for unemployment compensation contributions of their predecessor; amending the civil service provisions; making more effective the collection of contributions and interest; redefining "wages"; changing qualifications required to secure compensation, and other minor changes. This

[1] 1931 Session, H. R. 34.

[2] 1933 Session, H. R. 1735.
[3] 1933 Session, H. R. 20; 1855; 1728.
[4] 1935 Session, H. R. 105; 106; 2407; S. 7.
[5] 1937 P. L. 2897.
[1] 1939 Session, H. R. 1384.

measure, however, was vetoed by the Governor. His principal objection was to the change in the provision for eligibility for benefits in that it increased this eligibility from $97.50 to $200 before benefits could be paid.

The other bill[2] was enacted into law. This further amended the Unemployment Compensation Act by:

(1) Exempting from the definition of employment, services performed after June, 1939, for an employer determined to be subject to the Federal Railroad Unemployment Compensation Act, because railroad employes are now fully covered by this latter Act;

(2) Permitting the Department of Labor and Industry to enter into reciprocal arrangements and compacts with other States or the Federal Government;

(3) Refinements in language of causes making an employe ineligible for unemployment compensation.

During the Special Session of 1940, the Pennsylvania Unemployment Compensation Act was further amended[3] by exempting from the tax or contribution all remuneration above $3,000 per annum, as well as payments made to or on behalf of an employe for retirement, sickness, accident, allowances, insurance or annuity benefits, etc., thus bringing this definition into conformity with the 1939 amendments to the Federal Social Security Act.

C. Hearings and Meetings

The Joint Legislative Committee to Study Unemployment Compensation provisions held nine meetings and hearings since its organization on September 27, 1939.

Representatives of organized labor, business and industry, and persons generally interested in Social Security and Unemployment Compensation in Pennsylvania, of whom the Committee had knowledge, or who communicated with the Committee, were requested to present their views or proposals for change to the Committee.

The Committee thereafter held hearings in Harrisburg, dividing them into two classes: (1) Those at which all amendments to the Unemployment Compensation Law were considered, other than experience or merit rating; (2) those at which the subject of experience or merit rating alone was considered.

At the hearings held on December 12, 1939, February 27, 1940, April 16, 1940, and July 30, 1940, the Committee heard from representatives of organized labor, business and industry, and interested persons on amending the Pennsylvania Unemployment Compensation law to bring it into conformity with the 1939 amendments to the Federal Social Security Act and the Federal Internal Revenue Code relating to Unemployment Compensation.

At the last two hearings of the Committee held on August 13 and September 17, 1940, the Committee received oral arguments from the proponents and opponents of experience or merit rating. In addition, numerous briefs were filed with the Committee by various persons interested in this subject.

D. Acknowledgments

The Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions are grateful for the assistance and cooperation rendered by the following:

Department of Labor and Industry
Hon. Lewis G. Hines, Secretary
Ernest Kelly, Director Bureau of Employment and Unemployment Compensation
Harry Hoyle, Chief of Standards, Methods, and Planning, Bureau of Employment and Unemployment Compensation
Rolland S. Wallis, Chief of Research and Statistics, Bureau of Employment and Unemployment Compensation
William E. Orr, Jr., Advanced Statistician, Bureau of Employment and Unemployment Compensation
David R. Perry, Esq., Special Deputy Attorney General

Pennsylvania Economy League, University of Pennsylvania, University of Pittsburgh, Temple University, Lehigh University, Pennsylvania State College.

DISCUSSION OF RECOMMENDATIONS FOR AMENDING THE PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW

The Joint Legislative Committe to Study Unemployment Compensation Provisions, by unanimous vote, and the Joint State Government Commission jointly recommend the enactment, at the 1941 Regular Session of the General Assembly, of the following amendments to the Pennsylvania Unemployment Compensation Law (Act No. 1, General Assembly, December 6, 1936, as amended). These subjects have been brought to their attention by Pennsylvania employers subject to this Act, workers and labor organizations in the State, Chambers of Commerce, the Federal Social Security Board, and the Bureau of Employment and Unemployment Compensation of the Department of Labor and Industry.

Section 4 (i)[1] Modify Definition of "Employer"

(a) To include a "successor in interest" clause

The present law determines the liability of an employer on the number of weeks of employment which he provides during a calendar year. For this purpose, each employer, such as a partnership, corporation or individual, is considered as a separate entity. Thus, when a partnership changes into a corporation, the entity changes and liability, under the law, may be affected. This provision allows evasion of the law by encouraging changes of entity without changes of substance. Certain instances of this have been obvious.

A provision should be inserted requiring any employing entity which changes form without substantial change in ownership or membership to continue paying contributions. This would prohibit an evasion of the law and would provide the proper protection, under unemployment compensation, for the workers employed by those employing entities.

(b) To include employers of non-resident employes by election

The present Pennsylvania Law provides no method for a non-resident employe, who is not subject to any State law, to be covered by his Pennsylvania employer.

The Department of Labor and Industry should be allowed to accept voluntary elections from employers to

[2] 1939 P. L. 458.
[3] Act No. 9, Special Session, 1940.

[1] Sections indicated here and throughout correspond to sections in the Pennsylvania Unemployment Compensation Law as of June 1, 1940.

bring under coverage of the Pennsylvania Law, nonresident employes whose work, though not localized in Pennsylvania, is directed from this State, provided such work is not covered under any other state law. Such employes do not have unemployment compensation protection now. Their employers secure no advantage from the payment of their Federal taxes. The amendment would bring such workers under the Pennsylvania Act and their employers, located in Pennsylvania, will secure credit against their Federal taxes.

Section 4 (j) Bring the State Law into Conformity with the Recent Amendments of the Federal Act

Numerous changes in coverage of the Federal tax on employers were made in the Social Security Act amendments of 1939. Following are classes of employment now covered under the Pennsylvania Law which should be excluded by amendment, thereby conforming to the Federal amendments.[2]

(a) Further exclusions:

(1) Domestic service in local college club, fraternity or sorority. (Domestic service in private home is already excluded.)

(2) Casual labor, not in the course of the employer's business.

(3) Service performed in any calendar quarter in the employ of any organization exempt from the Federal Income Tax, if—

(i) the remuneration from such service does not exceed $45, or

(ii) such service is in connection with the collection of dues or premiums for a fraternal beneficiary society, order, or association, and is performed away from the home office, or is ritualistic in service in connection with any such society, order, or association, or

(iii) such service is performed by a student who is enrolled and is regularly attending classes at a school, college, or university

(4) Service performed in the employ of agricultural or horticultural organizations. (It is recommended that an exclusion under the Pennsylvania Law be made by Rules and Regulations of the Department, to conform to such Federal regulations as may be adopted on this subject).

(5) Service performed in the employ of a voluntary employes' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association of their dependents, if (1) no part of its net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (2) 85 per cent or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses, or if, (3) admission to membership in such association is limited to individuals who are officers or employes of the United States Government.

(6) Service performed by a student for his college or university, not exempt from income tax, if such service is for amounts less than $45 per calendar quarter.

[2] Compilation of Social Security Laws including amendments of the 76th Congress, 1st session; Section 1607 pp. 66-68. Social Security Act, Title IX, now superseded by Sub-chapter C of Chapter 9 of the Internal Revenue Code.

(7) Service performed for a foreign government. (Whether such services are covered under the Pennsylvania Law is not clear.)

(8) Service performed for an instrumentality of a foreign government (1) if the service is of a character similar to that performed in foreign countries by employes of the United States Government or of an instrumentality thereof, and (2) if the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption for employes of the United States Government and of instrumentalities thereof.

(9) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State Law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law.

(10) Service performed by an individual for an employer as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such employer is performed for remuneration solely by way of commission.

(11) Service performed by a minor under the age of 18, in the delivery of newspapers or shopping news.

The 1939 amendments to the Social Security Act increased the coverage of that law to include additional classes of employment. The Pennsylvania Law does not include these groups except such employers as have voluntarily elected to come within the Pennsylvania Law. Therefore, it is recommended that such services be included under the Pennsylvania Law by amendment.

(b) Further inclusions:

(1) Service performed in the employ of regilious, charitable, scientific, literary, or educational organizations when a substantial part of the activities is directed in carrying on propaganda or otherwise attempting to influence legislation.

(2) Service in the employ of an instrumentality of the United States Government which is not wholly owned by the United States and is not exempt under Federal Income Tax Laws.[1] Any such amendment should provide for coverage of any other instrumentalities which Congress may require to make payments into an unemployment compensation fund under a state unemployment compensation law.

(c) Included and Excluded Service.

If the services performed during one-half or more of any pay period by an employe for the person employing him constitute employment, all the services of such employe for such period shall be deemed employment; but if the services performed during more than one-half of any such pay period by an employe for the person employing him do not constitute employment, then none of the services of such employe for such period shall be deemed to be employment.

[1] A major class of coverage that this proposed amendment will affect is the national banks, which are instrumentalities of, but not wholly owned by, the United States. The Federal Government has invited the States to follow its lead and adopt such an amendment thereby covering employes of National Banks as well as other instrumentalities not wholly owned by the United States and not exempt under the Federal Income Tax Laws.

Section 4 (s) Re-define "Total Unemployment"

(a) "No work for which remuneration is payable"

Total unemployment is defined in the Pennsylvania Law in terms of "no work for which wages are payable." Since the word "wages" is further defined[1] to cover only employment covered by the Law, a claimant might be construed to be totally unemployed even though he earned substantial amounts of money for service in non-covered employment (for example, Government service).

Total unemployment should be defined in terms of "no work for which remuneration is payable." This will require that a person be entirely without source of money income from employment before he is considered as totally unemployed.

(b) "Reasonable Earnings" to be allowed

The present law considers a person as employed if he earns as little as 5c per week. Total unemployment must be complete lack of wages.

A person should be allowed a reasonable amount of money as earnings and still be eligible to receive unemployment compensation. This reasonable amount should be fixed at $3 per week. Those earning this amount or less will be considered as totally unemployed.

An administrative decision establishing this practice has received general approval and is working satisfactorily.

Section 4 (u) Modify Definition of "Wages"

(a) By adopting Federal definition

The 1940 amendments to the Pennsylvania Law attempt to bring into conformity the State definition of wages and the Federal definition of wages. The State amendment was confined to contributions. Since both contributions and benfits are based on "wages," it is important that the same definition be applied in both cases. Otherwise confusion results for the taxpayer if he reports contributions on one basis and wages of the employe, on which benefit payments are determined, on another basis. From an administrative point of view, it is desirable that the definition of wages as used in the computation of benefits should be in conformity with the Federal Act. This will simplify the reporting problem of the employer.

The Federal definition of wages should be included in all sections of the Pennsylvania Law.[2] The Social Security Board has indicated that it expects every state to have the identical definition of wages as the Federal Government by July 1, 1941.

(b) By exempting allowances paid to draftees and volunteers

Certain patriotic employers are adopting plans to pay partial wages to their employes who are drafted or volunteer for military service in the present crisis. Such payments will supplement the $21 to $30 per month pay provided by the War Department.[3] Such payments are in the nature of gratuitous additional allowances, similar to dismissal wages. Such allowances as dismissal wages are presently exempt from contributions and since such patriotic action on the part of the employer should not be penalized or discouraged, an amendment exempting such gratuities should be enacted.

Section 204 Provide a Compulsory Advisory Council

The present law permits the Department of Labor and Industry to establish an Advisory Council composed of employers, employes, and the public, to advise the Department in the administration of the Unemployment Compensation Law. Except for a brief period, no council has been in existence. It is desirable that the parties affected by this law should be fully informed of its administration and the Council should give advice to the administrators.

A compulsory Advisory Council should be provided by law and the Governor should appoint the members.

Section 205 Authorize the Department to Study "Experience Rating"

There is considerable interest in the stabilization of employment in Pennsylvania. One method of encouraging such stabilization is to reduce unemployment compensation contributions for these employers who have a stabilized employment record. This is known as Experience Rating. It is the contention of many industries, however, that such a system would not be advantageous because employment stabilization is not within the control of the employer. Throughout the country, many States have adopted this provision and many are studying the matter.

The Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions are preparing a report on this subject which will be contained in Part Two. This subject requires continuous study irrespective of any proposals which may be made in Part Two.

It is recommended, therefore, that the Department, in cooperation with the Advisory Council, shall make a study of the effect of Experience Rating in Pennsylvania.

Section 206 Provide for the Destruction of Obsolete Reports and Records

Each year several million reports and forms from employers and claimants are received and housed. Included in these reports are some twelve million Employes Wage Records, one million Summary Wage Records, 600,000 Contribution Reports, 100,000 Claims, 100,000 Registrations, etc. It is desirable that such of these records as become obsolete should be destroyed or disposed of. The administrative authorities should be permitted to decide when these records are obsolete and may be destroyed, taking such safeguards as will assure the retention of such records as will be required for proper auditing. These records are to include summaries or photographs of all obsolete records which are destroyed.

An amendment should be inserted, granting to the Department of Labor and Industry, with approval of the Executive Board, the right to destroy records accumulated in the administration of the Unemployment Compensation Law when such records become obsolete, provided that all records in pending cases shall not be destroyed. Contribution Reports of employers shall be retained for two years, the period within which claims for unemployment compensation must be filed.

Sections 301-302 Increase the Effectiveness of Collecting Contributions

[1] See Sections 4(u) and 4(j) for definition. Pennsylvania Unemployment Compensation Law.

[2] Federal definition of wages in Compilation of Social Security Laws. Sec. 1607, p. 65. Social Security Act Title IX, now superseded by sub-chapter C of Chapter 9 of the Internal Revenue Code.

[3] $21 for first four months. Selective Training and Service Act of 1940, Sec. 12, including amendments of the 76th Congress, 1st Session.

(a) By setting contribution rate without relation to Federal credits

Section 301, applying to employers of eight or more employes, limits the Pennsylvania contribution to a maximum credit allowance under the Federal Social Security Act (90 per cent), while, at the same time, specifying the contribution rate of 2.7 per cent for years subsequent to 1937. Since the Federal and State Laws are not in complete agreement as to coverage, these provisions of Section 301 are in conflict.

Because of this difference in coverage, 90 per cent of the Federal tax of 3 per cent may not be the same as the amount arrived at by computing 2.7 per cent of wages covered under the State law. The specified rate of contribution should be retained and the relation of the contribution to the Federal credits should be eliminated by amendment.

(b) By authorizing Department to assess delinquent employers

In administering Sections 301 and 302, the Department finds in certain cases that employers refuse or fail to file reports indicating the amount of contributions payable. It is difficult to make collections from such delinquent employers through Civil Suit Proceedings specified in Section 309, because the amount of contribution due is unknown.

The Department should be granted the authority to assess the estimated amount of contribution payable by such delinquent employers, with this assessment to constitute a judgment, when filed with the court, unless the employer appeals and contests the assessment. This power is equivalent to similar powers held by other State tax collecting agencies. When judgments are filed they should be filed with the Prothonotary in the county where the property of the delinquent is located. This is in conformity with the usual practice for other State taxes.

Section 303 (b) Clarify "Termination of Employer Liability"

This section specifies that an employer applying for a termination of his liability shall be granted such if he was not subject to the Act "during the previous or current calendar year." The interpretation of the word "or" is vague. It is suggested that the wording be changed so as to make clear that before termination of liability will be granted, an employer must have been subject to the Act neither in the preceding calendar year nor in the current calendar year up to the time application is made. Application may be made at any time during the year following the calendar year in which the employer was not subject to the Act.

Section 308 Simplify Computation of Interest

The present law requires an employer, who pays his contribution after the due date, to compute interest on the basis of the date paid. This means a computation based on the number of days of the months in which delinquency is paid. For example, an employer paying contributions on wages paid to his employes during the first calendar quarter is given up to the end of the following month, April 30th, to make payment. If he fails to pay, say until May 11th, he must pay interest charges of 11/31 of 1% of the amount due.

This complicated method should be replaced by a charge of interest amounting to one per cent for any month or part thereof. This will be easy to compute and will apply to all delinquent employers.

Another consideration is that many employers, knowing that a short delay in sending in their contributions and contribution records means only a fraction of one per cent interest charge, fail to send in their records and contributions by the last day of the month following the close of a calendar quarter.

Section 309 Extend Power in Collection of Contributions

(a) By authorizing Department to compromise delinquent contributions, penalties, and interest of bankrupt employers, and penalties and interest of delinquent employers

The present law requires the Department to collect the full amount of contribution by regular process or civil suit. The inability of certain bankrupt employers to meet their obligations in full, requires the Department to keep records of amounts which will never be collected and engage in civil suits which cannot be terminated favorably. This is generally true of small amounts under $200.

The Department should be authorized, with the approval of the Attorney General, to enter into agreements for reducing the amount of contributions, interest, and penalties due from bankrupt employers, and to accept payments which may be agreed upon in this manner, in full payment of the account. This power is similar to that enjoyed by other tax collecting agencies and is necessary in order to do proper accounting.

The Department should be further authorized to compromise penalties and interest upon delinquent contributions, with the approval of the Attorney General. This power, with the interests of the Commonwealth protected by requiring approval of the Attorney General, will provide the Department with a means of speeding up returns and reporting of wage records and also result in getting greater contributions in many cases.

(b) By authorizing Department to establish liens against delinquent employers

The present law provides for collection of delinquent contributions by means of Civil Suit. This process is time-consuming and expensive.

The Department should be granted authority to establish liens against employers who admit the amount of contribution but fail to pay such amount. These liens should be filed with the Prothonotary in the county wherein the property of the delinquent employer is located. This is in conformity with the usual practices for other State taxes.

In summary, the collection of contributions would be handled in the following manner:

1. By regular reports, or
2. By filing of a lien where the amount is known, or
3. By filing of an assessment where the exact amount is unknown, or
4. By instituting Civil Suit for collection.

Section 311 Authorize the Commonwealth To Enter Interstate Agreements to Handle Refunds and Adjustments

The present law does not specifically allow the Commonwealth to enter into interstate agreements to handle refunds and adjustments of contributions when employers pay such amounts to the wrong state. Certain Pennsylvania employers have paid contributions to Pennsylvania when they should have paid to Ohio, for example. Present practice requires the employer to secure a refund within one year from Pennsylvania and to pay the contributions, with interest added, to the State of Ohio. It is desirable to permit the transfer of such amounts from one state to another, without interest, at any time that the error is discovered. This may be accomplished by giving the Department the right to enter into interstate agreements with respect to adjustments of contributions.

There are certain other considerations which make further interstate cooperation desirable. These include, exchanging services, such as auditing employers' books by the state wherein an employer's records are kept, for another state to which he may pay certain contributions; making available facilities and information; and making employment service laws more effective. Provisions permitting such interestate cooperation should be enacted.

Section 401 (a) Simplify Determination of Eligibility for Benefits

The present law requires a claimant to have earned thirteen times his weekly compensation amount to become eligible. (The weekly compensation amount is one-half the full time weekly wage rate). This varies between $97.50 and $195 in accordance with the previous full time wage of the claimant. To simplify this formula and make the system more understandable, it is recommended that a flat eligibility amount of $100 to be earned in the base year be established by amendment. This amount would be approximately the same as the present minimum qualifying amount and it would grant eligibility to a slightly higher number of claimants, within the present law.

A better reflection of the effect of various eligibility amounts may be gotten from the analysis of a single sample taken in September-October 1938[1]. In this sample there were 4,191 cases and the following results were obtained.

TABLE I

ALTERNATIVE ELIGIBILITY REQUIREMENTS

Eligibility Requirements	Percent Ineligible
Present Law*	4.29
$100	4.06
150	6.20
200	9.02

* Present eligibility varies between $97.50 and $195 according to the weekly earnings of the claimant.

This special analysis shows that the earnings qualification of $100 would be slightly more liberal than the present law in regard to eligibility. The requirements of $150 and $200 would be more restrictive to the extent shown.

With respect to eligibility experience to date, the percentage of ineligible cases has declined from 7.2 per cent in 1938 to 1.2 per cent in the first nine months of 1939. (See Statistical Studies, Section I). This decline has been attributed to a better understanding of the law by benefit claimants, who in cases where they are obviously ineligible, do not or are discouraged from filing claims.

Recent experience shows that the present law is declaring ineligible about 1 per cent of the individuals who file claims. It is not going too far to say that, if a flat eligibility amount were to be adopted, claimants would determine their own eligibility and the percentage of ineligibles among claims filed would approach 0 per cent.[1]

Section 401 (e) Simplify and Liberalize Benefits

(a) By clarifying the waiting period in industrial disputes

The present Law prescribes a regular waiting period of three weeks before compensation may be payable, with a six weeks' waiting period in cases of voluntary suspension of work resulting from an industrial dispute. It is believed that the legislative intent was to require the serving of the additional three weeks, based on the industrial dispute, before the standard three weeks' waiting period. (It is proposed to reduce the standard waiting period to two weeks. See (b) following.)

Which waiting period is served first is important in determining when benefits should start in those cases where industrial disputes cease to be factor before six weeks of waiting have been completed. The Department, in practice, has been considering the waiting period because of industrial disputes as preceding the standard waiting period. It is proposed that this method be confirmed.

Upon the termination of a benefit year, the Department requires claimants, who are unemployed, to serve a waiting period of three weeks in the new benefit year before becoming eligible for benefits. The question has been raised whether or not those who are unemployed can serve their waiting period at the end of one benefit year so as to be eligible to receive benefits immediately for the first week following the close of that benefit year. Since the law is not clear on this point, it is proposed that the present practice be confirmed.

(b) By reducing the waiting period.

The present standard waiting period is three weeks. Certifications for benefits are taken at the end of the next and subsequent weeks. Thus, it is usually four and a half to five weeks, after his separation from employment, before the individual claimant may receive his first benefit check. While such practice may have been desirable at the inauguration of the system, it is now recognized as far too long. Many persons are required to apply for public assistance during this period, thus complicating the relations between public assistance and unemployment compensation.

The standard waiting period should be reduced to two weeks, thus providing the first benefit check in from three and a half to four weeks after a separation from employment. It is estimated that a reduction from three to two waiting weeks will cost an additional $2,000,000 in benefit payments. (See Section III of Statistical Studies, "Additional Benefit Costs of Shortening the Waiting Period.")

One of the larger issues in unemployment compensa-

[1] Unemployment Compensation Payments in Pennsylvania. Administrative Research Bulletin No. 2, January, 1940, p. 41. Bureau of Employment and Unemployment Compensation, Harrisburg, Penna.

[1] Ibid., p. 37.

tion policy is the relation between that system and the system of public assistance or relief. In Pennsylvania there are two separate agencies in these fields. While cooperation between these two agencies has been very close, it has been impossible to avoid the situation where cases are transferred from one agency to the other and perhaps back again over a short period of time. For example, an individual who filed a claim was unable to support his family during the three-week compensation waiting period, and received assistance payments during this time from the other agency. When his unemployment compensation payments start the assistance payments are terminated, but they may be resumed after his compensation payments end. Thus, it is of some importance that the changes that may be made in the unemployment compensation system do not unduly increase relief costs and contribute further to the overlapping of the functions of the two agencies. The extent to which this overlapping existed in the waitings period stage of unemployment compensation is shown by the following figures. During December 1938 the Bureau of Employment and Unemployment Compensation received 28,436 new claims. These claims matured for payment during January 1939 but before payments were made there were 2,453 claimants (8.6 per cent of the total) who filed applications for and received assistance or relief payments. When their unemployment compensation began, they were, of course, removed from the assistance rolls, but after they had received assistance grants for one or more weeks. This 8.6 per cent was thus handled twice by those agencies. It was estimated recently by the Pennsylvania Department of Public Assistance that if the waiting period was shortened by one week it would save $25,000 in relief costs annually.[1]

Thirty-nine of the fifty-one unemployment compensation laws now in effect in the United States provide for two initial weeks of waiting, ten for three weeks, and two for one week. However, detailed provisions in this respect vary, some states providing for two waiting weeks if accumulated within a short period of time, but a larger number of weeks if accumulated over an entire benefit period.

TABLE II

INITIAL WAITING PERIODS REQUIRED BY STATE UNEMPLOYMENT COMPENSATION LAWS[2]

1-Week Waiting Period	2-Week Waiting Period		3-Week Waiting Period
Rhode Island[3]	Alaska	Michigan	Alabama
Texas[3]	Arizona	Minnesota	Dist. of Columbia
	Arkansas	Mississippi	Missouri
	California	Montana	New York
	Colorado	Nebraska	Ohio
	Connecticut	Nevada	Oregon
	Delaware	New Hampshire	Pennsylvania
	Florida	New Jersey	South Dakota
	Georgia	New Mexico	Vermont
	Hawaii	North Carolina	West Virginia
	Idaho	North Dakota	
	Illinois	Oklahoma	
	Indiana	South Carolina	
	Iowa	Tennessee	
	Kansas	Utah	
	Kentucky	Virginia	
	Louisiana	Washington	
	Maine	Wisconsin	
	Maryland	Wyoming	
	Massachusetts		

[1] Ibid., pp. 59, 60.

[2] Additional Benefit Costs of Shortening Pennsylvania's Waiting Period. Administrative Bulletin 4, June, 1940. Bureau of Employment and Unemployment Compensation, Harrisburg, Penna., p. 2.

[3] Notes on: RHODE ISLAND; Employes contribute 1.5 per cent on wages up to $3,000. Covers only employers having 4 or more employes. TEXAS; Covers only employers of 8 or more employes.

Most of the state laws permit waiting weeks to be accumulated at any time during the benefit year, or within a 52-week period after the claimant first becomes unemployed and files an initial claim. A few states require waiting weeks to be accumulated within a 13-week or a 26-week period, or stipulate that they must be consecutive weeks of unemployment. Such provisions, however, have not been generally accepted with favor by state legislatures.

Section 402 Modify Provisions for Ineligibility for Compensation

(a) Those leaving work "without good cause"

The present law denies benefits, under Section 402(b), to persons who voluntarily leave their employment "except where as a condition of continuing in employment the employe would be required to join or remain a member of a company union or to resign from or refrain from joining any bonafide labor organization, or to accept wages, hours or conditions of employment not desired by a majority of the employes in the establishment or the occupation, or would be denied the right of collective bargaining under generally prevailing conditions." This provision does not allow persons to leave work with other good cause and to claim benefits. There are many conditions which may be imposed upon an employe requiring him to leave his work which may be considered good cause. Examples would be continuing injury to health or safety, unbearable working conditions, etc. Most state laws provide for this type of case.

An amendment should be inserted denying benefits only when a claimant leaves his work "without good cause." Decisions on this subject will be made by the Department, and reviewed by the Board of Review, as provided in Article V of the present law.

(b) Those discharged because of "committing larceny" against the employer

The same Section 402 permits the payment of benefits to any person who leaves his work involuntarily by reason of furlough, discharge, etc. Cases have arisen where persons have been discharged due to misconduct in connection with their employment, such as theft, dishonesty, etc., and have been paid benefits. It is desirable that persons discharged because of "committing larceny against the employer" should be denied benefits, however, only after conviction by a competent court of law and final disposition of the case. This provision supplements the amendment with respect to voluntarily leaving work without good cause.

It is recommended that these amendments be enacted to provide justice and fairness in the administration of unemployment compensation benefits.

Section 403 Provide a Simplified System of Payment of Accrued Benefits to the Surviving Spouse, Children or Parents of Deceased Claimants

The present law makes no provision for a system of payments to the surviving spouse, children or parents of deceased claimants. Thus, regular decedent estate methods must be used. These are expensive and time-consuming.

Payment of accrued benefits should be made to these persons, with or without letters of administration at the discretion of the Department.

Section 404 Modify Determination of Amount of Compensation

(a) By eliminating benefit redetermination

The present law requires redetermination of benefits at the end of each calendar quarter. This redetermination should be eliminated and the computation of benefits made at the time of the original claim should be fixed for a period of one year.

One of the criticisms leveled at the present law and its benefits formula was that benefit rights of claimants change with the beginning of every new calendar quarter. This change was due to the automatic redetermination of benefit rights whenever a new quarter's wage record became available.

The Bureau decided, by administrative rule, that quarterly redeterminations of benefit rights are not to be made. Should this rule be upheld, the criticism of the present system would be in part dissipated. Except for determination of old benefit rights and new computations for claimants beginning a benefit year, claimants are now placed on a stable basis for the duration of their own particular benefit year. However, should this rule be overturned, the confusion of wholesale redetermination would be a very serious administrative problem. It is not going too far to say that such a decision might jeopardize the prompt payment of benefits for a considerable time.[1]

(b) By providing a schedule of benefits

The present law provides for benefits 1/8 of the total wages during the first eight out of the last nine completed quarters, or thirteen times the weekly benefit amount, whichever is the lesser. This method is complex and difficult to understand.

A schedule of benefits (Table III), which might be used, provides for the payment of amounts in even dollars based upon the full-time weekly wage of a worker, or, in the absence of a full-time weekly wage, upon earnings in the highest quarter of the first eight of the last nine completed calendar quarters immediately preceding the first day of his benefit year.

By adopting such a schedule, the administrative problem of computing benefits could be practically eliminated. Also, such a simplification would remove, for the claimants, the mystery which exists for them because of the present complicated formula for computing the amount and number of benefit payments.

The suggested table raises the minimum wage rate from the $7.50 under the present law to $8.00. It is estimated that in 1940 if such a minimum had been applied, the additional costs in benefits would have been approximately $500,000 for the year. This is based on a sample

[1] Unemployment Compensation Payments in Pennsylvania, op. cit., pp. 65, 66.

TABLE III

SCHEDULE OF UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT

Method by Which a Worker May Determine His Unemployment Compensation Benefits:

A. Weekly Benefit Rate—

1. Select the interval in column (a) in which his full-time weekly wage appears. Opposite, on the same line under column (c) appears the weekly benefit rate.
   Proviso. If total earnings in the first eight of the last nine completed calendar quarters do not equal or exceed the minimum of the corresponding interval in column (b), or in the absence of a full-time weekly wage, then
2. Select the interval in column (b) in which his high-quarter earnings appear. Immediately opposite, on the same line, under column (c) appears the weekly benefit rate.

B. Maximum Number of Benefit Checks—

1. Upon determining the weekly benefit rate locate, on the same line to the right, the bracket in which total earnings in the first eight of the last nine completed quarters appear. The figure above that column shows the maximum number of weeks for receiving benefits.

Full-time Weekly Wages (a)	High-Quarter Earnings (b)	Weekly Benefit Rate (c)	WAGES AND NUMBER OF BENEFITS										
			3 Weeks	4 Weeks	5 Weeks	6 Weeks	7 Weeks	8 Weeks	9 Weeks	10 Weeks	11 Weeks	12 Weeks	13 Weeks
Less than $17.00	$100 to $221	$8	$100-223	$224-287	$288-351	$352-415	$416-479	$480- 543	$544- 607	$608- 671	$672- 735	$736- 799	$800 or more
17.00 to 19.00	221 to 247	9	221-251	252-323	324-395	396-467	468-539	540- 611	612- 683	684- 755	756- 827	828- 899	900 or more
19.00 to 21.00	247 to 273	10	247-279	280-359	360-439	440-519	520-599	600- 679	680- 759	760- 839	840- 919	920- 999	1000 or more
21.00 to 23.00	273 to 299	11	273-307	308-395	396-483	484-571	572-659	660- 747	748- 835	836- 923	924-1011	1012-1099	1100 or more
23.00 to 25.00	299 to 325	12	299-335	336-431	432-527	528-623	624-719	720- 815	816- 911	912-1007	1008-1103	1104-1199	1200 or more
25.00 to 27.00	325 to 351	13	325-363	364-467	468-571	572-675	676-779	780- 883	884- 987	988-1091	1092-1195	1196-1299	1300 or more
27.00 to 29.00	351 to 377	14	351-391	392-503	504-615	616-727	728-839	840- 951	952-1063	1064-1175	1176-1287	1288-1399	1400 or more
29.00 and over	377 and more	15	377-419	420-539	540-659	660-779	780-899	900-1019	1020-1139	1140-1259	1260-1379	1380-1499	1500 or more

Prepared by:
JOINT STATE GOVERNMENT COMMISSION
AND
JOINT LEGISLATIVE COMMITTEE TO STUDY
UNEMPLOYMENT COMPENSATION PROVISIONS
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study made by the Bureau of Employment and Unemployment Compensation.[2] (See Table IV)

Table IV

Additional Amount of Benefits Which Would Have Been Paid Under a Weekly Benefit Minimum of $8[3]

Year	Total Amount of Benefits Paid	Additional Amount of Benefits
Total	$168,282,000	$1,766,960
1938	71,545,000	751,226
1939	54,603,000	573,325
1940 (incomplete)	42,134,000	442,409

A summary of features of using a table to compute benefits is as follows:

1. Eliminates complex method of determining amount of benefits,
2. Provides a minimum weekly wage of $8;
3. Provides for payment of benefits to claimants who earn a minimum of $100 in their base year;
4. Provides for determining of unemployment compensation by the full-time weekly wage method or if no full-time weekly wage is available, then on the bases of earnings in the high quarter in the first eight of the last nine completed calendar quarters before the claimant applies for benefits.

Factors to be considered in using the proposed Schedule of Unemployment Compensation Benefits:

(1) Under the present method, benefits are computed by taking one-half of the full-time weekly wage. Workers earning full-time wages in the odd dollar amounts of $17, $19, $21, etc., (as very many do) would, under this method receive weekly benefits of $8.50, $9.50, $10.50, etc.

On the proposed schedule, weekly benefits are in even dollars, therefore these sums would be in betwen the full dollar benefit amounts. The more liberal policy is chosen of moving each of these cases to the next highest full dollar benefit wage rather than the next lower.

(2) The high-quarter earnings basis has a 13 to 1 relationship to the full-time weekly wage basis. The relationship is equal when a worker works full time. Those who do not work full time in any quarter will receive higher weekly benefits when they have a full-time weekly wage than when they do not. (e. g., a worker, without a full-time weekly-wage, earning, on the average, $25, and never working more than 10 weeks in any quarter, will receive $12 a week in benefits; whereas, if he had a full-time weekly wage of $25, he would receive $13 a week in benefits.) On the other hand, a worker who works overtime during a quarter may receive a large weekly benefit rate if he has no full-time weekly wage reported.

After the weekly wage rate is determined the maximum benefits depend on the total earnings in the first eight out of the last nine completed calendar quarters. There are certain differences which may result, depending on whether the full-time weekly wage rate or the high-quarter method determines the weekly benefit rate, (e. g., a worker receiving a full-time weekly wage of $25 and earning a total of $850 will receive a weekly benefit rate of $13 for eight weeks or a maximum of $104, while another worker earning $300 in his high quarter and also a total of $850 will receive a weekly benefit rate of $12 for nine weeks or $108. Should each have earned a total of only $800, then the former would receive a maximum of $104 and the latter $96).

(c) By insuring the benefit rights of those entering military service

Benefit rights of claimants are fixed when an individual files a claim. Those workers who are drafted or volunteer for military services will, during such service, lose benefit rights based on their previous employment.

The benefit rights of such persons should be safeguarded during the term of military service by granting them, upon the termination of such service, the same benefits to which they were entitled before such military service began.

Section 501 Simplify Appeal Procedure

(a) By permitting use of after-discovered evidence within one year

The decisions of the Department, with respect to benefits, become final unless appealed within ten days from the date of the decision. In some cases, after-discovered evidence reveals these decisions to be improper, but no method is available for correction.

The Department, on the basis of after-discovered evidence should be authorized to change this decision with respect to benefits within one year after determination.

(b) By providing for payment of the uncontested amount of benefits

The present law requires that payment of benefits be withheld during an appeal. Many of such appeals are for higher amounts of compensation.

In these cases, the Department should be authorized to pay the smaller amounts of compensation already agreed upon, during the conduct of the appeal for a larger amount.

(c) By permitting delivery of the "Notice of Decision" in person or by mail, replacing the present method of compulsory mailing

The present law requires the mailing of a "Notice of Decision" to the claimant. Administrative efficiency would be expedited if such decisions could be mailed or delivered to the claimant when he visits the local office.

The compulsory mailing of "Notices of Decision" should be removed and the Department should be authorized to transmit the "Notice of Decision" in writing in any manner that it may determine.

Section 505 Provide for Mass Appeals

Present appeals procedure, specified in Article V, requires each case to be handled individually. In cases of industrial dispute, this means, sometimes, thousands of cases.

The Department should be authorized to handle these appeals on a mass basis, as one case, and such authority should include the right to make a decision covering an entire group of claimants of one class by making a decision with respect to one individual in that class.

[2] A sample study made of 4,139 claimants.
[3] Estimate made by Bureau of Employment and Unemployment Compensation, Department of Labor and Industry, December 24, 1940.

Section 509 Permit the use of After-discovered Evidence as Applying to Finality of Decisions

The recommendation made with respect to point (a) under Section 501, allowing the use of after-discovered evidence when revealing decisions to be improper, should be placed as amendment to Section 509. This section states that decisions made by the Department, by reference, or by the board shall become final ten days after the date thereof. This is necessary for a complete handling of this matter.

Section 512 Establish Precedents on Decisions Regarding Compensation

Under the present Law the decisions of the Board of Review on individual cases of compensation apply only to such cases.

The decision established by such appeal should be made uniformly applicable to all claimants of a similar class, whether or not the other claimants file an appeal. This is in accord with regularly established legal precedents.

Section 804 Enforce Repayment of Compensation by Claimants

(a) By making return of overpayments mandatory

Under the present Law, a claimant is required to pay back unemployment compensation only when it is determined that he was ineligible to receive such payments. In certain cases, eligible cliamants are paid more than the proper amount, due to clerical error.

Repayments of such amounts should be made mandatory by judgment or surcharge against future payments.

(b) By granting to the department power of surcharge

It is recommended that the power of surcharge be granted to the Department to offset over-payments of benefits against future benefit payments of individual claimants.

(c) By granting the department the right of subrogation in NLRB awards

Under present Law, when back wages are paid under awards of the National Labor Relations Board, it is determined that certain employes have received unemployment compensation benefits for this same period. Under present Law, it is not possible to require that such compensation be paid back without civil suit.

The Department should be given the right of subrogation with respect to National Labor Relations Board awards in order to secure repayment of compensation already paid.

Amendments to Pennsylvania Unemployment Compensation Act of December 5, 1936, P. L. 2897 (1937 Pamphlet Laws) Recommended by The Joint State Government Commission and By The Joint Legislative Committee to Study Unemployment Compensation, Showing Section, Subject, Recommended Change, Federal Provision, Purpose of Change, and Comparison With H. B. 1384 of 1939 Session

Section	Subject	Recommended Change	Federal Provision	Purpose	Did H. B. 1384 of 1939 Session include this Recommendation?
4 (i)	Employers	Permit election of non-liable employer to cover non-localized service performed by non-resident employe, where direction is located in Pennsylvania and no liability exists under any State law.	No "elections" provided	To secure coverage of employes in these cases where liability exists under Federal Act but no coverage under any State Act	No
		Successor in Interest Clause	None	To extend coverage of Act and remove a situation which invites evasion of the law	Yes
4 (j)	Employment	Exclude from the term the following services:			
		Domestic service in local college club, fraternity, or sorority	I. R. C. 1607 (c) (2)	To conform with Federal	No
		Cassual labor not in course of business	I. R. C. 1607 (c) (3)	"	No
		Service performed in any calendar quarter for organizations exempt from the Federal Income Tax, if—(i) the remuneration for such services does not exceed $45, or (ii) such service (under certain conditions) is for a fraternal beneficiary society, order, or association, or (iii) such service is performed by a student	I. R. C. 1607 (c) (10)	"	No
		Service performed in employ of agricultural or horticultural association	I. R. C. 1607 (c) (10) (B)	"	No
		Services under certain circumstances in employ of employes' voluntary beneficial association	I. R. C. 1607 (c) (10) (C) 1607 (c) (10) (D)	"	No

Section	Subject	Recommended Change	Federal Provision	Purpose	Did H. B. 1384 of 1939 Session include this Recommendation?
		Services performed by student for his college for amounts under $45 a quarter	I. R. C. 1607 (c) (10) (E)	"	No
		Services performed for a foreign government	I. R. C. 1607 (c) (11)	"	No
		Services performed for an instrumentality of a foreign government under certain conditions	I. R. C. 1607 (c) (12)	"	No
		Services performed by student nurses and internes under certain conditions	I. R. C. 1607 (c) (13)	"	No
		Services performed as an insurance agent on commission basis	I. R. C. 1607 (c) (14)	"	No
		Services performed by minors under 18 in delivery of newspapers or shopping news	I. R. C. 1607 (c) (15)	"	No
		Include within the term the following services:			
		Services in employ of U. S. or of instrumentality of U. S. which is not wholly owned by U. S. and not exempt under Income Tax Law	I. R. C. 1607 (c) (6)	"	No
		Services performed in employ of charitable, religious, etc. corporation, when a substantial part of activities is used to influence legislation	I. R. C. 1607 (c) (8)	"	No
		Included and excluded service clause providing that where service is mixed, all service to be that part which represents more than fifty per cent of the total	No Provision	An administrative device to avoid confusion as to coverage of employes	No
4 (s)	Total Unemployment	The word "remuneration" to be substituted for the word "wages"	No Provision	"Wages" are defined elsewhere as remuneration for covered employment. Under the present definition a claimant might be construed to be totally unemployed even though earning unlimited amounts for non-covered services	No
4 (u)	Wages	Eliminate distinction between wages for contributions and benefits	No Provision	To extend to benefit side the 1940 amendment defining wages	No
		.....	.....	.....	.....
		Except from definition payments to draftees	Pending Legislation	To encourage such payments	No
204	Advisory Council	Make appointment compulsory	No Provision	No comment	No
205	Stabilization of Employment	Provides for experience rating studies	Permits the Plan	To lend official sanction to studies	No
206	Employer Reports	Provisions for Destruction	No Provision	Will solve big problem	No
301-2	Contribution	Rate to be set without fixed relation	No Provision	Will eliminate a feature that might cause complications	No
		.....	.....	.....	.....
		Power to assess amount against delinquent employer	No Provision	A needed "collection" instrument	No
303 (b)	Termination Employer Liability	Clarification of Provision	No Provision	To remove doubt as to meaning	No

Section	Subject	Recommended Change	Federal Provision	Purpose	Did H. B. 1384 of 1939 Session include this Recommendation?
308	Interest	Rate to be set at 1% per month "or fraction thereof"	No Provision	To simplify computations	No
309	Collection of contribution	Power to compromise delinquent amounts of principal, penalty, and interest from bankrupt employers and penalty and interest of delinquent employers, with approval of Attorney General.	Same Power	To facilitate collections	Partly
		Power to establish liens against delinquent employers	Same Provision	To facilitate collections	No
311	Refund & Adjustments	Power to enter into Inter-State agreements to provide for adjustments when contribution payments are made to wrong State	No Provision	To remove iniquities of present plan	No
401 (a)	Eligibility for Benefits	Change Qualifying Amount to flat amount of $100 instead of formula.	No Provision	To extend coverage and simplify procedure	$200 Qualifying Amount
401 (e)	Waiting period	Clarify "waiting period" to conform to present practice	No Provision	To remove ambiguities	Yes
		Reduce "waiting period" to two weeks	No Provision	To extend coverage; speed up payment of benefits	No
402	Ineligibility for Compensation	Add "without good cause" to voluntary quit provision	No Provision	To remove iniquities	No
		Add disqualification for "committing larceny against employer after conviction by a competent court of law"	No Provision	To remove from benefits those who are non-deserving	No
403	Payment of Compensation	Provision to pay the surviving spouse, children, and parents of deceased claimants without necessity of letters of administration	No Provision	To remove hardships which exist under present plan	Yes
404	Amount of Compensation	Elimination of redeterminations	No Provision	Administratively necessary	Yes
		Provision for payment according to schedule	No Provision	To simplify payments	Yes
		Freezing of benefit rights of claimants during service in armed forces of U. S. A.	Pending Legislation	To safeguard their benefit rights	No
501	Determination Appeals	Provision granting right to amend decisions after ten days with respect to further payments upon basis of after-discovered evidence	No Provision	To eliminate payment when admittedly not warranted	Yes
		Payment during appeals of uncontested amount of benefits	No Provision	To permit payment which will not be contested	Yes
		Remove compulsory mailing of decisions	No Provision	Allow any form of notice in writing	No
505	Appeal Procedure	Provisions for mass appeals	No Provision	To simplify administration	No
509	Finality of Decisions	Provision of use of after-discovered evidence	No Provision	To simplify administration	No
512	Establishing of Precedents	Decisions to be uniformly applicable to all claimants of a similar class	No Provision	Speeds procedure	No

Section	Subject	Recommended Change	Federal Provision	Purpose	Did H. B. 1384 of 1939 Session include this Recommendation?
804	Liability to repay compensation	Eliminate provision which restricts liability only when claimant fails to meet eligibility requirements	No Provision	To make repayment necessary when more than maximum compensation has been paid	No
		Power to surcharge future benefits with amount of overpayments	No Provision	To afford means of liquidating over-payments	No
		Right of subrogation under NLRB awards	No Provision	To provide means of obtaining over-payments	No

MEMORIALIZATION TO CONGRESS TO REDUCE CONTRIBUTION BY EMPLOYERS

It is recommended that the Legislature memorialize Congress to authorize the General Assembly to reduce the contributions by employers to two per cent when the fund is one and one-half times the average benefit payments for the last three preceding years.

In the House of Representatives, January, 1941.

Whereas experience of the past three years has demonstrated the fact that the present rate of contributions required of employers under the Unemployment Compensation Law is burdensome and materially in excess of that required for the purposes for which the Unemployment Compensation Fund is maintained, as shown by the following figures: Balance in fund, as of December 31, 1940, $132,393,969; benefits paid during the past three years, for 1938, $71,553,159; for 1939, $54,594,544; and for 1940, $44,260,799; showing an average annual payment of $56,802,834; and

Whereas the rate of such contributions is controlled by the maximum credit allowable to employers by section nine hundred two of the Federal Social Security Act against the Federal Excise Tax imposed by section nine hundred one of said act (said sections being now sections one thousand six hundred one and one thousand six hundred respectively of the Federal Internal Revenue Code, as amended); therefore, be it

Resolved (if the Senate concur), That the Congress of the United States be memorialized, by proper congressional action, to reduce the rate of the Federal Excise Tax imposed by section one thousand six hundred of the Internal Revenue Code with respect to employment, to two per centum of total wages paid by an employer during the calendar year with respect to employment after December 31, 1940, so as to enable the states, by appropriate legislation, to reduce their present rate contribution if and when their Unemployment Compensation Fund shall exceed one and one-half times the average annual amount expended for the payment of benefits during the three last preceding calendar years.

Resolved, That certified copies of the foregoing resolution be transmitted, by the Chief Clerk of the House of Representatives, to the President of the United States, to the presiding officers of the Senate and House of Representatives of Congress, and to each United States Senator and Congressman elected from this Commonwealth.

STATISTICAL STUDIES

In making the several sample studies of wage records and benefit payments, opportunity was afforded to secure significant data regarding the Pennsylvania system of Unemployment Compensation. These data throw additional light on some significant aspects of the administrative problems in Unemployment Compensation. The results of these special analyses are given in the following sections.

Section I

Eligibility [1]

a. Experience with Eligibility Provisions. One of the important factors in the benefit formula of the Pennsylvania Unemployment Compensation Law is the eligibility requirement. This requirement is designed to test the right of claimants to receive benefits by excluding those whose earnings are too small to consider them part of the labor market. Therefore, the extent to which the eligibility requirement screens out claimants is one factor in measuring its effectiveness.

Analysis of all claims filed between the beginning of the program in January 1938 and October 1939 reveals that 5.1 per cent of all claims have been declared ineligible (83,251 out of 1,618,216). However, during the year 1938 the proportion of ineligibility was 7.2 per cent (75,772 out of 1,058,080). During the year 1939, up to October, only 1.2 per cent of all claimants were declared ineligible (7,479 out of 560,136). This record shows that the percentage of ineligibility has dropped from 7.2 per cent to 1.2 per cent, with an average over the period of 5.1 per cent. This experience indicates that as the law becomes more understandable to claimants the ineligible claimant does not attempt to file a claim or the local office cancels the claim without referring it to the central office. It cannot be concluded, however, that this experience demonstrates that the eligibility requirements are too high or too low. To answer this important question, it is neces-

[1] Unemployment Compensation Benefits in Pennsylvania, Op. Cit., p. 47.

sary to study all wage records, not merely the wage records of claimants whose claims were determined.

b. Wage Rates of Ineligible Cases. In a sample taken during June-July 1939, there were twenty ineligible cases out of a total of 1,130 claims, or 1.8 per cent. Of this number of ineligible cases, twelve were full time weekly wage determinations and eight cases were one-thirteenth of the highest quarter determinations.

Table V in the Statistical Appendix shows a distribution by weekly wage groups of these ineligible cases. Among the ineligible cases were eleven, or 58 per cent, which fell within the minimum and maximum earning allowed under the law ($15 to $30). There was a tendency for the full time weekly wage cases to be declared ineligible even though they had substantially high weekly wages. This was due to the factor in Pennsylvania formula which figures eligibility as a product of the full time weekly wage times 6½. The tendency was for the one-thirteenth method to make it relatively easier for a claimant to qualify; the appendix table clearly brings out this point.

The full time weekly wage ineligible cases had average weekly wages of $28.79 and average total earnings of $1,176.85. The one-thirteenth of highest quarter ineligible cases had average weekly wages of $28.06 per case and average total earnings of $824.96.

TABLE V

Ineligible Cases from Group of Claims Filed June 12 to June 21, 1939, Incl., Distributed by Weekly Wage Groups [1]

	Full Time Weekly Wage Cases					
Weekly Wage	Total Claims Number	Total Claims Per cent	Total Wages Amount	Total Wages Average	Total Weekly Wages Amount	Total Weekly Wages Average
Less than $5	0	0	0	0	0	0
$5 to $10	0	0	0	0	0	0
$10 to $15	1	9.1	$ 414.44	$ 414.44	$ 11.45	$11.45
$15 to $20	3	27.2	1,997.10	665.70	52.50	17.50
$20 to $25	2	18.2	2,241.64	1,120,64	48.60	24.30
$25 to $30	1	9.1	1,470.45	1,470.45	27.65	27.65
$30 to $35	2	18.2	3,163.56	1,581.78	68.15	34.07
$35 to $40	1	9.1	1,617.87	1,617.87	35.25	35.25
$40 to $45	0	0	0	0	0	0
$45 to $50	0	0	0	0	0	0
$50 or more	0	9.1	2,040.70	2,040.70	73.05	73.05
Totals	11	100.0	$12,945.39	$1,176.85	$316.65	$28.79

TABLE V—Continued

	1/13 of Highest Quarter Cases					
Weekly Wage	Total Claims Number	Total Claims Per cent	Total Wages Amount	Total Wages Average	Total Weekly Wages Amount	Total Weekly Wages Average
Less than $5	0	0	0	0	0	0
$5 to $10	0	0	0	0	0	0
$10 to $15	2	22.2	$1,034.15	$ 517.08	$ 21.80	$ 10.90
$15 to $20	3	33.4	2,447.03	815.68	48.09	16.03
$20 to $25	2	22.2	1,522.36	761.18	42.00	21.00
$25 to $30	1	11.1	954.15	954.15	26.60	26.60
$30 to $35	0	0	0	0	0	0
$35 to $40	0	0	0	0	0	0
$40 to $45	0	0	0	0	0	0
$45 to $50	0	0	0	0	0	0
$50 or more	11	11.1	1,228.35	1,228.35	68.00	68.00
Totals	9	100.0	$7,186.04	$ 798.49	$206.49	$22.94

SECTION II

Benefit Payments Using the High Quarter Plan Alone as Compared with the Present Plan

A plan for using high quarter earnings alone has been advanced by some as the method by which benefits should be determined. It is interesting to know that such a plan using the highest in eight quarters of earnings comes close to the present law in terms of weekly benefit rates. This is due to the fact that 60 per cent of the cases under the present law are already determined on this basis, and the 100 per cent determination of this type does not materially change the distribution of rates.[1]

Sample studies have been made by the Bureau of Employment and Unemployment Compensation which show that there is close agreement between the two plans on the following points: (See Unemployment Compensation Payments in Pennsylvania, Administrative Research Bulletin No. 2, January, 1940).

1. Distribution of weekly benefit or compensation rates. There is a concentration of cases at each of the maximum and minimum rates with a rather uniform distribution between the two limits.

2. Duration of Compensation. Under both plans almost 80 per cent of cases were eligible for the maximum number of weekly benefit checks, thirteen. Also noticeable was the fact that the number receiving only a few payments is small.

3. Weekly Compensation Rates. Here, too, a high degree of similarity appears. Approximately 60 per cent of the cases would have received the same amount within the dollar interval under both plans. If the high quarter plan were used exclusively almost 80 per cent would have received a higher amount, the same amount, or not more than fifty cents less than the present weekly compensation rate.

4. Number of payments. About 96 per cent of the cases under the high quarter plan would receive the same number of payments or one payment more or less than under the present plan.

5. Maximum Amount of Compensation. The study shows that under the high quarter plan about 91 per cent of the claimants would receive within $10 of the benefits which they now are paid. The number of cases falling outside the $10 zone is relatively insignificant.

SECTION III

Additional Benefit Costs of Shortening the Waiting Period[2]

Since it is not required that one be in need in order to receive unemployment benefits, additional costs to the Unemployment Compensation Fund due to shorter waiting periods promise to be more substantial than any possible savings in direct relief expenditures. From an examination of the benefit characteristics of a random sample of eligible claimants having a full benefit-year experience, it has been determined that a reduction from three waiting weeks to two waiting weeks for the year 1939 would have resulted in an increase of approximately $2,000,000 benefit payments, and that a reduction to one week would have resulted in an increase of more than $3,500,000.

Approximately 8 per cent of the additional cost that would result from a reduction of the waiting period to two weeks, would be due to the addition of persons who, because of the three-week waiting period, had not reached compensable status. The balance would have been ac-

[1] Ibid, p. 91

[1] Ibid., p. 43.

[2] Additional Benefit Costs of Shortening Pennsylvania's Waiting Period. Administrative Bulletin 4, June 1940, Bureau of Employment and Unemployment Compensation, Harrisburg, Pennsylvania, pp. 4-6.

counted for by the payment of an additional week of benefits to those claimants who had reached compensable status but had not exhausted their benefit rights. If, however, the waiting period were reduced to one week, the increased proportion of the cost due to new beneficiaries These claimants who had never reached compensable would have been about 13 per cent.

More than one out of ten eligible claimants received no benefits within the 52 weeks during which they had accumulated waiting-week credits. This was primarily because they had been called back to work or had found new employment before completing their waiting period. These claimants who had never reached compensable status may be classified into four groups—those who filed (1) no waiting weeks, (2) one waiting week, (3) two waiting weeks, and (4) three waiting weeks. No data are available adequate to show the exact distribution among these four groups, but such records as are at hand indicate that the group totals were approximately equal.

Claimants who now file their third waiting week claim, but who do not return to the employment office after that time, would receive one week of compensation during a two-week waiting period provision in the law. Under a one-week waiting provision, they would receive two weeks of compensation. Claimants who now file claims for no more than two waiting weeks, still would not be entitled to compensation under a two-week waiting period, but would be entitled to one check under a one-week waiting period.

The other group of claimants who would have contributed to the greater part of the increased cost had the waiting period been shorter are those who had become compensable but had ceased drawing benefits before they had exhausted their benefit rights. A sample study of claimants who had ended their benefit years indicates that 65 per cent of all eligible claimants exhausted their benefit rights before the ends of their benefit years. To those who returned to work prior to the drawing of all benefits possible, the reduction in the waiting period would have meant an additional one or two weeks of compensation.

The estimated increase in costs that the suggested changes would have involved may be summarized as follows:

If the waiting period had been reduced to Period	One Week	Two Weeks
Total	$9,273,000	$5,259,000
1938	4,793,000	2,714,000
1939	3,660,000	2,080,000
1940 (1st Quar.)	820,000	465,000

These cost figures are based on an estimated increase of 3.8 per cent in compensable weeks of unemployment due to a two-week waiting period, and a 6.7 per cent increase in compensable weeks due to a one-week waiting period.

A factor which had not been taken into consideration in making the foregoing estimates is that a number of workers who are regularly unemployed for two or three weeks each year do not file under the present provisions of the law, but presumably would do so if the waiting period were reduced.

In any attempt to apply the estimated percentages to future periods, it should be considered that the additional cost involved is largely dependent upon the proportion of claimants who exhaust their benefit rights. This proportion bears an inverse relationship to the duration of unemployment. Consequently, during period of severe economic depression, when it is unlikely that claimants will be able to obtain employment before they have exhausted their benefit rights, there will tend to be a proportionately smaller drain on the fund due to a one-week or a two-week waiting period, as compared with a three-week period. On the other hand, during periods of expanding employment, an increasingly large number of claimants will be re-employed prior to the exhaustion of their benefit rights, but they would receive one or two additional weeks of benefits under a shorter waiting period. Therefore, the cost of a shorter waiting period would be proportionately greater during a period when total benefit payments are at a relatively low level.

The following statement summarizes the results of the sample study of cases in which the benefit years had ended, on the basis of which the estimates contained in this report were derived:

Status of Claim at End of Year	Per cent
Total claimants with ended benefit year	100.00
Claimants Benefited	89.6
Drawing maximum	58.2
Drawing one week less than maximum	10.7
Drawing two or more weeks less than maximum	20.7
Claimants Not Reaching Compensable Status	10.4
Three weeks of waiting, but no claim	2.6
Two weeks of waiting	2.6
Less than two weeks of waiting	5.2

TABLE VI

Pennsylvania Unemployment Compensation Fund
Receipts and Payments
April 1938—December 1940

Month	Contributions and Interest Received	Benefits Paid	Fund Balance End of Month
1938			
April	$ 5,025,008	$8,597,499	$ 68,078.213
May	12,906,527	5,920,726	75,064,014
June	385,592	7,972,535	67,477,071
July	3,638,583	7,873,956	63,241,698
August	14,301,786	7,821,446	69.722,038
September	460,841	5,936,882	64,245,997
October	3,347,006	5,083,341	62,505,390
November	14,481,109	3,997,923	72,988,576
December	774,716	3,581,926	70,181,366
1939			
January	4,119,142	4,902,568	69,397,940
February	16,433,826	3,062,933	82,768,832
March	510,226	5,199,114	78,079,945
April	2,948,208	5,041,984	75,986,169
May	15,764,303	7,201,026	84,549,445
June	400,539	6,479,787	78,470,197
July	3,971,981	4,808,208	77,633,970
August	15,569,369	6,104,732	87,098,607
September	459,021	4,133,989	83,423,638
October	4,157,902	2,714,320	84,867,220
November	15,310,410	2,327,661	97,849,969
December	762,688	2,618,222	95,994,435
1940			
January	5,259,783	4,024,507	97,229,712
February	18,316,256	4,017,219	111,528,749
March	425,675	4,207,156	107,747,268
April	2,121,641	4,615,857	105,253,052
May	17,767,639	5,304,598	117,716,092
June	476,599	3,909,225	114,283,466
July	4,381,362	4,474,767	114,190,061
August	15,877,277	4,054,669	126,012,669
September	360,485	2,918,356	123,454,798

Month	Contributions and Interest Received	Benefits Paid	Fund Balance End of Month
October	5,838,283	2,726,744	126,566,337
November ...	14,502,946	1,881,052	139,188,231
December	707,019	2,126,649	137,768,601

Source: Trends and Totals, May 1939, Oct. 1939, and Sept. 1940, Pennsylvania Bureau of Employment and Unemployment Compensation. Table completed for additional data supplied by the Bureau.

TABLE VII

RECAPITULATION OF

Contributions and Interest Received, Benefits Paid, and Balance of Pennsylvania Unemployment Compensation Fund

Year	Contributions & Interest Received	Benefits Paid	Balance in Fund
1937	$70,152,958	.....	$70,152,959
1938	71,581,566	$71,553,159	70,181,366
1939	80,407,614	54,594,545	95,994,435
1940	86,034,965	44,260,799	132,393,969[a]
	$308,177,103	$170,408,503	$132,393,969

[a] This does not include $5,374,632 transferred to Railroad Retirement Fund.

Source: Research and Statistics Section, Bureau of Employment and Unemployment Compensation.

TABLE VIII

State Unemployment Compensation Fund
Receipts and Payments
Cumulative Through June 1940

	State	Contribution and Interest Received	Benefits Paid	Balance in Fund as of June, 1940
		(Amounts in thousands)		
Region I:	Connecticut	$55,579	$20,717	$34,080
	Maine	13,251	9,480	3,771
	Massachusetts ..	138,921	62,543	76,378
	New Hampshire .	11,417	5,734	5,683
	Rhode Island ...	29,779	20,233	9,546
	Vermont	5,047	2,017	2,703
Region II:	New York	413,121	217,128	195,993
Region III:	Delaware	7,744	1,240	6,504
	New Jersey	139,908	24,161	115,748
	Pennsylvania ...	267,184	152,225	114,959
Region IV:	District of Columbia	23,445	4,131	19,341
	Maryland	38,409	19,700	18,710
	North Carolina .	36,841	14,907	21,935
	Virginia	23,553	13,265	19,288
	West Virginia ..	34,712	18,155	16,557
Region V:	Kentucky	36,272	7,325	28,947
	Michigan	147,607	88,574	61,033
	Ohio	187,843	38,544	149,298
Region VI:	Illinois	228,083	40,852	187,231
	Indiana	71,742	31,955	39,787
	Wisconsin	71,315	17,648	53,667
Region VII:	Alabama	29,261	14,823	14,439
	Florida	20,272	6,028	14,245
	Georgia	28,713	5,412	23,302
	Mississippi	8,399	4,056	4,343
	South Carolina .	14,927	3,987	10,249
	Tennessee	28,154	13,921	14,233
Region VIII:	Iowa	26,605	10,381	16,225
	Minnesota	45,939	22,148	23,791
	Nebraska	12,891	2,468	10,422
	North Dakota ...	3,380	965	2,415
	South Dakota ...	3,740	627	3,113
Region IX:	Arkansas	10,719	3,484	7,235
	Kansas	18,405	3,543	14,862
	Missouri	65,335	9,329	56,005
	Oklahoma	22,593	6,449	16,145
Region X:	Louisiana	32,132	13,170	18,962
	New Mexico	4,701	1,846	2,854
	Texas	77,208	25,413	51,795
Region XI:	Arizona	7,161	4,123	3,037
	Colorado	16,776	5,960	10,815
	Idaho	6,607	4,009	2,598
	Montana	9,065	2,955	6,110
	Utah	8,840	4,989	3,852
	Wyoming	4,453	2,018	2,434
Region XII:	California	251,450	97,350	154,099
	Nevada	2,982	1,488	1,493
	Oregon	21,124	12,779	8,345
	Washington	33,890	12,150	21,740

Source: Social Security Bulletin August, 1940.
Social Security Board, Washington, D. C.

SIGNIFICANT PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS, JUNE 1, 1940[1]

State and type of fund	Size of firms covered	Contribution rate for 1940 (percentage of wages)	Benefits						
			Month first payable	Weeks of initial waiting period	Weekly benefit rate	Maximum per week	Minimum per week	Duration in a given 52-week period[2]	
								Maximum number times weekly benefit amount payable	Total amount of benefits as a proportion of wages earned in prior period
ALABAMA: Pooled	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent on wages up to $3,000; employee, 1 percent on wages up to $3,000.	Jan. 1938.	3	1/26 of high quarter's wages established by table in law.	$15	$2	20	1/3 in 4 quarters.
ALASKA: Pooled, experience rating.	Employer of 8 or more in 20 weeks	Employer, 2.7 percent.	Jan. 1939.	2	1/20 of high quarter's wages.	16	$5	16	Do.
ARIZONA: Pooled, experience rating.	Employer of 3 or more in 20 weeks.	..... do	Jan. 1938.	2	50 percent of full-time weekly wage.	15	$5 or ¾ of full-time weekly wage.	14	1/6 in 8 to 11 quarters.
ARKANSAS: Pooled, experience rating.	Employer of 1 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000.	Jan. 1939.	2	1/26 of high quarter's wages.	15	$3	16	1/3 in 4 quarters.
CALIFORNIA: Pooled, experience rating. Exempt unemployment benefit and guaranteed employment plans.	Employer of 4 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000; employee, 1 percent on wages up to $3,000, not to exceed 50 percent of general employer rate.	Jan. 1938.	2	1/20 of high quarter's wages, established by table in law.	18	$10	.....	26 to 54 percent in 4 quarters, according to schedule of wage classes.
COLORADO: Pooled, experience rating.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent.	Jan. 1939.	2	1/25 of high quarter's wages.	15	$5	16	1/3 in 4 quarters.
CONNECTICUT: Pooled, experience rating.	Employer of 5 or more in 20 weeks.	..... do	Jan. 1938.	2	Established by weighted table in law.	15	..do.....	13	15 1/3 to 23 percent in 4 quarters, according to schedule of wage classes.
DELAWARE: Pooled, experience rating.	Employer of 1 or more in 20 weeks; also all employers liable to Federal tax.	..... do	Jan. 1939.	2	1/25 of high quarter's wages.	15	..do.....	13	1/6 in 4 quarters.
DISTRICT OF COLUMBIA: Pooled, experience rating.	Employer of 1 or more.	Employer, 3 percent	Jan. 1938.	3	40 percent of average weekly wage, plus allowance for dependents up to maximum of 65 percent.	15	None	16 (plus additional benefits on basis of ratio provisions)	1 week's benefit to 3 weeks of employment in past 104 weeks, plus additional benefits at 1 to 20 in past 260 weeks.
FLORIDA: Pooled experience rating. Guaranteed employment plans.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000.	Jan. 1939.	2	1/20 of high quarter's wages established by table in law.	15	$3	16	1/6 in 8 quarters.
GEORGIA: Pooled	..... do	Employer, 2.7 percent.	.. do ..	2	1/26 of high quarter's wage.	15	$5 or ¾ of full-time weekly wage.	16	1/6 in 8 to 11 quarters.

[1] Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State Employment Security Agency should be consulted for authoritative information.

[2] The lesser of the alternative amounts given in the two columns is used.

State and type of fund	Size of firms covered	Contribution rate for 1940 (percentage of wages)	Benefits						
			Month first payable	Weeks of initial waiting period	Weekly benefit rate	Maximum per week	Minimum per week	Duration in a given 52-week period[2]	
								Maximum number times weekly benefit amount payable	Total amount of benefits as a proportion of wages earned in prior period
HAWAII: Pooled, experience rating.	Employer of 1 or more in 20 weeks.	Employer, 2.7 percent.	Jan. 1939.	2	1/25 of high quarter's wages.	$15	$5	16	1/3 in 4 quarters.
IDAHO: Pooled ...	Employer with $78 or more wages payable in 1 quarter.	..... do	Sept. 1938.	2	Established by weighted table in law.	18	.... do	17	¼ in 4 quarters.
ILLINOIS: Pooled, experience rating.	Employer of 6 or more in 20 weeks.	..... do	July 1939.	2	1/20 of high quarter's wages.	16	$7	16	Do.
INDIANA: Contributions of 0.135 percent of employer's pay roll pooled, remainder employer reserve. Guaranteed employment accounts.	Employer of 8 or more in 20 weeks.	Employer, determined by experience rating.	Apr. 1938.	2	1/25 of high quarter's wages.	15	None. A $5 minimum is authorized within discretion of State agency.	[3] 15	16 percent in 5 quarters.[3 4]
IOWA: Pooled, experience rating.	Employer of 8 or more in 15 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent.	July 1938.	2	50 percent of full-time weekly wage.	15	$5 or full-time weekly wage.	15	1/6 in 8 quarters.
KANSAS: Pooled, experience rating.	Employer of 8 or more in 20 weeks.	..... do	Jan. 1939.	2	1/25 of high quarter's wages.	15	$5 to 6 percent of high quarter's wages.[5]	.....	16 percent in 4 quarters.
KENTUCKY: Employer reserve; employe contributions and earnings from investment pooled.	Employer of 4 or more in 3 quarters of preceding year to each of whom $50 payable in each such quarter, or of 8 or more in 20 weeks.	Employer, 2.7 percent, and for those not subject to Federal tax, 3 percent, on wages up to $3,000; employee, 1 percent, not to exceed 50 per cent of employer's contribution, on wages up to $3,000 per employer.	..do..	2	Based on schedule of annual wages.	30 (for 2-week period)	$8 (for 2-week period.)	8 times benefit (for 2-week period)	Uniform duration.
LOUISIANA: Pooled, experience rating.	Employer of 4 or more in 20 weeks or 12 or more in 10 weeks.	Employer, 2.7 percent: employee, 0.5 per cent.	Jan. 1938	2	50 percent of full-time weekly wage.	18	.... do	18	1/6 in 8 to 11 quarters.
MAINE: Pooled ..	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent.	..do..	2	Based on schedule of annual wages.	15	$3	16 (uniform duration)	Uniform duration.
MARYLAND: Pooled.	Employer of 4 or more in 20 weeks.	..... do	..do..	2	1/26 of high quarter's wages, established in law.	15	$5	16	¼ in 4 quarters.
MASSACHUSETTS: Pooled, experience rating.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent on wages up to $3,000.	.do..	2	Established by weighted table in law.	15	$6	20	30 percent in 4 quarters.
MICHIGAN: Pooled, experience rating.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 3 percent on wages up to $3,000.	July 1938.	2	1/25 of high quarter's wages.	16	$7, if high quarter's wages $100-$175; $6, if less than $100.	16	¼ in 4 quarters.[6]

State and type of fund	Size of firms covered	Contribution rate for 1940 (percentage of wages)	Benefits						
			Month first payable	Weeks of initial waiting period	Weekly benefit rate	Maximum per week	Minimum per week	Duration in a given 52-week period [2]	
								Maximum number times weekly benefit amount payable	Total amount of benefits as a proportion of wages earned in prior period
MINNESOTA: Pooled, experience rating.	Employer of 1 or more in 20 weeks and of 8 or more outside cities with population of 10,000 or more.	Employer, 2.7 percent.	Jan. 1938.	2	..... do	15	$5	16	1/3 in 4 quarters.
MISSISSIPPI: Pooled.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000.	Apr. 1938.	2	1/26 of high quarter's wages.	15	$3	14 (uniform duration)	Uniform duration.
MISSOURI: Pooled,	..... do	..... do	Jan. 1939.	3	1/25 of high quarter's wages.	15	$5 or 6 percent of high quarter's wages.	12	16 percent in 8 to 12 quarters.
MONTANA: Pooled,	Employer of 1 or more in 20 weeks, if year's pay roll over $500.	..... do	July, 1939.	2	..... do	15	$5	16 (uniform duration)	Uniform duration.
NEBRASKA: Employer reserve; earnings in pooled account.	Employer of 8 or more in 20 weeks.	Employer, determined by experience rating. Contributions are on wages up to $3,000.	Jan. 1939.	2	50 percent of full-time weekly wage.	15	$5	16	1/3 in 4 quarters.
NEVADA: Pooled, experience rating.	Employer with $225 or more wages payable in 1 quarter.	Employer, 2.7 percent.	..do..	2	1/20 of high quarter's wages.	15	.... do	18	Do.
NEW HAMPSHIRE: Pooled, experience rating.	Employer of 4 or more in 20 weeks, also all employers liable to Federal tax.	Employer, 2.7 percent on wages up to $3,000.	Jan. 1938.	2	1/26 of high quarter's wages.	15	.... do	16	1/3 in 4 quarters.
NEW JERSEY: Pooled, experience rating.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000; employee, 1 percent on wages up to $3,000.	Jan. 1939.	2	..... do	15	.... do	16	Do.
NEW MEXICO: Pooled, experience rating.	Employer with $450 or more wages payable in 1 quarter, or employer of 2 or more in 13 weeks.	Employer, 2.7 percent.	Dec. 1938.	2	1/26 of high quarter's wages, established by table in law.	15	$3	16	1/3 in 4 quarters.
NEW YORK: Pooled	Employer of 4 or more in 15 days.	Employer, 2.7 percent on wages up to $3,000.	Jan. 1938.	3	1/23 of high quarter's wages, established by table in law.	15	$7	13 (uniform duration)	Uniform duration.
NORTH CAROLINA: ¾ of contributions to employer reserve; remainder pooled.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent.	..do..	2	Based on schedule of annual wages.	15	$1.50	16 (uniform duration)	Do.
NORTH DAKOTA: Pooled, experience rating.	..... do	..... do	Jan. 1939.	2	50 percent of full-time weekly wage.	15	$5	16	1/6 in 4 quarters.
OHIO: Pooled, experience rating.	Employer of 3 or more at any one time.	Employer, 2.7 percent on wages up to $3,000.	..do..	3	50 percent of average weekly wage.	15	None	16 (within any 12 months, uniform duration)	Uniform duration.
OKLAHOMA: Pooled, experience rating.	Employer of 8 or more in 20 weeks	Employer, 2.7 percent.	Dec. 1938.	2	50 percent of full-time weekly wage.	15	$8 or ¾ of full-time weekly wage.	16	1/6 in 4 quarters.
OREGON: Pooled, experience rating.	Employer of 4 or more in any 1 day in any calendar quarter with pay roll of $500.	Employer, 2.7 percent on wages up to $3,000.	Jan. 1938.	3	1/20 of high quarter's wages.	15	$7	16	Do.
PENNSYLVANIA: Pooled.	Employer of 1 or more in 20 weeks.	..... do	..do..	3	50 percent of full-time weekly wage.	15	$7.50	13	1/8 in 8 quarters.

[2] Payable in any "benefit period."

[4] Including uncompleted quarter in which waiting period is served.

[5] But benefits are paid at the rate of $5 per week until benefit rights are exhausted, even though the computed minimum is less than $5.

[6] Lesser of $200 or 30 percent of base period wages if such wages are less than $800.

State and type of fund	Size of firms covered	Contribution rate for 1940 (percentage of wages)	Benefits						
			Month first payable	Weeks of initial waiting period	Weekly benefit rate	Maximum per week	Minimum per week	Duration in a given 52-week period [3]	
								Maximum number times weekly benefit amount payable	Total amount of benefits as a proportion of wages earned in prior period
RHODE ISLAND: Pooled.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent on wages up to $3,000; employee, 1.5 percent on wages up to $3,000.	Jan. 1938.	1	Established by weighted table in law.	16	$6	.....	18 to 30 percent in 4 quarters, according to schedule of wages classes.
SOUTH CAROLINA: Pooled, experience rating.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent on wages up to $3,000.	July 1938.	2	1/26 of high quarter's wages established by table in law.	15	$3	16 (uniform duration)	Uniform duration.
SOUTH DAKOTA: 5/6 employer reserve, remainder pooled.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer determined by experience rating. Contributions are on wages up to $3,000.	Jan. 1939.	3	Based on schedule of annual wages.	15	.... do	14 (uniform duration)	Do.
TENNESSEE: Pooled, experience rating.	Employer of 8 or more in 20 weeks.	Employer, 2.7 percent.	Jan. 1938.	2	1/26 of high quarter's wages established by table in law.	15	$4	16 (uniform duration)	Do.
TEXAS: Pooled, experience rating.	..... do	..... do	..do..	1	1/13 of high quarter's wages (for 2-week period).	30 (for 2-week period)	$10 (for 2-week period.	8 times benefit (for 2-week period)	1/3 in 4 quarters.
UTAH: Pooled, experience rating.	Employer with $140 or more wages payable in 1 quarter.	..... do	..do..	2	1/24 of high quarter's wages.	16	$5	16	Do.
VERMONT: Employer's contribution over 0.54 percent to employer's reserve; remainder pooled.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Employer, 2.7 percent on wages up to $3,000.	..do..	3	50 percent of full-time weekly wage.	15	$5 or 3/4 of full-time weekly wage.	14	1/3 in 4 quarters.
VIRGINIA: Pooled, experience rating.	Employer of 8 or more in 20 weeks.	..... do	..do..	2	1/25 of high quarter's wages.	15	$3	16	6 to 16 weeks duration, according to schedule of annual earnings.
WASHINGTON: Pooled.	..... do	Employer, 2.7 percent on wages up to $3,000.	Jan. 1939.	2	1/20 of high quarter's wages.	15	$7	16	1/3 in 4 quarters.
WEST VIRGINIA: Pooled, experience rating.	..... do	Employer, 2.7 percent.	Jan. 1938.	3	Based on schedule of annual wages.	15	$3	14 (uniform duration)	Uniform duration
WISCONSIN: Employer reserve; earnings pooled.	Employer of 6 or more in 18 weeks.	Employer, determined by experience rating. Contributions are on wages up to $3,000 (except when employer contributes more than 2.7 percent).	July 1936.	2	50 percent of average weekly wage.	15	$6	14	From any one employer's account, 1 week's benefit to each 3 weeks of employment within 52 weeks preceding close of employment.
WYOMING: Pooled, experience rating.	Employer of 1 or more in 20 weeks; and with $150 or more wages payable in 1 quarter.	Employer, 2.7 percent.	Jan. 1939.	2	1/20 of high quarter's wages.	18	$5		1/4 in 4 quarters.

PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW

As approved December 5, 1936 (Act No. 1), and amended May 18, 1937 (Act No. 175), June 20, 1939 (Act No. 261), and May 16, 1940 (Act No. 9)

AN ACT

Establishing a system of unemployment compensation to be administered by the Department of Labor and Industry and its existing and newly created agencies with personnel (with certain exceptions) selected on a civil service basis; requiring employers to keep records and make reports, and certain employers to pay contributions based on payrolls to provide moneys for the payment of compensation to certain unemployed persons; providing procedure and administrative details for the determination, payment and collection of such contributions and the payment of such compensation; providing for cooperation with the Federal Government and its agencies; creating certain special funds in the custody of the State Treasurer; and prescribing penalties.

ARTICLE I

Preliminary Provisions

Unemployment Compensation Law.

Section 1. Enacting Clause.—Be it enacted, &c., That—

Short Title.

Section 2. Short Title.—This act shall be known, and may be cited, as the "Unemployment Compensation Law."

Public policy causing the passage of the act outlined.

Section 3. Declaration of Public Policy.—Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of the Commonwealth. Involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker, and ultimately upon the Commonwealth and its political subdivisions in the form of poor relief assistance. Security against unemployment and the spread of indigency can best be provided by the systematic setting aside of financial reserves to be used as compensation for loss of wages by employes during periods when they become unemployed through no fault of their own. The principle of the accumulation of financial reserves, the sharing of risks, and the payment of compensation with respect to unemployment meets the need of protection against the hazards of unemployment and indigency. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this Commonwealth require the exercise of the police powers of the Commonwealth in the enactment of this act for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

Definitions.

Section 4. Definitions.—The following words and phrases, as used in this act, shall have the following meanings unless the context clearly requires otherwise.

(a) "Base year" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, excluding, however, any completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven.

(b) "Benefit year," with respect to any individual, means the fifty-two consecutive weeks beginning with the first week occurring after January first, one thousand nine hundred thirty-eight, with respect to which compensation is payable to him, and thereafter, the fifty-two consecutive weeks beginning with the first week with respect to which compensation is next payable to him after the termination of his last preceding benefit year.

(c) "Board" means the Unemployment Compensation Board of Review established by this act.

(d) "Calendar quarter" means the period of three consecutive calendar months ending on March thirty-first, June thirtieth, September thirtieth or December thirty-first, or the equivalent thereof, as determined in accordance with general rules of the department.

(e) "Compensation" means money payments payable to individuals with respect to their unemployment as provided in this act.

(f) "Contributions" means the money payments required to be paid into the Unemployment Compensation Fund by employers, with respect to employment, which payments shall be used for the creation of financial reserves for the payment of compensation as provided in this act.

(g) "Department" means the Department of Labor and Industry of the Commonwealth of Pennsylvania.

(h) "Employe" means every individual, whether male, female, citizen, alien or minor who is performing or subsequent to January first, one thousand nine hundred thirty-six, has performed services for an employer in an employment subject to this act.

(i) "Employer" mean every—(1) individual, (2) copartnership, (3) association, (4) corporation (domestic or foreign), (5) the legal representative, trustee in bankruptcy, receiver or trustee of any individual, copartnership, association, or corporation, or (6) the legal representative of a deceased person (I) who or which employed or employs any employe (whether or not the same employe) in employment subject to this act for some portion of each of some twenty (20) days during the calendar year one

thousand nine hundred thirty-six, or any calendar year thereafter, each day being in a different week, or (II) who or which has elected to become fully subject to this act, and whose election remains in force.

Whenever any employer contracts with or has under him any contractor or subcontractor for any work which is part of his usual trade, occupation, profession or business, unless such employer, as well as each such contractor or subcontractor, is an employer (as defined in the first paragraph of this subsection), the employer shall, for all the purposes of this act, be deemed to employ each individual in the employ of each such contractor or subcontractor for each day during which said individual is engaged in performing such work, except that each such contractor or subcontractor who is an employer (as defined in the first paragraph of this subsection) shall alone be liable for the employer's contributions measured by the wages payable to individuals in his employ, and except that any employer who shall become liable for, and pay contributions with respect to individuals in the employ of any such contractor or subcontractor who is not an employer (as defined in the first paragraph of this subsection), may recover the same from such contractor or subcontractor. Each individual employed to perform or to assist in performing work of any agent or employe of an employer shall be deemed to be employed by such employer for all the purposes of this act, whether such individual was hired or paid directly by such employer or by such agent or employe, provided the employer had actual or constructive knowledge of the work.

Where an employer maintains more than one place of employment within this Commonwealth, all of the employes at the several places of employment shall be treated, for the purposes of this act, as if employed by a single employer.

Any individual, copartnership, association, or corporation who or which is not subject to this act may elect to become subject thereto by filing with the department his or its written application, and if such application is approved by the department, the election shall become binding for not less than two calendar years.

An employer subject to this act may elect to include within the term "employment," subject to this act, services performed by his or its employes entirely without this Commonwealth, with respect to which no contributions are required and paid under an unemployment compensation law of any other state, if the employe or employer, included in such election, maintain a domicile within this Commonwealth. Such election shall be subject to the approval of the department, and if such election is approved by the department, the election shall become binding for not less than two calendar years, or until the department, on its own motion, cancels the election.

An employer, subject to this act, may elect to include within the term "employment," subject to this act, services performed by his or its employes which are exempt under the provisions of subsection (j) of section four of this act. Such election shall be subject to the approval of the department, and if such election is approved by the department, the election shall become binding for not less than two calendar years.

Any services performed for an employer covered by an election, pursuant to this subsection, shall, during the effective period of such election, be deemed to be employment for all the purposes of this act. Any election approved by the department, pursuant to this subsection, shall cease to be effective only as of January first of any calendar year subsequent to the initial two calendar years thereof, and only if, at least thirty (30) days prior to such first day of January, the employer has filed with the department a notice of termination of his election.

(j) "Employment" means all service performed for remuneration or under any contract of hire, express of implied, written or oral, (1) which is localized within this Commonwealth, or (2) which is not localized in any state but some of the service is performed within this Commonwealth and (a) the base for operations or place from which such service is directed or controlled is in this Commonwealth, or (b) the base for operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this Commonwealth. Service shall be deemed to be localized within this Commonwealth if—(a) the service is performed entirely within this Commonwealth, or (b) the service is performed both within and without this Commonwealth, but the service performed without this Commonwealth is incidental to the individual's service within this Commonwealth as for example where it is temporary or transitory in nature or consists of isolated transactions. Services performed without this Com-

monwealth shall not be included within the term "Employment" if contributions are required and paid with respect to such services under an unemployment compensation law of any other state.

An individual performing services for remuneration in an employment subject to this act shall be deemed to be performing such services for wages, unless and until it is shown to the satisfaction of the department that—(a) such individual has been and will continue to be free from control or direction over the performance of such services both under his contract of service and in fact; and (b) that such service is either outside the usual course of the business for which such service is performed, or that such service is performed outside of all the places of business of the enterprise for which such service is performed; and (c) that such individual is customarily engaged in an independently established trade, occupation, profession or business.

Three-way conjunctive test.

The word "employment" shall not include—

(1) Agricultural labor;

(2) Domestic service in a private home;

Non-covered services.

(3) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one (21) in the employ of his father or mother;

(5) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(6) Service performed in the employ of a state, a political subdivision thereof, or an instrumentality of one or more states or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholders or individual;

(8) Service performed after June thirtieth, one thousand nine hundred and thirty-nine, either as an employe, representative, or service performed in the employ of an employer when such employe, representative, or employer is determined to be subject to the Act of Congress known as the Railroad Unemployment Insurance Act (52 U. S. Stat. 1094) or to an Act of Congress establishing an unemployment compensation system for maritime employes by the agency or agencies empowered to make such determinations.

(k) "Employment Office" means a public employment office or branch thereof, operated by the department.

(l) "Full time Weekly Wage" means the weekly wages that any individual would receive if he were employed at his most recent wage rate from employers during his base year and for the customary scheduled full-time week prevailing for his occupation in the enterprise in which he last earned wages from employers during his base year.

If the department finds that the full-time weekly wage as above defined, would be unreasonable or arbitrary or not readily determinable with respect to any individual, the full-time weekly wage of such individual shall be deemed to be one-thirteenth of his total wages from employers in that quarter in which such total wages from employers were highest during the first eight out of the last nine completed calendar quarters (excluding, however, any completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven) immediately preceding the first day of his benefit year.

(m) "Referee" means a referee appointed by the Governor to hear appeals under this act.

(n) "Secretary" means the Secretary of Labor and Industry of this Commonwealth, or his duly authorized representative.

(o) "Social Security Act" means the act enacted by the Congress of the United States, approved the fourteenth day of August, one thousand nine hundred thirty-five, entitled "An act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue, and for other purposes," as amended.

(p) "Social Security Board," means the Social Security Board established by the Social Security Act.

(q) "State" includes Alaska, Hawaii and the District of Columbia.

(r) "Suitable Work" means all work which the employe is capable of performing, except work in which—(1) the position offered is vacant, due directly to a strike, lockout, or other labor dispute,

or (2) the remuneration, hours of other conditions of the work offered are substantially less favorable to the employe than those prevailing for similar work in the locality, or (3) as a condition of being employed, the employe would be required to join a company union, or to resign from or refrain from joining, any bona fide labor organization.

(s) "Total Unemployment" means that an employe during a particular week has had no work for which wages are payable to him.

(t) "Unemployment Trust Fund" means the Unemployment Trust Fund established by the Social Security Act.

"Wages" defined to exclude certain payments by employers.

(u) "Wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash, except that the term "wages" as used in sections three hundred one and three hundred two of this act shall not include:

Annual compensation which exceeds $3,000 is excluded.

(1) That part of the remuneration which, after remuneration equal to three thousand dollars ($3,000) has been paid, or becomes payable, to an individual by an employer with respect to employment during or for any calendar year, is paid, or becomes payable, to such individual by such employer with respect to employment during the calendar year one thousand nine hundred forty and during each calendar year thereafter.

Payments by employer to or for an employe under any plan of retirement, sickness, accident, medical, hospitalization or death benefits excluded.

(2) The amount of any payment made to, or in behalf of, an employe under a plan or system established by an employer which makes provision for his employes generally, or for a class or classes of his employes, (including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment) on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (D) death, provided the employe (I) has not the option to receive, instead of provision for such death benefit, any part of such payment, or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (II) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit or to receive a cash consideration in lieu of such benefit, either upon his withdrawal from the plan or system providing for such benefit, or upon termination of such plan or system or policy of insurance or if his employment with such employer.

Proviso.

Certain tax payments by employer for employe excluded.

(3) The payment by an employer (without deduction from remuneration of the employe) of the tax imposed upon an employe under section one thousand four hundred (1400) of the Federal Internal Revenue Code.

Voluntary dismissal payments excluded.

(4) Dismissal payments which the employer is not legally required to make.

(v) "Week" means any calendar week ending at midnight Saturday, or the equivalent thereof, as determined in accordance with general rules adopted by the department.

Constitutional provision.

Section 5. Constitutional Construction.—The provisions of this act are severable, and if any provisions hereof are held unconstitutional, such decision shall not be construed to impair any other provision of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included herein.

ARTICLE II

Administration of Act

Powers and duties of the Department of Labor and Industry.

Section 201. General Powers and Duties of Department.—It shall be the duty of the department to administer and enforce this act through such employment service and public employment offices as have been or may be constituted in accordance with the provisions of this act and existing laws.

Power to make rules and regulations.

It shall have power and authority to adopt, amend, and rescind such rules and regulations, require such reports from employers, employes, the board and from any other person deemed by the department to be affected by this act, make such investigations, and take such other action as it deems necessary or suitable. Such rules and regulations shall not be inconsistent with the provisions of this act, and shall be effective in the manner the department shall prescribe.

Department shall submit report to Governor

The department shall submit to the Governor a beinnial report covering the administration and operation of this act and shall make such recommendations for amendments to this act as it deems proper.

The secretary to have power to establish offices and fix compensation of employes.

Section 202. Personnel and Employment Offices.—The secretary shall have power to establish such offices and to appoint and fix the compensation of such employes in such offices and in the department as he may deem necessary to administer this act, subject to the provisions of section two hundred eight of this act.

Department to cooperate with other agencies to establish and maintain free employment service.

The department is authorized to cooperate with or to enter into agreements with the Railroad Retirement Board or any other agency of the United States charged with the administration of an

unemployment compensation law, with any political subdivision of this State, or with any private nonprofit organization, with respect to the establishment, maintenance, and use of free employment service facilities and free public employment offices, and, as a part of any such agreement, may accept moneys, services, or quarters as a contribution to the administration fund.

Unemployment Compensation Board of Review.

Section 203. Unemployment Compensation Board of Review.—(a) There is hereby created in the department an Unemployment Compensation Board of Review. The board shall consist of three members nominated and appointed by the Governor, by and with the advice and consent of two-thirds of all the members of the Senate, for terms of six years each, and until their successors shall have been appointed and qualified, except that the terms of the members first taking office shall expire on July first, one thousand nine hundred thirty-nine; July first, one thousand nine hundred forty-one; and July first, one thousand nine hundred forty-three, respectively as designated by the Governor at the time of appointment and until their successors shall have been appointed and qualified. The Governor shall designate one of the members as chairman. Vacancies in said board shall be filled for the unexpired terms. The chairman of the board shall receive a salary at the rate of nine thousand dollars per annum. The other members of the board shall receive salaries at the rate of eight thousand five hundred dollars per annum. Such salaries shall be paid from the Administration Fund. Two members of the board shall be a quorum, and no action of the board shall be valid unless it shall have the concurrence of at least two members. A vacancy on the board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the board.

Board to consist of three members, appointed by Governor with the consent of the Senate.

Terms of the members.

Vacanacies.

Salaries of members.

Two members of board shall constitute a quorum.

Board may appoint a secretary and prescribe his duties.

(b) The board may appoint a secretary to hold office at its pleasure. Such secretary, if appointed, shall have such powers and shall perform such duties, not contrary to law, as the board shall prescribe, and shall receive such compensation as the board, with the approval of the Governor, shall determine.

Board to be governed by Administrative Code.

(c) The board shall be a departmental administrative board, and shall have all the powers and perform all the duties generally vested in, and imposed upon, departmental administrative boards and commissions by The Administrative Code of one thousand nine hundred twenty-nine and its amendments.

Duty of board to hear appeals.

(d) It shall be the duty of the board to hear appeals arising from claims for compensation, adopt, amend or rescind such rules of procedure, undertake such investigations, and take such action required for the hearing and disposition of appeals as it deems necessary and consistent with this act. Such rules of procedure shall be effective in such manner as the board shall prescribe and shall not be inconsistent with this act. Any investigation, hearing or appeal which the board has power to undertake, hold, hear or determine, may be undertaken, held or heard by or before any one or more of the members of the board, but any determination, ruling or order of a member or members upon any such investigation, hearing or appeal undertaken, held or heard by him or them, shall not become and be effective until approved and confirmed by at least a quorum of the board. The chairman of the board, or his representative, shall have the power as often as he may deem the work of the board requires to designate the time and place for the conducting of investigations, hearings and appeals, and to assign cases to a member or members for such purposes.

Any member may hold hearings, but rulings are not effective until approved by quorum.

Chairman of board to designate time and place of hearings.

Referees.

(e) The Governor shall appoint and fix the compensation of such referees as may be deemed necessary with power to take testimony in any appeals coming before the board.

Board to submit biennial report to department.

(f) The board shall submit to the department a biennial report concerning the performance of its powers and duties and shall make such recommendations for the improvement of its service and the amendment of this act as it deems proper.

Department has the power to create advisory councils.

Section 204. Advisory Councils.—The department shall have power to create and appoint members of State-wide and local advisory councils composed, in each case of an equal number of employer and employe representatives, who may fairly be regarded as representative because of their vocation, employment, or affiliations. On each such council there shall also be members representing the general public.

Duty of councils.

Such councils shall aid the department in formulating policies, in discussing problems related to the administration of this act, in assuring impartiality and freedom from political influence in the administration of this act, in taking steps to reduce and prevent unemployment, and in making studies relating to partial and seasonal unemployment.

Members of council to serve without compensation.

The members of such advisory councils shall serve without compensation but shall be entitled to be reimbursed out of

the Administration Fund for all necessary expenses incurred in the discharge of their duties.

Department to make study of employment so as to stabilize employment.

Section 205. Stabilization of Employment; Partial and Seasonal Unemployments.—The department shall take appropriate steps to—(a) reduce and prevent unemployment, (b) encourage and assist in the adoption of practical methods of vocational training and guidance, (c) investigate, recommend, advise and assist in the establishment, by political subdivisions, of reserves for public works to be used in times of business depression and unemployment, (d) promote the reemployment of unemployed workers, (e) make studies of partial unemployment and recommendations in respect to provisions for the payment of compensation for partial unemployment, and (f) make studies of seasonal unemployment and recommendations in respect to provisions for seasonal industries under this system of unemployment compensation.

Copies of all such studies and recommendations shall be transmitted to the Governor.

Employers to keep employment records for the inspection of department.

Section 206. Records of and Reports by Employers.—Each employer (whether or not liable for the payment of contributions under this act) shall keep accurate employment records, containing such information, as may be prescribed by the rules and regulations adopted by the department. Such records shall be open to inspection by the department and its agents at any reasonable time, and as often as may be deemed necessary. The department may require from such employers such reports as it deems necessary, which shall be sworn to, if required by the department.

Information not to be made public.

Information thus obtained shall not be made public or be open to public inspection, other than to the members of the board, and the officers and employes of the department and the Social Security Board in the performance of their public duties, but any claimant at a hearing of his claim shall, upon request, be supplied with information from such records to the extent necessary for the proper presentation of his claim.

Criminal provision.

Any officer or employe of the department or the board, or any other public employer, who shall violate any of the provisions of this section shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty nor more than two hundred dollars, and in default of the payment of such fine and costs of prosecution shall be sentenced to imprisonment for not longer than thirty days.

Department to cooperate with the Social Security Board

Section 207. Cooperation with Social Security Board and Other Agencies.—(a) In the administration of this act, the department shall cooperate to the fullest extent, consistent with the provisions of this act, with the Social Security Board. It shall make such reports in such form and containing such information as the Social Security Board may, from time to time, require, and shall comply with such provisions as the Social Security Board may, from time to time, find necessary to assure the correctness and verification of such reports.

Department to furnish information concerning recipients of compensation to Federal agencies.

(b) Upon request therefore, the department shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment the name, address, ordinary occupation and employment status of each recipient of compensation, and such recipient's rights as to further compensation under this act.

Department may enter into agreements with other authorities in order to carry out objectives of this act.

(e) The department is hereby authorized to enter into reciprocal arrangements and compacts with the proper authorities of other states and the Federal Government for the purpose of carrying out the objectives of the unemployment compensation acts of this and other states or adopted by the Congress of the United States. Pursuant to this subsection, the department may enter into arrangements with the appropriate agencies of other states or of the Federal Government; (1) whereby wages or services, upon the basis of which an individual may become entitled to unemployment compensation benefits under the unemployment compensation law of another state or of the Federal Government, shall be deemed to be wages for employment by employers for the purposes of sections four (1), four hundred one, and four hundred four of this act, provided such other state agency or agency of the Federal Government has agreed to reimburse the unemployment compensation fund for such portion of compensation paid under this act upon the basis of such wages or services as the department finds will be fair and reasonable as to all affected interests; and (2) whereby the department will reimburse other state or Federal agencies charged with the administration of unemployment compensation laws with such reasonable portion of unemployment benefits paid under the law of any such other states or of the Federal Government upon the basis of employment or wages for employment by employers, as the department finds will be fair and reasonable as to all af-

Reciprocal arrangements and compacts.

fected* interests. Reimbursements so payable shall be deemed to me compensation for the purposes of sections four hundred four and six hundred one of this act. The department is hereby authorized to make to other state or Federal agencies and receive from such other state or Federal agencies, reimbursements from or to the Unemployment Compensation Fund, in accordance with arrangements pursuant to this paragraph.

State's records available to Railroad Retirement Board.

(d) The department may make the state's records relating to the administration of this act available to the Railroad Retirement Board, and may furnish the Railroad Retirement Board, at the expense of such board, such copies thereof as the Railroad Retirement Board deems necessary for its purposes.

Cooperation with Federal agencies administering unemployment insurance law.

(e) The department may afford reasonable cooperation with every agency of the United States charged with the administration of any unemployment insurance law.

Civil Service.

Section 208. Civil Service; Selection of Personnel; Additional Duties of Secretary and Board.—(a) No individual shall be appointed or employed by the department for the purpose of administering this act except as provided in this section.

Employes not subject to civil service.

(b) The members and secretary of the board, referees and such attorneys and experts, as the Attorney General or the secretary, as the case may be, shall appoint and the Governor shall approve, shall be exempt from the provisions of this section.

Provisional appointments until lists of eligibles certified.

(c) Until such time as the board certifies lists of eligibles for any grade of employment, but in no even later than January first, one thousand nine hundred thirty-eight, the secretary is hereby authorized to make provisional appointments, without examinations, in such grades of employment for which no lists of eligibles have been certified, provided that a person so appointed shall cease to be so employed within thirty days after a list of eligibles have been certified by the board to the secretary for the grade of employment in which he or she is employed, unless reappointed from such list of eligibles as provided in this section.

The secretary to establish classes of employment.

(d) The secretary shall by rules and regulations establish classes of employment, composed of all of the various positions to be created, for the purpose of administering this act, and shall divide such classes into a reasonable number of grades, and shall specify a salary range for each grade. All appointments shall be made at the lowest salary for the grade in which the appointment is made. The secretary may increase the salary of any employe, who has served the probationary period hereinafter required by this act, to not more than the maximum provided for his grade of employment.

Appointments shall be made at minimum salary.

The secretary shall prescribe qualifications for employes.

(e) The secretary shall prescribe, by rules and regulations, the qualifications to be possessed by persons desiring employment in the various grades of employment in the administration of this act. The qualifications shall be such as will best promote the most efficient administration of this act, and shall provide that persons applying for positions in the offices designated by the secretary as central administrative offices (which shall include all those having jurisdiction throughout the State) shall be citizens of the United States and shall have been legal residents of Pennsylvania for a period of not less than one year before making application, and persons applying for positions in district offices (which shall include all those whose jurisdiction is limited to a particular district created under the provisions of this act) shall be citizens of the United States and shall have been legal residents of Pennsylvania for a period of not less than one year, and in the district in which such office is located for a period of not less than six months, before making application.

Every individual desiring employment shall file an application with the board.

(f) Every individual desiring employment under the provisions of this act shall file with the board an application, [under oath or affirmation] which shall be in a form prescribed by the board, provided that such application shall be the same for all individuals desiring the same grade of employment, and shall be so drawn as to reveal the qualifications as prescribed by the secretary. In no case shall the board require of the applicant any information pertaining to his race, creed, color, or political affiliations. Upon receiving such application the applicant shall be admitted to the next competitive examination in the grade of employment which he or she seeks. Such competitive examinations shall be practical in their character and, so far as may be possible, shall relate to those matters which will fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed, but no applicant shall be required to be possessed of any scholastic education or training in order to be permitted to take any competitive examination or to be appointed to any position. Such com-

Information concerning race, creed, etc., not permitted.

Examinations.

* "effected" in the original.

petitive examinations shall be in writing, but in arriving at a final rating of applicants for such administrative and professional grades of employment as are so designated by the board, the board may take into consideration such experience and personal qualifications as are related to the grades of employment for which applicants are being examined, provided that the same standards shall apply with respect to all applicants in the same grade of employment: Provided, however, That in the final rating of all applicants persons who were engaged in the military or naval service of the United States during any war in which the United States was engaged, and who have an honorable discharge from such service, shall receive, in addition to all other ratings, an additional five per centum, and any such person who shall have been disabled by wounds or in any other manner while engaged in such service (so long as he is able to perform the work of the employment for which he is examined), and who shall submit satisfactory evidence to the board that such disability was received while engaged in such service, shall be rated an additional five per centum over and above the five per centum hereinbefore set forth, and in either case, the total per centum mark or grade thus obtained shall determine the order of standing of such persons on any list of eligibles.

(g) The board shall conduct such examinations at such places in the Commonwealth as to make it reasonably convenient and inexpensive for applicants to attend them. Every candidate admitted to such examinations shall be given a number, so that, when his paper is marked and graded, it will be impossible for the person passing upon the examination papers to ascertain the candidate's identity until his written examination rating has been established.

Identity of candidate not to be disclosed.

School teachers to mark papers.

(h) Examination papers of such candidates shall be marked by a committee designated by the board, with the approval of the Governor, consisting of school teachers in this Commonwealth. All such examining committee members shall receive compensation at the rate of fifteen dollars per day for their services, and reimbursement for necessary expenses. The members of such examining committees may employ necessary clerks and assistants. Subject to the approval of the secretary, the number of clerks and assistants so employed and the amount of their compensation shall be determined by the board. All such examination papers shall be rated on a basis of one hundred per centum and less. Such examination papers shall immediately thereafter be filed with the board.

Method of marking papers.

List of eligibles.

(i) The board shall certify to the secretary for each administrative district, and for the State as a whole, lists of the names of persons receiving a passing mark, and shall rank such persons in the order of magnitude commencing with the highest rating for the specified grade of employment. Such list shall be known as a list of eligibles and shall be valid until the next examination is held for the same grade of employment, but in no event for a period of less than one year, unless no more than two names remain on a list of eligibles, in which case a new examination may be held; but those whose names remained on the list of eligibles shall be retained on the new list for a period of at least one year from the date of their original certification.

Eligibles to be classified.

In certifying lists of eligibles for the various grades in any class of employment, the board shall certify persons taking identical examinations on all lists of eligibles for all grades in such class of employment for which they are qualified.

Secretary must make the appointments from list of eligibles.

(j) The secretary shall make appointments to positions created under this act, and shall fill vacancies as they may occur from the lists of eligibles certified to him by the board, except with respect to positions filled by promotions as hereinafter provided, and by the appointment of persons exempted by subsection (b) of this section. In making appointments therefrom, the secretary shall select from the three persons, ranking highest on the list of eligibles for the grade of employment in the administrative district, or in the State as a whole, as the case may be, the applicant most suitable for the position in the grade of employment for which a vacancy exists, taking into consideration his experience and personal qualifications with sole reference to merit and fitness for the position to be filled. If, upon inquiry by the secretary, a person on the list of eligibles is found to be not available for employment or cannot be located, his name shall not for the time being be considered among the three names from which a choice is to be made. For the second vacancy, the secretary shall make selection from the highest three persons remaining on such list of eligibles who have not been within his reach for three separate vacancies. The third and any additional vacancies shall be filled in like manner.

Method of making selection.

Vacancies in positions subject to the provisions of this section, whether such

positions be newly created or vacated for any reason by any former incumbent, shall be filled, in so far as practical, by promotions from among employes holding positions in the lower grades. In all cases, an employe to be promoted shall possess the qualifications specified for the position, and shall have served not less than six months (including service during any probationary period, but not including service during any provisional employment) in a position under the provisions of this act. Promotions shall be based on merit and upon the superior qualifications of the employe to be promoted as shown by his or her previous service record under this act. The secretary may promote an employe to a higher position to which such employe has been certified as eligible by the board, provided that the board shall, in certifying such employe, satisfy itself that the employe possesses the qualifications prescribed by the secretary for the higher position. Before making such certification, the board may require any employe or employes to take such qualifying or competitive examinations as the board may prescribe.

Person appointed to be notified in writing.

(k) A person selected for appointment shall be duly notified by the secretary in writing and, upon accepting and reporting for duty, shall receive from the secretary a certificate of appointment.

First nine months of employment to be probationary period.

The first nine months under this appointment shall be a probationary period. If and when, after full and fair trial, during this period the conduct or capacity of the probationer be not satisfactory to the secretary, the probationer shall be so notified in writing with a full statement of reasons, and this notice shall terminate his services, provided that within ten days he may appeal his case to the board in the same manner as hereinafter provided for individuals receiving notice of dismissal.

Retention beyond period confirms permanent appointment.

The retention of such individual beyond the probationary period shall automatically confirm such individual as a permanent appointment.

Board may employ help to conduct examinations.

(l) The board shall employ from time to time, when necessary, experts and necessary clerical assistants to review applications, prepare and conduct such examinations, and to prepare lists of eligibles from the ratings of applicants taking such examinations. Subject to the approval of the secretary, the number of such experts and clerical assistants and their compensation shall be determined by the board.

Board to certify lists to secretary when requested.

(m) It shall be the duty of the board to certify to the secretary lists of eligibles for all grades of employment as such lists are requested by the secretary, as soon as practical, and to maintain a sufficient number of names on each of such lists to meet all reasonable requirements of the secretary in making necessary appointments under this act.

Where only two eligibles.

(n) When there are no more than two eligibles on a list of eligibles for any grade of employment in which a vacancy exists, the secretary may in his discretion make an appointment therefrom.

Secretary may dismiss employes.

(o) The secretary may, when in his judgment the public interest or the efficiency of the service requires, summarily dismiss any employe of the department engaged in the administration of this act, who has been finally convicted of an offense in connection with his duties in the administration of this act, or of any felony or any crime involving moral turpitude.

Secretary may suspend employes.

The secretary may suspend for a period not to exceed thirty days, or dismiss any employe of the department engaged in the administration of this act for delinquency or misconduct in his or her duties under this act.

Secretary may furlough employes.

The secretary may by reason of lack of funds, or curtailment of work, furlough any employes of the department engaged in the administration of this act, provided that such employes shall be reinstated to the lists of eligibles, and shall be given preference over all other persons on such lists of eligibles for future appointments to their own grade of employment, or a lower grade in the same class of employment in order of seniority. Such eligibility for reinstatement shall remain effective for a period equal in length to an employe's service under this act, but in no case shall it continue for a period longer than two years.

Employes may secure a leave of absence.

Employes may, upon application in writing to the secretary, and upon written approval by him, obtain a leave of absence without pay.

Dismissed, suspended, and furloughed employes may appeal.

(p) All employes of the department engaged in the administration of this act who are given notice of dismissal, suspension or furlough shall be entitled to a hearing before the board by an appeal made within ten days after such notice of dismissal, suspension or furlough becomes effective, and shall be furnished with copies of any charges preferred against them, and shall be allowed a reasonable time for personally answering the same in writing and submitting affidavits in support thereof. Any employe summarily dismissed or dismissed for delinquency or misconduct under a decision of the board, or upon the expiration of the date for an appeal, if no ap-

peal has been taken, shall be removed from all lists of eligibles for positions under this act. Any employe, after having been dismissed, suspended or furloughed, or having received notice of dismissal, suspension or furlough, and who has made appeal thereof to the board, shall be restored, upon being sustained on such appeal by the decision of the board, to the same grade of employment in which he had been employed and, in the discretion of the board, shall be fully reimbursed for any loss of salary caused by such dismissal, suspension or furlough. The board shall hear such appeals and render a final decision in all cases under this section in not more than thirty days after the date of such appeals, and shall keep records of such appeals, as provided for appeals for compensation under section five hundred four of this act. Appeals may be taken by the secretary, or the employe, from the board to the Superior Court within thirty days after the decision of the board in the same manner as provided in this act for appeals with respect to compensation.

Board to hear appeals.

Appeals may be taken from board to Superior Court.

(q) It shall be the duty of every officer and employe in the department, and of every applicant or eligible for a position therein, to give to the board all proper and pertinent information and testimony in regard to matters required or arising under this section, and under the rules and regulations of the department and the board pursuant thereto, and to subscribe such testimony and make oath or affirmation to the same.

Duty of officers and employes, etc., to give testimony.

In exercising its authority under this section, the board shall have the power to administer oaths and subpoenas as delegated to it under section five hundred six of this act.

Board to have power to administer oaths.

(r) The board shall have the power to make such rules and regulations as may be necessary for the execution of the provisions of this section, provided such rules are not inconsistent with the provisions thereof.

Board to have power to make rules for execution of this section.

(s) Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact, or in any manner conceals any information in order to obtain employment, either for himself or any other person, under this section shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty dollars nor more than two hundred dollars, and in the default of the payment of such fine and costs, shall be sentenced to imprisonment for not more than thirty days, and each such violation shall be deemed to be a separate offense, and his name shall be removed from all lists of eligibles, and if appointed, he shall be summarily dismissed.

Penal offenses.

(t) The secretary shall pay all necessary expenses in the administration of this section, including the compensation paid to such experts, members of examining committee, assistants and clerks, and shall cause such places to be rented as may be necessary for conducting examinations and correcting examination papers and pay the rent thereof and such other incidental expenses in the administration of this section, as may be necessary, from the Administration Fund.

Expenses.

ARTICLE III

Contributions by Employers

Section 301. Contributions by Employers of Eight or More Employes.—Each employer who has employed eight or more employes (whether or not the same employes) in employment for some portion of each of some twenty days (whether or not at the same moment of time) during a calendar year, each day being in a different week, shall pay for each such calendar year, beginning with the calendar year one thousand nine hundred thirty-six, contributions into the Unemployment Compensation Fund, which shall be equal to, but not more than, the amount of the maximum credit allowable to such employer for such calendar year by section nine hundred two of the Social Security Act against the Federal excise tax imposed by section nine hundred one of the Social Security Act with respect to employment. Such payments shall be made at such times and in such manner as the department shall prescribe. Such contributions, in order to be no more and no less than the maximum credit allowable under the Social Security Act against such Federal excise tax, shall be equal to the following percentages of total wages paid or payable by the employer for such calendar year:

Type of employer embraced by this act.

Payments.

(1) Nine-tenths of one per centum for the calendar year one thousand nine hundred thirty-six;

Percentages.

(2) One and eight-tenths per centum for the calendar year one thousand nine hundred thirty-seven; and

(3) Two and seven-tenths per centum for the calendar year one thousand nine hundred thirty-eight and each calendar year thereafter.

Section 302. Contributions by Employers not Subject to Section 301.—Each employer (as defined in this act), other than employers subject to section three

hundred one of this act, shall pay for each calendar year, beginning with the calendar year one thousand nine hundred thirty-six, contributions into the Unemployment Compensation Fund, which shall be equal to but not more than the following percentages of total wages paid or payable by the employer for such calendar year:

Percentages.

(1) Nine-tenths of one per centum for the calendar year one thousand nine hundred thirty-six;

(2) One and eight-tenths per centum for the calendar year one thousand nine hundred thirty-seven; and

(3) Two and seven-tenths per centum for the calendar year one thousand nine hundred thirty-eight and each calendar year thereafter.

If Title IX of the Social Security Act be amended or repealed or held unconstitutional, then employers under section 301 liable under section 302.

In the event that Title IX of the Social Security Act shall be amended or repealed by the Congress, or held unconstitutional by the Supreme Court of the United States, and for such reason, the provisions of Section 301 of this act cannot be administered, and the contributions imposed by said section cannot be collected from employers under said section, then such employers shall become subject to the payment of contributions under the provisions of this section at the rates herein specified.

Extent of liability.

Section 303. Period and Termination of Contributions.—(a) Any employer who or which becomes subject to this act during any calendar year shall be subject to and shall pay the contributions required by this act during the whole of such calendar year.

Liability may cease.

(b) Any employer subject to this act shall cease to be so subject and shall be relieved of the payment of contributions, only upon written application to the department and finding by the department that he has not employed any employe (whether or not the same employe) in employment subject to this act for some portion of each of some twenty days, each day being in a different week, during the previous or current calendar year, whether or not such weeks are consecutive.

Shall file reports when requested.

Section 304. Reports by Employers.—Each employer shall file with the department such reports, at such times, and containing such information, as the department shall require, for the purpose of ascertaining and paying the contributions required by this act.

Employer shall pay concurrently with each report.

Section 305. Payment of Contributions.—Concurrently with each report, the employer shall pay to the department the amount of contributions imposed by this act for the period covered by the report; but the department may, in proper cases, upon request made, permit an extension of time for the payment of contributions due. The amount of the contribution in respect of which an extension is granted shall be paid (with interest at the rate of one-half of one per centum per month) on or before the expiration of the period of extension.

Department may grant an extension.

Section 306. Fractions of a Cent.—In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

Section 307. Interstate Commerce.—No employer required by this act to pay contributions shall be relieved from compliance therewith on the ground that he is engaged in interstate commerce, or that this act does not distinguish between employes engaged in interstate commerce and those engaged in intrastate commerce.

Employers engaged in interstate commerce not exempt.

Section 308. Interest on Past Due Contributions.—Contributions unpaid on the date on which they are due and payable, as prescribed by the department, shall bear interest at the rate of one per centum per month from the date they become due until paid.

Interstate at the rate of 1% per month on past due contributions.

Section 309. Collection of Contributions and interest.—If, after notice by the department, any employer fails, neglects, or refuses to pay any contributions due, or the interest due thereon, the amount due shall be collected by civil action in the name of the Commonwealth. Civil actions brought under this section to collect contributions, or interest thereon, from any employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other actions, except petitions for judicial review under this act and cases arising under the Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements. No court costs shall be imposed on the Commonwealth in any such civil actions. Judgments obtained in such civil actions to collect any of the contributions aforesaid shall include interest and penalties, as provided in this act.

Collection of contributions and interest may be enforced by legal action.

Section 310. Priorities Under Legal Dissolutions and Distributions.—In the event of any distribution of an employer's assets pursuant to an order of any court under the laws of this Commonwealth, including any receivership, assignment for benefit of creditors, adjudicated insolvency, composition, or

Priorities enumerated in case of dissolution.

similar proceeding, contributions or installments thereof, or interest thereon, then or thereafter due shall be paid in full prior to all other claims except taxes. claims arising under The Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements, and claims for wages of not more than two hundred and fifty dollars to each claimant earned within six months of the commencement of the proceeding. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension, proposal, or composition under the Federal Bankruptcy Act of one thousand eight hundred ninety-eight, as amended, contributions and interest then or thereafter due shall be entitled to such priority as is provided in section sixty-four (b) of that act (United States Code Annotated Title XI, Section one hundred four (b) as amended).

In case of bankruptcy, priorities governed by section 64 of Federal Bankruptcy Act.

Department may make refunds and adjustments.

Section 311. Refunds and Adjustments. —If, not later than one year from the payment of any contribution, or interest thereon, an employer shall make application for an adjustment thereof in connection with subsequent contribution payments or, if such adjustment cannot be made, for a refund thereof and the department shall determine that such contribution or interest, or any portion thereof, was erroneously collected for any reason whatever, including the failure to employ one or more employes (whether or not the same employe or employes) for some portion of each of some twenty days during the calendar year, each day being in a different week, for which the contributions were made, the department shall allow such employer to make an adjustment thereof without interest in connection with subsequent contribution payments by him or, if such adjustment cannot be made, the department shall refund said amount without interest out of moneys to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund. For like cause and within the same period, an adjustment or refund may be so made on the initiative of the department.

ARTICLE IV

Compensation

Compensation payable only to employes meeting enumerated qualifications.

Section 401. Qualifications Required to Secure Compensation. — Compensation shall be payable to any employe who is or becomes totally unemployed on or after January first, one thousand nine hundred thirty-eight, and who—

(a) Has, within his base year, earned wages from employers of not less than thirteen times his weekly compensation amount;

(b) Has registered for work at a designated employement office, at such times and in such manner as the department may prescribe;

(c) Has made a claim for compensation in the proper manner prescribed by the department;

(d) Is able to work and available for work; and

(e) Has been totally unemployed for a waiting period of at least three weeks (except as otherwise hereinafter provided in this clause), prior to any week for which he claims compensation, provided that such three weeks of total unemployment shall occur after compensation first becomes payable under this act. Such three weeks shall not include any week in which the employe was ineligible for compensation under section four hundred two of this act, or was ineligible for compensation under any provision of this section, excepting, however, paragraphs (a) and (c) of this section. The three weeks of total unemployment need not be consecutive, but may be accumulated over the period of fifty-two consecutive weeks preceding any week for which he claims compensation: Provided, That this requirement shall not interrupt the payment of compensation for consecutive weeks of unemployment. If the employe's total unemployment is due to a voluntary suspension of work resulting from an industrial dispute, then he shall be ineligible for compensation for a further waiting period of three weeks in addition to the waiting period hereinbefore prescribed in this clause.

Causes enumerated which will make an employe ineligible for compensation.

Section 402. Ineligibility for Compensation.—An employe shall be ineligible for compensation for any week—

(a) In which his unemployment is due to failure, without good cause, either to apply for suitable work when so directed by the employment office, or to accept suitable work when offered to him by the employment office. In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk involved to his health, safety and morals, his physical fitness and prior training and experience, and the distance of the available work from his residence;

(b) In which his unemployment is due to voluntarily leaving work, except where as a condition of continuing in employment the employe would be required to join or remain a member of a company

union or to resign from or refrain from joining any bona fide labor organization, or to accept wages, hours or conditions of employment not desired by a majority of the employes in the establishment or the occupation, or would be denied the right of collective bargaining under generally prevailing conditions.

(c) With respect to which or a part of which he has received or is seeking unemployment benefits under an unemployment compensation law of any other state or of the United States: Provided, That if the appropriate agency of such other state or of the United States finally determines that he is not entitled to such unemployment benefits, the disqualification shall not apply.

Rate of compensation.

Section 403. Rate and Payment of Weekly Compensation. — Compensation shall be payable at the rate of fifty per centum of the employe's full-time weekly wage, but the amount shall not be more than fifteen dollars, nor less than seven dollars and fifty cents a week. An employe's weekly compensation amount, as determined for the first week of his benefit year, shall constitute his weekly compensation amount throughout such benefit year. Compensation shall be computed to the nearest multiple of five cents. Compensation shall be paid through employment offices at such times and in such manner as the department may prescribe.

Payment.

Maximum compensation.

Section 404. Amount of Compensation. —The maximum total amount of compensation payable to any eligible employe during any benefit year shall not exceed one-eighth of his total wages from employers during the first eight out of the last nine completed calendar quarters immediately preceding each week with respect to which compensation is payable (excluding, however, any completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven), or thirteen times his weekly compensation amount, whichever is the lesser.

Employe's account.

The department may maintain a separate account for each employe and in such event shall credit his account with all wages earned by him from employers subsequent to January first, one thousand nine hundred thirty-seven. Compensation paid to an eligible employe shall be charged against amounts credited to such account in the chronological order in which the wages of such individual were earned from employers.

Regulations of board to be posted by employer.

Section 405. Duties of Employers.—Each employer shall post in a conspicuous place, or places, in his establishment, or establishments, any printed statement or notice required by the rules and regulations of the department.

Commonwealth, department, and secretary not liable for compensation.

Section 406. Non-liability of Commonwealth. — Compensation shall be deemed to be due and payable under this act only to the extent provided in this act, and the extent that moneys are available therefor to the credit of the Unemployment Compensation Fund, and neither the Commonwealth, the department, nor the secretary shall be liable for any amount in excess of such moneys.

ARTICLE V

Determination of Compensation; Appeals; Reviews; Procedure

Department shall determine whether compensation should be paid, and extent of the payment.

Section 501. Initial Determination of Compensation; Appeals.—The department shall promptly examine any claim filed, and on the basis of the facts found by it, shall determine whether or not the claim for compensation is valid, and if valid, the week with respect to which compensation shall commence, the weekly compensation payable, and the maximum duration thereof. The claimant and other affected parties shall be promptly notified of the decision and the reasons therefor. Unless the claimant or other affected parties files an appeal from such decision with the board within ten calendar days after such notification was mailed to his last known post office address, and applies for a hearing, such decision of the department shall be final and compensation shall be paid or denied in accordance therewith. In the event that an appeal is filed with the board, the payment of compensation shall be withheld pending determination of the claim, but when a referee or the board affirms a decision of the department allowing compenation such compensation shall be paid notwithstanding any further appeal which may thereafter be taken.

Appeals must be taken within 10 days.

When appeal is filed, payment is to be withheld.

Appeals to be heard by referees.

Section 502. Decision of Referee; Further Appeals and Review.—Where an appeal from the decision of the department is taken, a refree shall after affording the parties reasonable opportunity for a fair hearing, affirm, modify, or reverse such findings of fact and the decision of the department as to him shall appear just and proper. The parties shall be duly notified of the referee's decision, and the reasons therefor, which shall be deemed the final decision of the board, unless within ten days after the date of such decision the board acts on its own motion, or upon application, permits any of the parties to institute a fur-

Further appeals.

ther appeal before the board. A memorandum of testimony of any hearing before any referee shall be made and be preserved for a period of two years.

Persons who may not participate in hearings.

Section 503. Disqualifications to Participate in Hearings.—No referee, member of the board, or employe of the department shall participate in the hearing of any case in which he himself is an interested party. The board may designate an alternate to serve in the absence or disqualification of any referee.

Board may remove appeals from referees.

Section 504. Powers of Board Over Claims.—The board shall have power, on its own motion, or on appeal, to remove, transfer, or review any claim pending before, or decided by, a referee, and in any such case and in cases where a further appeal is allowed by the board from the decision of a referee, may affirm, modify, or reverse the decision of the department or referee on the basis of the evidence previously submitted in the case, or direct the taking of additional evidence. When any claim pending before a referee is removed or transferred to the board, the board shall afford the parties reasonable opportunity for a fair hearing. The parties shall be duly notified of the board's final decision and the reasons therefor. A complete record shall be kept of each case heard before the board. All testimony at any hearing before the board, whether on appeal or otherwise, shall be taken by a reporter, but need not be transcribed unless the disputed claim is further appealed.

Board to prescribe rules of procedure.

Section 505. Rules of Procedure.—The manner in which appeals shall be taken, the reports thereon required from the department, the claimant and employers, and the conduct of hearings and appeals, shall be in accordance with rules of procedure prescribed by the board whether or not such rules conform to common law or statutory rules of evidence and other technical rules of procedure.

Oaths.

Section 506. Power to Administer Oaths; Subpoenas.—In the discharge of the duties imposed by this act, the secretary, the members of the board, any agent duly authorized in writing by the board, and any referee shall have power to administer oaths and affirmations, take depositions and certify to official acts.

Subpoenas.

The department and the board shall have power to issue summons or subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of this act. Such summons or subpoenas shall be signed by the secretary or the chairman of the board, as the case may be, or some person duly authorized in writing by the secretary or the board. Witnesses subpoenaed pursuant to this act shall be allowed reasonable fees and expenses at a rate fixed by the department. Such fees and all expenses of proceedings involving disputed claims shall be deemed a part of the expense of administering this act and shall be paid from the Administration Fund.

Execution of subpoenas.

Where subpoenas disobeyed, board, department, or agent may petition court of common pleas.

Section 507. Procedure where Summons or Subpoenas Disobeyed.—In case any person refuses, fails, or neglects to obey a summons or subpoena issued under the authority of this act, or fails, refuses, or neglects to produce any books, papers, correspondence, memoranda, or record, the department or the board or its agent duly authorized in writing may petition the court of common pleas of the county in which the inquiry is being carried on, or within which the person summoned, or subpoenaed is found or resides or transacts business, setting forth the facts, whereupon the court shall have jurisdiction to direct such person to appear before the department or its agent, or before a referee or the board at a time and place fixed by the court, and give such testimony and produce such books, papers, correspondence, memoranda, and other records as may be required, or to issue to such person its subpoena requiring such person to appear before the court at a time fixed and there to give testimony touching the matter under investigation, or to produce such other evidence as may be required.

Failure to answer court subpoena subjects party to be held in contempt.

Any person who shall, without just cause, fail, neglect, or refuse to obey a subpoena or order of the court or who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if it is his power so to do, in obedience to a subpoena or an order of the court may be punished by said court for contempt.

Evidence, if self-incrimination claimed, cannot be used as a basis of criminal proceedings.

Section 508. Protection Against Self-Incrimination.—No person shall be excused from attending or testifying, or from producing books, papers, correspondence, memoranda, and other records before the department, the board, or any referee or court, in obedience to any summons or subpoena, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject

him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Decisions final after 10 days except where an appeal has been disallowed by board.

Section 509. Finality of Decisions.—Any decision made by the department or any referee or the board shall become final ten days after the date thereof, unless appealed from, as hereinbefore provided; but any decision of the board or of a referee, where an appeal has been disallowed by the board, shall nevertheless be subject to appeal to the Superior Court after the same has become final.

Must exhaust remedies before eligible to appeal to Superior Court.

Section 510. Appeals to Superior Court.—An appeal to the Superior Court may be taken by any party claiming to be aggrieved, but only after he has exhausted his remedies before the board. In any such appeal the board shall be made the party defendant. Every appeal to the Superior Court must be taken within thirty days after the decision of the referee or board becomes final. The appeal shall be by petition and shall state the grounds upon which a judicial review is sought. A copy of such appeal petition shall be served upon a member or agent of the board, and sufficient additional copies shall be left with the board to enable the board to furnish a copy to every party in interest in the proceeding who has not joined in the appeal. The board shall file an answer in the Superior Court within thirty days after the petition has been served on it, and shall at the same time file with the court certified copies of all documents and papers, a record of all testimony taken and all findings of facts and decisions thereon. The board may also, in its discretion, certify to such court questions of law involved in any decision by it.

Procedure to be followed in case of appeals.

Superior Court to decide questions of law only.

In any appeal to the Superior Court the findings of the board or referee, as the case may be, as to the facts, if supported by the evidence, and in the absence of fraud shall be conclusive, and in such cases the jurisdiction of the court shall be confined to questions of law, and such cases shall be given precedence over all other civil cases except cases arising under The Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements.

Bond not required on appeal to Superior Court.

Section 511. Exceptions and Bond Not Necessary; No Supersedeas to Be Granted.—In order to take an appeal to the Superior Court, it shall not be necessary to enter exceptions to the rulings of the board, and no bond shall be required for entering an appeal. No appeal to the Superior Court shall act as a supersedeas.

Appeal to Superior Court not to act as supersedeas.

Section 512. Final Order of Board.—Upon the final determination of any appeal, the board shall enter an order in accordance with the decree of the court.

ARTICLE VI

Unemployment Compensation Fund and Administration Fund

Unemployment compensation Fund created.

Section 601. Unemployment Compensation Fund.—There is hereby created a special fund separate and apart from all public moneys or funds of this Commonwealth to be konwn as the Unemployment Compensation Fund. All contributions, together with penalties and interest thereon, received or collected by the department from employers under the provisions of this act shall be paid into the Unemployment Compensation Fund, and shall be credited by the department to a ledger account to be known as the Employers' Contribution Account. All moneys from time to time received and credited to the Employers' Contribution Account (exclusive of refunds made under section three hundred eleven) shall be paid promptly by the department into the Unemployment Trust Fund, except as otherwise provided in section six hundred five of this act.

Department to pay compensation out of fund.

As often as may be necessary, the department shall requisition from the Unemployment Trust Fund such amounts as shall be necessary to provide adequate funds for the payment of compensation, as provided in this act. Upon receipt of such requisitioned funds, the department shall deposit them into the Unemployment Compensation Fund to the credit of a ledger account, to be known as the Compensation Account, and shall expend such moneys solely for the payment of compensation, as provided by this act. All moneys to the credit of the Compensation Account shall be mingled and undivided. The department shall pay all compensation authorized by this act out of moneys standing to the credit of the Compensation Account.

Administration Fund to be used to pay cost of the administering of this act.

Section 602. Administration Fund.—There is hereby created a special fund to be known as the Administration Fund, which shall consist of all moneys or other property received by the department from the United States of America, or

any agency thereof, including the Social Security Board, or from any other source whatsoever, to be used for the administration of this act. The department shall pay all costs required for the administration and operation of this act out of the Administration Fund.

State Treasurer to be the custodian of the fund, and is to bond for faithful performance of duties.

Section 603. State Treasurer as Custodian.—The State Treasurer shall be the custodian of the Unemployment Compensation Fund and the Administration Fund. He shall give a bond, or bonds, with corporate sureties, conditioned upon the faithful performance of his duties as custodian of such funds in such amount or amounts as shall be determined and fixed by the Executive Board of this Commonwealth. Premiums for such bond or bonds shall be paid by the department out of the moneys in the Administration Fund. All moneys belonging to such funds (exclusive of moneys on deposit in the Unemployment Trust Fund as provided in section six hundred one) shall be deposited by the State Treasurer in any banks or public depositories in which general funds of the Commonwealth may be deposited, but no public deposit insurance charge or premium shall be paid out of moneys in the Unemployment Compensation Fund. Any law to the contrary notwithstanding, all payments from such funds shall be made under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine.

Section 604. Budgetary Provisions Not Applicable.—The provisions of article six of The Administrative Code of one thousand nine hundred twenty-nine, as amended, shall not apply to the funds created under the provisions of this act.

Section 605. Management of Funds Upon Discontinuance of Unemployment Trust Fund.—If Title IX of the Social Security Act, or any amendment thereto, or any other Federal tax against which contributions under this act may be credited, shall be amended or repealed by Congress or held unconstitutional by the Supreme Court of the United States, with the result that no contributions under this act may be credited against such Federal tax, then the department shall requisition from the Unemployment Trust Fund all moneys, properties, or securities therein belonging to the Unemployment Compensation Fund of this Commonwealth, and shall credit the same to the Employers' Contribution Account in the Unemployment Compensation Fund. Thereafter all contributions received or collected under this act shall remain to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund until required for the payment of compensation, in which event sufficient funds for this purpose, upon requisition of the department, shall be transferred to the credit of the Compensation Account in the aforesaid fund. All moneys standing to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund shall be invested by the State Treasurer in such investments prescribed by the act of April twenty-fifth, one thousand nine hundred twenty-nine (Pamphlet Laws, seven hundred twenty-three), as are readily marketable, and the investment of such moneys shall at all times be so made that all the assets to the credit of the Employers' Contribution Account shall always be readily convertible into cash when needed for the payment of compensation.

Transfer of preliminary amount.

Section 606. Transfer of Funds to Railroad Unemployment Insurance Account.—Notwithstanding any requirements of the foregoing sections of this article, the department shall, prior to whichever is the later of (1) thirty days after the close of the session of the Legislature and (2) July first, one thousand nine hundred and thirty-nine, authorize and direct the Secretary of the Treasury of the United States to transfer from the account of the Unemployment Compensation Fund of the Commonwealth of Pennsylvania in the Unemployment Trust Fund, established and maintained pursuant to section nine hundred four of the Social Security Act, as amended, to the Railroad Unemployment Insurance Account, an amount hereinafter referred to as the preliminary amount; and shall, prior to whichever is the later of (1) thirty days after the close of this session of the Legislature and (2) January first, one thousand nine hundred and forty, authorize and direct the Secretary of the Treasury of the United States to transfer from this state's account in said Unemployment Trust Fund to said Railroad Unemployment Insurance Account an additional amount, hereinafter referred to as the liquidating amount. The preliminary amount shall consist of that proportion of the balance in the Unemployment Compensation Fund as of June thirtieth, one thousand nine hundred and thirty-nine, as the total amount of contributions collected from employers (as the term "employer" is defined in section 1 (a) of the Railroad Unemployment Insurance Act, approved June twenty-fifth, one thousand nine hundred thirty-eight (52 U. S. Stat. 1094), and credited to the Unemployment Compensation Fund bears

Transfer of liquidating amount.

Preliminary amount.

Liquidating amount.

to all contributions theretofore collected under this act and credited to the Unemployment Compensation Fund. The liquidating amount shall consist of the total amount of contributions collected from employers (as the term "employer" is defined in section 1 (a) of the Railroad Unemployment Insurance Act, approved June twenty-fifth, one thousand nine hundred thirty-eight (52 U. S. Stat. 1094), pursuant to the provisions of this act during the period of July first, one thousand nine hundred and thirty-nine to December thirty-first, one thousand nine hundred thirty-nine, inclusive.

ARTICLE VII

Protection of Rights and Compensation

Employe cannot release his right to compensation.

Section 701. Certain Agreements Void; Penalty.—No agreement by an employe to waive, release, or commute his rights to compensation, or any other rights under this act, shall be valid. No agreement by an employe or by employes to pay all or any portion of an employer's contributions, required under this act from such employer, shall be valid. No employer shall, directly or indirectly, make or require or accept any deduction from the remuneration of individuals in his employ to finance contributions required from him under his act, or require or accept any waiver by an employe of any right hereunder. Any employer or officer or agent of an employer who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced for each offense to pay a fine of not less than one hundred dollars nor more than one thousand dollars, or be imprisoned for not more than six months, or both.

Employes cannot pay employer's contributions.

Employer cannot reduce employes' salaries for contributions.

Violation.

Employers not liable for fees.

Section 702. Limitation of Fees.—No employer or employe shall be charged fees of any kind in any proceeding under this act by the department, the board, or any of its officers or agents. Any individual claiming compensation in any proceeding before the department, the board, or referee may be represented by counsel or other duly authorized agent; but no such counsel or agent shall either charge or receive any greater fee for such services than is approved by the board. Any person who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than fifty dollars nor more than five hundred dollars, or be imprisoned for not more than six months, or both.

Fees of counsel to be fixed by board.

Employe cannot assign or pledge his compensation.

Section 703. No Assignment of Compensation; Exemptions.—No assignment, pledge, or encumbrance of any right to compensation which is or may become due or payable under this act shall be valid, and such rights to compensation shall be exempt from levy, execution, attachment, or any other remedy whatsoever provided for the collection of debt. Compensation payments received by an employe, so long as they are not mingled with other funds of the employe, shall be exempt from any remedy whatsoever for the collection of all debts, except debts incurred for necessaries furnished to such individual or his spouse or dependents during the time when such individual was unemployed. No waiver of any exemption provided for in this section shall be valid.

ARTICLE VIII

Penalty Provisions

Section 801. False Statements and Representations to Obtain or Increase Compensation.—Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact to obtain or increase any compensation or other payment under this act, either for himself or for any other person, shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty nor more than fifty dollars, and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each such false statement or representation or failure to disclose a material fact shall constitute a separate offense.

Section 802. False Statements and Representations to Prevent or Reduce Compensation.—Any employer (whether or not liable for the payment of contributions under this act) or any officer or agent of such employer, or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact to prevent or reduce the payment of compensation to any employe entitled thereto, or to avoid becoming or remaining subject hereto, or to avoid or reduce any contribution or other payment required from any employer under this act, or who wilfully fails to refuse to make any such contribution or other payment or to furnish any reports required hereunder, or who wilfully fails or refuses to produce or permit the inspection or copying of records as required hereunder, shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty dollars nor more than two hundred dollars,

and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each such false statement or representation or failure to disclose a material fact, and each day of such failure or refusal shall constitute a separate offense.

Section 803. Violation of Act and Rules and Regulations.—Any person who shall wilfully violate any provision of this act or any rule or regulation thereunder, the violation of which is made unlawful, or the observance of which is required under the terms of this act, and for which a penalty is neither prescribed herein nor provided by any other applicable statute, shall, upon conviction thereof in a summary proceding, be sentenced to pay a fine of not less than twenty nor more than two hundred dollars, and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each day such violation continues shall be deemed to be a separate offense.

Section 804. Liability to Repay Compensation Unlawfully Received.—Any person who by reason of the nondisclosure or misrepresentation by him or by another of a material fact (irrespective of whether such nondisclosure or misrepresentation was known or fraudulent) has received any sum as compensation under this act, while any conditions for the receipt of compensation imposed by this act were not fulfilled in his case, or while he was disqualified from receiving compensation, shall be liable to repay to the Unemployment Compensation Fund to the credit of the Employers' Contribution Account a sum equal to the amount so received by him, and such sum shall be collectible in the manner provided in this act for the collection of past due contributions.

ARTICLE IX

Saving Clause; Repeals; Effective Date

Saving clause.

Section 901. Saving Clause.—The General Assembly reserves the right to amend or repeal all or any part of this act at any time, and there shall be no vested right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred by this act, or by acts done pursuant thereto, shall exist subject to the power of the General Assembly to amend or repeal this act at any time.

Inconsistent acts repealed.

Section 902. Repeals.—All acts or parts of acts inconsistent herewith are hereby repealed.

When effective.

Section 903. Effective Date.—This act shall become effective immediately upon its final enactment.

ARTICLE X

Termination of Compensation Rights

After June 30, 1939, employes subject thereto, receive unemployment compensation under Railroad Unemployment Insurance Act, etc.

Section 1001. Termination of Compensation Rights of Certain Employes.—No employe shall have or assert any right to unemployment compensation under the Unemployment Compensation Law of this Commonwealth with respect to unemployment occurring after June thirtieth, one thousand nine hundred and thirty-nine based upon wages earned for services performed either as an employe, representative, or in the employ of an employer when either such employe, representative, or employer has been determined by the agency or agencies empowered to make such determinations under the provisions of the Act of Congress known as the Railroad Unemployment Insurance Act (52 U. S. Stat. 1094), to be subject to the provisions of the aforesaid act or to an Act of Congress establishing an unemployment compensation system of maritime employes, irrespective of when performed; nor shall wages for such services be included for purposes of determining eligibility under section four hundred one, or rate of compensation under section four hundred three, with respect to any benefit year commencing on or after July first, one thousand nine hundred and thirty-nine.

JOINT REPORT TO THE GENERAL ASSEMBLY OF RECOMMENDATIONS FOR AMENDING THE PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW

PART 2

Facts and Arguments For and Against Employer Experience Rating in Unemployment Compensation

By the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions

Commonwealth of Pennsylvania Joint State Government Commission

January, 1941

Capitol Building, Harrisburg, Pennsylvania

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939 P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

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* Resigned.

LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

In pursuance of House Resolution, Serial No. 136 and Senate Concurrent Resolution, Serial No. 127, of the Regular Session of 1939, and under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating Joint State Government Commission), we submit herewith a Joint Report of Recommendations for Amending the Pennsylvania Unemployment Compensation Law, Part 2, Employer Experience or Merit Rating in Unemployment Compensation.

ELLWOOD J. TURNER, Chairman,
Joint State Government Commission

WELDON B. HEYBURN, Chairman,
Joint Legislative Committee to Study Unemployment Compensation Provisions.

January, 1941.

FOREWORD

This report is Part II of the study on Unemployment Compensation by the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions. Part I did not consider the subject of experience rating but was confined to other proposals to amend the Pennsylvania Unemployment Compensation Law. This part contains the available facts, statistics, and data on the effect of experience rating in the States in which it is in operation and the arguments generally advanced for and against experience rating.

Hearings were conducted, meetings held, surveys made, and considerable statistics, data, and information were assembled by the Joint Legislative Committee to Study Unemployment Compensation Provisions and are included in this report. Representatives of employers of virtually hundreds of thousands of employes in industry and business manifested considerable interest in the subject and submitted their divergent views and oral and written briefs, statistics, and arguments in support of their respective positions.

The advocates contend that it will encourage industrial stabilization of employment, introduce equity in the payment of contributions, prevent unnecessary idle reserve surpluses, and bring about efficient and just administration. The opponents, on the other hand, disagree with the claim of the proponents and insist that stabilization will produce undesirable results, contribution rate differentials will be unfair to certain unstable industries, and if the reserves are to be reduced, a flat reduction should be adopted.

Every effort has been directed toward an impartial presentation of such facts and data as are available. The information gained at the hearings and through many reports on the subject from other states has been utilized in presenting the arguments of both sides.

The data and information as well as the arguments for and against experience rating contained in this report indicate definitely that the subject is a highly debatable one. Nevertheless, it must be pointed out that in four states experience rating is now in operation and will go into operation in thirteen additional states in 1941. Therefore, serious legislative consideration of this subject cannot be avoided.

The Joint State Government Commission and the Joint Legislative Committee, having been charged to make this study, recognized their responsibility and completed as much of the study as is possible. This report points out that the Joint Committee has been unable to complete that phase of the survey which would determine definitely what effect experience rating would have on different enterprises in Pennsylvania. In the Joint Report, Part I, a continuance of this study is recommended. This proposal is repeated in this report.

Special attention is directed to the valuable information and statistics contained in the tables beginning with page 6664 to the end of the report. In the supplement to this report, are contained additional valuable studies prepared by the Research and Statistics Section of the Bureau of Employment and Unemployment Compensation, showing the employment experience of Pennsylvania industries over a limited period of time and other information concerning the operation of the Unemployment Compensation Fund.

I desire to make acknowledgment to Honorable Lewis G. Hines, Secretary of Labor and Industry and Mr. Ernest Kelly, Director of the Bureau of Employment and Unemployment Compensation. Special thanks are due the following members of the bureau: Mr. Rolland S. Wallis, Chief of the Research and Statistics Section; Mr. William E. Orr, Jr., advanced statistician; and Mr. Harry Hoyle, Chief of Standards, Methods, and Planning, who have aided considerably in furnishing much of the information and statistics utilized in the preparation of this report. They have been generous with their time and effort.

A. ALFRED WASSERMAN, Director
Joint State Government Commission

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SUMMARY OF REPORT ON EMPLOYER EXPERIENCE RATING

Introduction

1. Definition—"A method of contribution adjustment based on the relative amount of unemployment for which the employer has been responsible in the immediate past."

2. Federal Social Act has provision allowing states to have "experience rating."

3. Any experience rating plan that Pennsylvania might adopt must provide:

   a. That the measure of experience that is applied to the individual must be with respect to unemployment or other factors bearing a direct relation on "unemployment risk."

   b. No reduced rate can apply to any individual account unless the agency has been able to measure the "experience" of the employer in question for a period of at least three years.

Section 1—THE OBJECTIVES OF EXPERIENCE RATING AND ARGUMENTS IN CRITICISM OF THESE AIMS

A. STABILIZED EMPLOYMENT

"Experience Rating," by Providing an Incentive of a Lower Contribution Rate, Results in More Stabilized Employment.

PRO

1. Greater stabilization can be achieved by better planning, scheduling production, inducing customers to buy more regularly, additional or specialized warehousing facilities, training employes to be versatile, manufacturing to stock, working repairs in with production, and adding complementary lines of goods.

2. Such a continuous incentive will center and intensify the attention given by employers to the problem of unemployment.

3. It creates a steadier income for workers and encourages industry to make its operations as efficient as possible by better utilizing the skills and energies of its workers.

CON

1. The individual employer can do something to stabilize his employment, but his ability is often limited.

2. The type of unemployment that can be reduced by the individual employer is mostly the "intermittent" or seasonal type.

3. In inducing employers to stabilize, the prospect of a financial saving through a reduced contribution rate is important.

4. Various efforts to avoid the payment of benefits, particularly extreme work spreading, also induced by the prospect of a reduced contribution rate.

5. Under the Wisconsin Act, only a small percentage (11%) were able to accomplish an "appreciable" amount of stabilization as a direct result of the act. But nearly two-thirds of the firms were encouraged to do something toward more regular employment, even though negligible in many cases.

6. It tends to stabilize under-employment. Partial benefit payment at a relatively high level would set a limit on work spreading.

7. In the desire to stabilize employment by filling in the slack season, some firms may engage in producing articles which are the chief source of revenue for other firms.

8. Stabilization reduces the flow from the ranks of the employed to the ranks of the unemployed, and vice versa.

B. EQUITY IN ASSESSING SOCIAL COSTS

Because of the whimsical buying habits on the part of the public, or the nature of the commodity produced, some industries have peaks and valleys of employment, and the consumers of such products should bear the extra social cost. Experience rating, it is claimed, would provide a just means of assessing these higher social costs equitably.

PRO

1. It is contrary to good public policy to provide hidden subsidies to industries which cannot operate without large labor reserves.

2. If Pennsylvania does not adopt experience rating, many industries will be at a disadvantage with their competitors in states that do.

3. The absence of experience rating is a deterring factor to new industries contemplating situating in Pennsylvania.

4. The maximum contribution rate would remain at its present level, 2.7 per cent. Those paying less than the maximum would still be partly paying for the benefits of the employes of those industries with poor experience ratings.

CON

1. Economic life is inter-related and the phenomena of unemployment is of a broad social character. Unemployment in one industry may have been partially caused by the decisions of another industry.

2. Marginal or declining enterprises, who because of competitive factors, technological change, or shifts in demand, may find that they must contract their employment. They would be forced to carry a tax rate greater than more fortunate competitors.

3. A three year experience is necessary before an employer can qualify for reduced rates. Therefore, a new employer entering an industry in which a majority of employers had qualified for lower rates, would face a slight tax disadvantage during a period which is generally the most difficult one.

4. It is doubtful if "compensable" unemployment is a fair measure to determine compensation rates.

C. THE PREVENTION OF EXCESSIVE RESERVES

Both proponents and opponents of experience rating agree that the reserves should not grow indefinitely, but should be kept at a reasonable level.

PRO

1. The large reserve fund which has been built up means millions of dollars of purchasing power tied up. It can best be released by adoption of experience rating.

2. Too great a liberalization will set a rigid schedule of benefits which in times of major depressions will endanger the solvency of the fund. Under experience rating, when the reserves fall, the contribution rates automatically rise.

CON

1. The 3 percent rate was assumed by actuaries to be a reasonable rate of contribution. The limits of protection given to covered workers were conservative and it appears now that they could have been made more liberal.

2. The reserve fund can also be reduced by a flat reduction in contribution rate provided the Federal Act is amended to authorize such action.

3. "Adequacy" of a fund difficult to determine.

D. EFFICIENCY OF CLAIM ADMINISTRATION

Experience rating will induce employers to cooperate more fully with the administrators.

PRO

1. If the employer has a definite stake in the payment or denial of benefits, he will cooperate more to make certain that unjustified claims are not honored.

CON

1. Investigations reveal that the percentage of fraudulent or doubtful claims are negligible.

2. Employers may be tempted to avoid outright layoff or dismissal, and may make efforts to construe terminations of employment as voluntary.

3. Since Pennsylvania does not have partial payments, an employer will be at liberty to reduce employment to one day out of seven, if he so desires, without affecting his experience rating account.

Section II—THE METHODS USED IN RATING EXPERIENCE OF EMPLOYERS.

A. RESERVE RATIO—

Benefits drawn by employes or former employes are charged against the contributions paid by an employer. These balances, expressed as a percentage of payroll, can then be used to measure the relative solvency or insolvency of an employer's reserve. Rates are then determined by comparison with statutory reserve limits.

1. Necessitates tremendous bookkeeping.

2. Can be used by states with pooled fund laws, if provision is made for experience rating accounts.

3. The higher the reserve ratio the lower the contribution rate which must be paid. In some states, if the reserve ratio falls below a certain point a penalty rate is added.

THE NEED FOR SIMPLER MEASURES

The Reserve ratio method, is too cumbersome and costly to administer in states having a large number of covered employers paying into a pooled fund because of the necessity of booking each benefit payment.

When workers move from employes to employer there is the additional problem of applying complicated charging rules to debit accounts.

Some plans have one charging operation for an entire benefit series instead of a charging operation for each check disbursed.

B. THE "TEXAS PLAN"

(Generally advocated for Pennsylvania)

Attempts to meet objections of:

1. Difficulty of administration.

2. Danger to solvency of Unemployment Compensation reserves.

PLAN BASED ON:

1. Offering each employer direct and continuous incentive to regularize employment and also securing a reasonable allocation, as between employers, of the cost of unemployment benefits.
(Contribution rates would range from a maximum of 2.7% to a minimum of 1.0%.)

2. Requiring adequate yet not excessive reserves.

3. Constantly replenishing the fund.

4. Providing for administrative simplicity.

The plan charges a claimant's base period wages at the time benefits are first paid to the accounts of employers from whom these wages were earned. The "benefit wages" of the last three completed calendar years is divided by the payroll for the same period and the resulting "benefit wage ratio" is multiplied by a "State Experience Factor" which takes into consideration the status of the fund.

SAFETY FACTOR. If the fund falls to a certain point in relation to benefits paid in previous years, then contribution rates are increased until the fund reaches a certain specified point.

C. OTHER PLANS. Connecticut and Minnesota have plans, the former using a technique of ranking employers and assigning to them contribution rates in inverse order of the magnitude of the merit rating index of employers. Minnesota uses an average contribution rate. It then assigns payroll categories ranged according to beneficiary wage ratios, to contribution rates on either side of the average.

Utah and Michigan also have ranking plans.

CHARGING OF EMPLOYER'S ACCOUNTS

The entire theory of experience rating must stand or fall on the justice with which charging is done. In attempting to allocate the responsibility of unemployment upon employers, the states have set up "charge-back" procedures that are frequently unjust and usually complex, especially when a claimant reports two or more employers.

Section III—EXPERIENCE RATING IN PRACTICE

A. GENERAL OBSERVATIONS OF THE OPERATION OF EXPERIENCE RATING IN THE STATES

Provisions in the several state laws vary so greatly that comparisons and analyses are difficult to make.

B. WISCONSIN'S EXPERIENCE

1. Wisconsin has the employer reserve accounts plan.

2. There were considerable differences in rate distribution between industries for both 1939 and 1940.

3. In 1940 all classes showed the majority receiving lower rates. The proportion of employers receiving rate reductions tended to increase with the size of payroll, and the proportion receiving rate increases tended to decrease with the size of payroll up to $20,000, and thereafter to increase, excepting the very highest payroll class. The proportion continuing to pay 2.7 percent tended to decrease with increasing payrolls.

C. THE LAWS OF KENTUCKY AND NEBRASKA AND THE EXPERIENCE OF NEBRASKA

1. Kentucky and Nebraska have employer-reserve laws closely related to Wisconsin's plan. Kentucky provides for rate reduction by means of an automatic statutory schedule while Nebraska uses a disbursement ratio."

2. For 1940, 31 percent of the employers in Wisconsin qualified for rate reduction of which 27 percent of the total paid at the lowest rate. Some were aided by a Federal refund. A greater proportion of the "large" employers received rate reductions than did the "small" employers. There seemed to be a direct relationship between opportunity for rate reduction and size of payroll.

D. STATES IN WHICH EXPERIENCE RATING GOES INTO EFFECT IN 1941

In 1941, experience rating is scheduled to begin operating in 14 states.

E. THE SIGNIFICANCE TO PENNSYLVANIA OF THE EXPERIENCE OF OTHER STATES

Pennsylvania differs decidedly from the states examined in its industrial composition, its size, in the number of employers covered and in its unemployment compensation law. Therefore the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions made their recommendation for further study of experience rating.

RECOMMENDATION

The Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions undertook the study of Experience or Merit Rating for Employers. The Joint Legislative Committee conducted hearings, held meetings, made surveys, accumulated and assembled considerable data, information and statistics on the subject. It has been unable to complete one aspect of the study, namely, the effect that experience rating for employers would have on different enterprises in Pennsylvania. Although it has obtained some data showing the effect for a short period of time, it has not completed this study. The data, therefore, is preliminary and incomplete.

The Joint State Government Commission and the Joint Legislative Committee, therefore, do not make a negative or an affirmative recommendation as to the adoption of any plan of experience or merit rating for employers in Pennsylvania, but do recommend further inquiry to complete this study.

Attention is directed to Recommendations Nos. 5, 6 and 23 on pages 1 and 3 of the Joint Report and Recommendations Part I by the Commission and the Joint Committee to the General Assembly on amending the Pennsylvania Unemployment Compensation Law, dated January, 1941. These recommendations contain proposals which are related to the question of experience rating.

INTRODUCTION

Experience rating for employers in unemployment compensation systems may be defined as a method of contribution-rate adjustment based on the relative amount of unemployment for which the employer has been responsible in the immediate past. Viewed broadly, there would appear to be no disagreement with the concept on which it is based. Should not employers who maintain their working forces in bad times as well as good, and prevent, sometimes to their own loss, the individual suffering and economic maladjustment that comes with mass layoff and insecure tenure, be rewarded by a lower unemploy-

ment tax; and, conversely, should not employers whose personnel practices create long lines of claimants for unemployment benefits at the unemployment offices' windows be penalized by the necessity of paying for the unemployment they bring about? It is this "bad" and "good" attitude that was responsible for the term "merit rating," a term which within the past year has been replaced by "experience rating."

The first really serious thinking, on a large scale, about the problem of mass unemployment and the possibility of exercising social control to prevent it, as well as to aid its victims, occurred in the early years of the decade just past. To meet the emergency facing the American people, systems of aid were devised which proved after brief experience to be faulty. With a recognition of this came realistic attempts to meet the problem, and there came into being the methods of dispensing unemployment relief on the basis of need. These still form the nucleus of our systems of public assistance.

Along with this came a feeling that the millions of American unemployed were not responsible for their plight, that their hardships should be reduced to a minimum that that they should not be subjected to unnecessary investigation into the amount of their resources or need. It was felt, vaguely at first, that there was a substantial difference between those permanently—or for long periods—unable to win a livelihood and those who were left temporarily without means because of the caprices of the labor market. It was also felt that an employer who had irresponsibly thrown his employes on the public purse was far different from one who had shared the resources of his firm with his workers, weathering the storm of depression with them. In endeavoring to make these distinctions, American legislators and administrative experts cast about looking for whatever had been thought or done on the problem. Unemployment Compensation, as we know it, was the result.

Congress in setting up the broad outlines in the Social Security Act gave the States wide latitude as to the type of past experience and thinking from which they might draw, and the fact that there is not a greater diversity in the provisions of the various acts is due to the limitations prescribed by the provisions of the Social Security Act, interpretations made by the administrators of the Act, and a public opinion that drew hazy but perceptible limits as to what could and could not be done in regard to eligibility and benefit provisions. On two points, however, there was no unanimity of thinking or feeling because of differences between the theorists of unemployment compensation—type of fund and method of tax-rate determination. At the time, these differences were satisfied by including in the Act as possible fund types and contribution methods all that had commanded a respectively large following or—in the case of Wisconsin—had been actually placed in operation.

Three types of plans were recognized as acceptable to the Social Security Administrations. If a state adopted any one of the three or a combination of them, and met other stipulations, its employers of eight or more were entitled to charge off against the 3.0 percent Federal tax all amounts paid to the state up to 90 percent of the tax, however, the rifferential tax rate was of the very essence of two of the possible plans, the Act had to include some provision which would make it possible for the employer whose record entitled him to a state tax rate lower than 2.7 percent to retain the advantage he had gained. This was accomplished by means of the "additional credit" feature of the social Security Act and, subsequently, of the Internal Revenue Code.

While later amendments have modified these provisions, in detail the main outlines still exist. A state may pool its contributions in one fund; it may pool part and maintain the balance in individual employer reserve accounts; it may credit all of an employer's contributions against a reserve account from which his workers are paid, or it may, with or without contributions, allow employers to set up their own plans of guaranteed employment. The first of these plans, i.e., that of mingling contributions and paying workers from the pooled fund,[1] can exist with or without special provision for differential contribution rates.

These plans rest on etiher one of two entirely different concepts of unemployment compensation, or straddle across the concepts in the belief that a system can be created which will square with each viewpoint. Basically, both the pure guaranteed employment plan and the pure employer reserve system are premised on a belief that employment and unemployment are the results of the efforts or lack of efforts of individual employers; that they can, working individually and collectively, to a large degree stabilize operations, and that those who cannot, should by right pass along the extra social cost of their operations to the public in the form of higher prices; that the most effective way of accomplishing this is by taxation of employers, the proceeds of such taxes being held for the benefit of those of each employer's employes who lost his or her employment.

The pooled fund without provision for rate variation starts from a somewhat different notion. To its protagonists, unemployment is largely beyond the control of the individual employer; that the vagaries of the market, the change of seasons, and the competitive necessity of technical improvement are factors which employer efficiency and good will cannot control; that it is, nevertheless, the responsibility of the State (and good sense for business) to provide the short-time unemployed with the right to certain benefits; that employers should be taxed for these costs as a class each paying on the basis of the number of workers he may employ.

Between these viewpoints is the belief that these are but different facts of the same problem, and that by a proper control of tax rates the individual employer may be encouraged to stabilize at the same time that the unemployed worker retains full benefit rights regardless of the fate of his employer's reserve or guaranteed employment account. Depending on the initial plan of a particular State Legislature, and the degree to which its members were influenced by one philosophy or another, compromises have been effected which now range from the employer's reserve with a pooled account made up of the fund's earnings, through employer's reserve with a portion of the contribution going into a pool, and straight pooled funds with variable rates to the pure pooled fund into which covered employers pay at an equal rate. (As of March 1940 only four States made provision in their laws for "guaranteed employment" plans, and in one of

[1] The plan adopted in Pennsylvania.

these the plan cannot operate under the Federal Internal Revenue Code).

The formal recognition of these different types of systems in the Federal Statute is made necessary because of the possibility of reduced rates held out to employers under all but the straight pooled fund without experience rating. As revised in 1939 and appended to the Internal Revenue Code "Section 1602. Conditions of Additional Credit Allowance," it reads:

"(a) State Standards. A taxpayer shall be allowed an additional credit under section 1601 (b) with respect to any reduced rate of contributions permitted by a State law, only if the Board finds that under such law:

(1) No reduced rate of contributions to a pooled fund or to a partially pooled account, is permitted to a person (or group of persons) having individuals in his (or their) employ except on the basis of his (or their) experience with respect to unemployment or other factors bearing a direct relation to unemployment risk during not less than the three consecutive years immediately preceding the computation date;

(2) No reduced rate of contribution to a guaranteed employment account is permitted to a person (or a group of persons) having individuals in his (or their) employ unless (A) the guaranty or remuneration was fulfilled in the year preceding the computation date; and (B) the balance of such account amounts to not less than 2½ per centum of that part of the pay roll or payrolls for the three years preceding the computation date by which contributions to such account were measured; and (C) such contributions were payable to such account with respect to three years preceding the computation date;

(3) Such lower rate, with respect to contributions to a separate reserve account, is permitted only when (A) compensation has been payable from such account throughout the preceding calendar year, and (B) such account amounts to not less than five times the largest amount of compensation paid from such account within any one of the three preceding calendar years, and (C) such account amounts to not less than 7½ per centum of the total wages payable by him (plus the total wages payable by any other employers who may be contributing to such account) with respect to employment in such State in the preceding calendar year.

(4) Effective January 1, 1942, paragraph (3) of this subsection is amended to read as follows:

'No reduced rate of contributions to a reserve account is permitted to a person (or group of persons) having individuals in his (or their) employ unless (A) compensation has been payable from such account throughout the year preceding the computation date, and (B) the balance of such account amounts to not less than five times the largest amount of compensation paid from such account within any one of the three years preceding such date, and (C) the balance of such account amounts to not less than 2½ per centum of that part of the pay roll or pay rolls for the three years preceding such date by which contributions to such account were measured, and (D) such contributions were payable to such account with respect to the three years preceding the computation date.'

"(b) Certification by the Board with respect to Additional Credit Allowance—

(1) On December 31 in each taxable year, the Board shall certify to the Secretary of the Treasury the law of each State (certified with respect to such year by the Board as provided in section 1603) with respect to which it finds that reduced rates of contributions were allowable with respect to such taxable year only in accordance with the provisions of subsection (A) of this section.

(2) If the Board finds that under the law of a single State (certified by the Board as provided in section 1603) more than one type of fund or account is maintained, and reduced rates of contributions to more than one type of fund or account were allowable with respect to any taxable year, and one or more of such reduced rates were allowable under conditions not fulfilling the requirements of sub-section (a) of this section, the Board shall, on December 31 of such taxable year, certify to the Secretary of the Treasury only those provisions of the State law pursuant to which reduced rates of contributions were allowable with respect to such taxable year under conditions fulfilling the requirements of subsection (a) of this section, and shall, in connection therewith, designate the kind of fund or account, as defined in subsection (c) of this section, established by the provisions so certified. If the Board finds that a part of any reduced rate of contributions payable under such law or under such provisions is required to be paid in one fund or account and a part into another fund or account, the Board shall make such certification pursuant to this paragraph as it finds will assure the allowance of additional credits only with respect to that part of the reduced rate of contributions which is allowed under provisions which do fulfill the requirements of subsection (a) of this section.

(3) The Board shall, within thirty days after any State law is submitted to it for such purpose, certify to the State agency its findings with respect to reduced rates of contributions to a type of fund or account, as defined in subsection (c) of this section, which are allowable under such State law only in accordance with the provisions of subsection (a) of this section. After making such findings, the Board shall not withhold its certification to the Secretary of the Treasury of such State law, or of the provisions thereof with respect to which such findings were made, for any taxable year pursuant to paragraph (1) and (2) of this subsection unless, after reasonable notice and opportunity for hearing to the State agency, the Board finds the State law no longer contains the provisions specified in subsection (a) of this Section or the State has, with respect to such taxable year, failed to comply substantially with any such provision.

"(c) Definitions—As used in this section—

(1) Reserve Account—The term 'reserve account' means a separate account in an unemployment fund, maintained with respect to a person (or group of persons) having individuals in his (or their) employ, from which account, unless such account is exhausted, is paid all and only compensation payable on the basis of services performed for such person (or for one or more of the persons comprising the group).

(2) Pooled Fund—The term 'pooled fund' means an unemployment fund or any part thereof (other than a reserve account or a guaranteed employment account) into which the total contributions of persons contributing thereto are payable, in which all contributions are mingled and undivided, and from which compensation is payable to all individuals eligible for compensation from such fund.

(3) Partially Pooled Account—The term 'partially pooled account' means a part of an unemployment fund in which part of the fund all contributions thereto are mingled and undivided, and from which part of the fund compensation is payable only to individuals to whom compensation would be payable from a reserve account or from a guaranteed employment account but for the exhaustion or termination of such reserve account or of such guaranteed employment account. Payments for a reserve account or guaranteed employment account into a partially pooled account shall not be construed to be inconsistent with the provisions of paragraph (1) or (4) of this subsection.

(4) Guaranteed Employment Account—The term 'guaranteed employment account' means a separate account, in an unemployment fund, maintained with respect to a person (or group of persons) having individuals in his (or their) employ, who, in accordance with the provisions of the State law or of a plan thereunder approved by the State agency,

(A) guarantees in advance at least thirty hours of work, for which remuneration will be paid at not less than stated rates, for each of forty weeks (or if more, one weekly hour may be deducted for each added week guaranteed) in a year, to all the individuals who are in his (or their) employ in, and who continue to be available for suitable work in, one or more distinct establishments, except that any such individual's guaranty may commence after a probationary period (included within the eleven or less consecutive weeks immediately following the first week in which the individual renders services), and

(B) gives security or assurance, satisfactory to the State agency, for the fulfillment of such guaranties, from which account, unless such account is exhausted or terminated, is paid all and only compensation, payable on the basis of services performed for such person (or for one or more of the persons comprising the group), to any such individual whose guaranteed remuneration has not been paid (either pursuant to the guaranty or from the security or assurance provided for the fulfillment of the guaranty), or whose guaranty is not renewed and who is otherwise eligible for compensation under the State law.

(5) Year—The Term "year" means any twelve consecutive calendar months.

(6) Balance—The term "Balance," with respect to a reserve account or a guaranteed employment account, means the amount standing to the credit of the account as of the computation date; except that if subsequent to January 1, 1940, any moneys have been paid into or credited to such account other than payments thereto by persons having individuals in their employ, such term shall mean the amount in such account as of the computation date less the total of such other moneys paid into or credited to such account subsequent to January 1, 1940.

(7) Computation Date—The term "computation date" means the date, occurring at least once in each calendar year and within twenty-seven weeks prior to the effective date of new rates of contributions, as of which such rates are computed.

(8) Reduced Rate—The term "reduced rate" means a rate of contributions lower than the standard rate applicable under the State law, and the term "standard rate" means the rate on the basis of which variations therefrom are computed."

Pennsylvania is one of the 45 jurisdictions to adhere to the pooled fund, hence any experience-rating plan adopted, besides being consistent with the Commonwealth's constitution and with the other provisions of both the Federal Security Act and the Pennsylvania Unemployment Compensation Law, must square with Section 1602 (a) (1), quoted above, i.e.

1. The measure of experience that is applied to the

individual must be with respect to unemployment or other factors bearing a direct relation to "unemployment risk."

2. No reduced rate can apply to any individual account unless the Agency has been able to measure the "experience" of the employer in question for a period of at least three years.

It should be added that during the course of the hearings held by the Joint Legislative Committee to study Unemployment Compensation Provisions, the opponents claimed that any differential in the contribution rate established by experience rating would be unconstitutional because of the provision in the Constitution[2] that all taxes shall be uniform upon the same class of subjects. The proponents stated that they believe experience rating to be constitutional, and that "all of the courts which have ruled on the subject of unemployment compensation have upheld the constitutionality of the law fundamentally, including experience rating provisions wherever they existed."[3]

An examination of the unemployment compensation laws in the 51 jurisdictions (48 states, two territories and the District of Columbia), shows that no less than forty have adopted some form of statutory provision for experience rating and ten others have made statutory provision for study of the subject. With the exception of the resolutions setting up this particular study, no provisions have been made in Pennsylvania for studying or adopting experience rating. In Part 1 of this report the Joint State Government Commission and the Joint Legislative Committee to Study Unemployment Compensation Provisions have recommended that further study be made of experience rating especially as it would apply to Pennsylvania.[4]

SECTION I

THE OBJECTIVES OF EXPERIENCE RATING AND ARGUMENTS FOR AND AGAINST THESE AIMS

The arguments for experience rating may be summed up under four heads:

1. The past history of American business includes many examples of unstable organizations who, by means of more intelligent scheduling of their operations, the development of new products or lines of activity, the production for inventory during slack seasons, of by "spreading work" among employes, have been able to iron out the peaks and valleys of their employment curves to the mutual advantage of management and labor. It is believed that with the incentive of a lower contribution rate many firms now unstable would be led to reconsider their employment policies, and would find that they too could provide more regular work to their employes.

2. It is argued that the variation of contribution rates according to the employers' individual records in furnishing continuing employment to their employes provides a means of equitable assessing the cost of unemployment benefits. There can be, it is said, no sound reason why enterprises and industries whose workers count on continuous employment should be forced to pay unemployment benefits for establishments which, because of the nature of their business or the ineptitude of their managements, cannot or will not provide such regular employment.

3. Although experience rating necessarily need not be a device for the control of the size of the reserve, most systems that have been designed thus far have, in part, this purpose implied. It is pointed out that the enormous reserves accumulated under the law represent a withdrawal of valuable purchasing power that industry might well be using to advantage. Without questioning the wisdom of laying by a backlog of cash for the period of unusual decline, the proponents of experience rating claim that it provides a means of keeping funds at a reasonable level.

4. Finally, it is stated that experience rating gives the individual employer a stake in the system, and lays the problem of efficient claim administration squarely before him. If his employes or former employes now file claims for benefits to which they are not clearly entitled under the Law, it is no concern of the employer, individually, if the State does or does not honor them. He has paid his tax and beyond that he need not worry. If each such benefit or each such honored claim had a direct bearing on his future contribution rate, he might be inclined to cooperate more fully with the administrators of unemployment compensation in uncovering the facts.

These are arguments of weight. Encouragement of industrial stabilization, equity, prevention of idle governmental surpluses, and efficiency of claim administration are the objectives, and if action by government helps to achieve them, the proponents insist it should be taken and point out further that:

"This objective of such legislation was well enunciated by the President when, in recommending Social Security legislation to the Congress in 1935, he said 'an unemployment compensation system should be constructed in such a way as to afford every practicable aid and incentive toward the larger purpose of employment stabilization.' Recognizing the soundness of this principle, Congress incorporated into the original Social Act, Section 909, which grants to employers who reduce their contribution rates under an approved state experience rating plan the full 90% credit against the federal tax to which they would have been entitled had they paid the maximum rate provided by the state law."[5]

Opponents of such plans point out that when the subject of experience rating was recently considered in connection with unemployment compensation insurance in the District of Columbia, Congress took no action which, in their opinion, is an indication that Congress is not as much in favor of experience rating as was the case when the original unemployment insurance measures were enacted.

Arguments for and against these four claims

1. Stabilization of Employment

In considering these points it is well to choose first "En-

[2] Pennsylvania Constitution, Art. IX, Sec. 1.

[3] Cliffe, F. B., Statement made at a hearing before the Joint Legislative Committee to Study Unemployment Compensation Provisions, Aug. 13, 1940, Harrisburg, Pa.

[4] See Recommendation No. 6, Joint Report of the General Assembly of Recommendations for Amending the Pennsylvania Unemployment Compensation Law (Part 1) by the Joint State Government Commission and Joint Legislative Committee to Study Unemployment Compensation Provisions, January, 1941.

[5] Pamphlet entitled "The Experience Rating Plan Being Proposed For Incorporation Into Pennsylvania's Unemployment Compensation Act and How It Would Work," p. 2. Pennsylvania Employers' Conference, 3900 Chestnut St., Philadelphia, Pa. October 28, 1940.

couragement of Employment Stabilization." As a goal this antedates Unemployment Compensation by many years. In the chapter on Management in the Report of the Committee on Recent Economic Changes, to President Hoover, Henry C. Dennison wrote: [6]

"To judge from the companies of this survey, the beginnings of substantial progress have been made, since the Unemployment Conference in 1921, in moderating the severities of seasonal irregularities. In about one-half of the companies it was found that definite measures had been put into effect; in 4 per cent especially trying conditions had increased irregularly; in 5 per cent nothing had been done to attempt to mitigate the effect of seasonal fluctuations; and in 40 per cent the problem had never been acute. Among the measures reported are increased standardization of products, better planning, scheduling production, inducing customers to buy more regularly, additional or specialized warehousing facilities, training employes to be versatile, manufacturing to stock, working repairs in with production, and aiding complementary lines of goods. The ladies' garment industry in Cleveland in 1921, and the men's clothing plants in Chicago in 1923, took steps toward regularization of employment through guaranteed employment and unemployment insurance plans. In 1928, the garment industry in Rochester and in New York City began the establishment of unemployment insurance funds. All of these arrangements have been worked out through the cooperation of employers and unions. A few individual companies in various lines of manufacturing have established unemployment compensation plans which have helped to regulate workers' income." [7]

For the most part the aim was to reduce seasonal fluctuations brought about by the buying habits of the public, the nature of their product, or the availability of the materials with which they worked. For example, the Sherwin-Williams Paint Company helped to change a spring demand to a round-the-year demand by a "Paint in the Fall" campaign. National Cloak and Suit Company and Sears-Roebuck and Company introduced January and June sales with special catalogues, to take up the slack that had always occurred after the Christmas and Easter Holidays. Repackaging of Mueller Macaroni reduced spoilage and made increased summer sales possible. The use of fireworks in the celebration of Christmas in the South was successfully exploited by Northern fireworks manufacturers, who always had suffered from slumps during the winter months. Within the past generation, ice cream has become a year-round food.

The opponents contend, however, that this type of stabilization is the result of new business created by sales promotion and is not applicable to industries engaged in manufacturing capital goods or in selling to a market that is more or less fixed. Such industries are faced with a far more difficult problem. The capacity of the buying public to consume more radiators or coal, or the ability of American business to invest in cash registers is limited. Here recourse to seasonal price differentials (anthracite as early as 1900, American Radiator Company) or planned production for inventory and future sale (Packard Motors, Proctor and Gamble, National Cash Register, Allis-Chalmers) has made it possible to avoid the feverish hire and fire policy that marks many seasonal industries. [8]

Another device that has become common is the development of "side lines" or "fillers." Douglas and Director cite among others. Dennison Paper Company, who progressively developed crepe paper, labels, tags, and a variety of other products to fill in gaps; Beechnut Packing Company, whose chewing gum and peanut butter keeps employment steady during the winter months; and A. C. Gilbert Company, who moved from a strictly Christmas toy trade to the development of all sorts of motor driven household appliances.

These few typical methods do not by any means exhaust the possibilities. Exchange of workers by employers having different seasonal peaks, training of workers to perform two or more different jobs at different periods, utilizing productive employes for maintenance during off-seasons, and other plans and combinations of plans have all been either tried or suggested. The National Association of Manufacturers prepared a monograph [9] that was published just a few months ago which lists more than 80 cases of stabilization and describes in some detail the plans utilized by each of the firms studied.

Advocates of experience rating insist that the surface has only been scratched, and that American management, given the proper encouragement, will show itself capable of providing much greater stability of employment.

They claim that experience rating will provide a continuous incentive for an employer to do the best job he can in furnishing regular work and "if you have 100,000 employers subject to the act, each doing their part in furnishing regular work, you will have gone a long way towards solving the problem of unemployment in the state. You will not have evolved the solution, but you will have made great progress." [10] They claim further that relatively few employers in the country have done much toward furnishing steady work; that there are many employers who do not do a good many things they should do until it is brought to their attention forcefully and the contribution rate saving is forceful for a great many employers and will direct attention to the job they ought to be doing anyhow, and site as an illustration the experience with this subject in the State of Wisconsin.

In that state, the proponents state, 60% of the employers have handled their employment in such a way as they are now paying (for the year 1940) less than the 2.7 percent standard rate of contribution, and that they have learned how to do a better job of managing their business; that the variable tax rate or contribution rates have served as a notice or signal lamp to employers to do things that many of them have been trying to do before and that many of them have completely neglected during the past years." [11]

As a study,[12] conducted by Dr. Charles Myers indicates something can be done, although it is significant that he finds the possibilities distinctly limited and some of the gains offset by an actual increase in total unemployment. The conclusions he reaches after a thorough study of 247 Wisconsin firms are of such importance that extensive quotation from his summary and conclusion is warranted.

"The principal findings of the study and the conclusions with respect to stabilization of employment are summarized as follows.

"1. The individual employer can do something to stabilize his employment, but his ability is often limited. Although the interviews

[6] "Recent Economic Changes in the United States," Report of the Committee on Recent Economic Changes of the President's Conference on Unemployment, 1939, McGraw-Hill Book Company, Inc.

[7] See Herman Feldman, "Regularization of Employment" 1925; and "Business Cycles and Unemployment," National Bureau of Economic Research, 1923.

[8] See "The Problem of Unemployment," Douglas and Director, 1934, Chapters VII and VIII.

[9] See "Employment Regularization," National Association of Manufacturers, 1940.

[10] Cliffe, F. B., Statement made before the Joint Legislative Committee to Study Unemployment Compensation Provisions, Aug. 13, 1940, Harrisburg, Pa.

[11] Ibid.

[12] "Employment Stablization and the Wisconsin Act," by Charles A. Myers, Employment Security Memorandum No. 10, Social Security Board, 1940.

showed clearly that employers in many lines of business can reduce some types of employment irregularity, limitations are obvious. Factors making stabilization possible are not found in equal degrees between industries, or even between firms within the same industrial classification. This point needs emphasis because at times, proponents of the Act have talked in terms of certain employers doing a 'better job' of stablizing than others who are doing a 'worse job,' implying that the latter do 'better' if they only tried. In many cases this may be true, but in others the use of the terms confuses inability to stabilize with unwillingness or lack of sincere effort to stabilize.

"2. The type of unemployment that can be reduced by the individual employer is mostly the 'intermittent' or seasonal type. When employers attempted to stabilize employment as a result of the Act, they usually adopted certain devices, if they had not already done so before, and if such devices were practical in their particular businesses. Employment management was centralized, and the work force selected more carefully. There was greater effort to transfer employes between departments to avoid lay-offs, and some retraining was undertaken with that end in view. Sometimes employes were used for maintenance and repair jobs when there was not enough work to keep them busy in their regular departments. Where possible, the product or its parts were manufactured for stock during slack seasons, probably according to a production peak, so that it would be unnecessary to make so many lay-offs then or hire so many extras at a later peak. Other stabilization devices, such as diversification of products and markets, dovetailing, and booking business in advance of the season were used less frequently. The tendency to maintain a small, stable work force meant hiring fewer extras at the peaks, thus adding somewhat to the total volume of unemployment.

"Earlier advocates of the 'Wisconsin idea' argued that employers and bankers could control the business cycle, and that the unemployment compensation law would induce them to do so. This suggestion was never seriously supported by persons instrumental in the passage of the Groves bill. Instead they contended that 'chronic irregular' or 'intermittent' unemployment, and seasonal unemployment, would be reduced. Their prediction has in some measure been borne out.

"Where the Act has induced stabilization efforts, it has reduced that type of 'intermittent' unemployment which resulted when a man was hired for a temporary rush and then soon laid off, or when a new worker was being hired for one department while employes (who could have been transferred) were being laid off in another. In other words, the Act has forced more regularity in day-to-day employment matters in these firms. Furthermore, in many cases, particularly through manufacture for stock in the slack season, it has been instrumental in reducing the severity of seasonal unemployment. Except for work spreading, which cannot usually be regarded as stabilization, employers can do little or nothing to reduce cyclical unemployment. They admit that they are powerless in the face of general declines in business, and few will avoid the temptation of taking on extra employes as business seems to be rising. In no important case, furthermore, did an employer say that the Act had caused him to postpone a technological labor-displacing change. The anticipated profit from such a change was held to outweigh possible financial savings from contribution rate reductions.

"Experience rating, then, whether it be under the employer-reserve type of law or the 'automatic' type under a pooled fund, should not be expected to produce miracles in the prevention or reduction of unemployment. The purpose ought to be to give employers an incentive to reduce those types of instability of employment which they can reduce, and these are necessarily limited.

"3. In inducing employers to stabilize, the prospect of a financial saving through a reduced contribution rate was important. 'Keeping down benefits' in the hope of qualifying for the reduced tax rates was a concern of all the firms which attempted to stabilize in some measure under the Act. Although careful accounting might have indicated that the costs of irregular operation were sufficient incentive to stabilize, comparatively few employers know their own costs so well or act so wisely. A tangible financial charge against their accounts, such as benefit payments, assumed a psychological importance out of proportion to its relative financial significance. Foremen, in particular, appeared to be impressed by benefits when other, less tangible costs aroused little interest.

"But the incentive provided under the reserve-percentage formula of the present law may be considerably weakened after a short time because firms in naturally stable industries are able to qualify for the lower rates with very little effort on their part, whereas firms in relatively unstable industries may never be able to reach the necessary levels even though they make a more genuine effort to stabilize than do their competitors in the same industry.[13] This is a real objection to the reserve-percentage type of experience rating found in the Wisconsin law, as well as in most other State laws with provision for contribution rate variations. Some firms in Wisconsin despaired of ever being able to reach the necessary percentages because of the inherent instability of the industry. Others in more stable industries felt certain that without making an additional effort they could secure the reduced rate eventually. It should be pointed out, however, that although some Wisconsin employers thought that the reserve percentage method might work unfairly in their particular cases and thus discourage further attempts to stabilize employment, this was not the general belief, even among some employers in the unstable industries.

"4. Various efforts to avoid benefits, particularly extreme work spreading, were also induced by the prospect of a reduced contribution rate, About half of the firms interviewed had done more work spreading under the impetus of the Act, although only a minority had carried it to a point just above that at which benefits were payable. Not particularly common, but nevertheless significant, was benefit avoidance by means of other devices, such as probationary-period hiring and the hiring of ineligibles. The existence of these practices indicated that a law which rewarded the employer who had a low benefit record would encourage some attempts, within the legal framework of the statute, to avoid benefits directly as well as through bona fide stabilization.

"5. Only about 11 per cent of the 247 firms interviewed between July 1, 1937, and July 1, 1938, were regarded as having accomplished an 'appreciable' amount of stabilization as a direct result of the Act. But nearly two-thirds of the firms were encouraged to do something toward more regular employment, even though negligible in many cases. In addition to the 'appreciable' group, this included not only firms which had accomplished 'some' stabilization under the Act, either because their efforts began earlier for other reasons or because success was limited by difficulties, but also firms whose stabilization under the Act had been 'negligible' for similar reasons. The Act caused no change in only 39 per cent of the firms interviewed, and nearly half of these had stabilized before, or were in naturally stable business.

"6. Reduced contribution rates in effect in 1938 were not indicative of the future results of experience rating. Most of the 114 firms that received reduced rates qualified for them either bcause their 1937 payrolls were smaller than in previous years, thus automatically making their reserve percentage higher, or because they made a voluntary contribution before the end of the year to bring their reserve up to the necessary percentage of pay roll. Stabilization efforts were unimportant in qualifying for lower rates in this first year.

"7. Experience rating in 1939 may be more indicative of probable future developments than the 1938 experience. Over a third of the eligible employes qualified for the 1 per cnt rate and 5 per cent for the zero rate. Firms which had done little or nothing to stabilize under the Act because they had done so before or were in naturally stable business were rewarded along with those which made genuine efforts to stabilize as a result of the Act. Higher-than-standard rates on 'irregular' employers were also first effective in 1939. Nearly 10 per cent of the employers whose rates could be modified were required to pay 3.2 per cent on their payrolls because their accounts had been overdrawn or their benefits had exceeded contributions in 1938. Most of these were firms in which stabilization was difficult or impossible because of the nature of the business. It should be noted, however, that some increased rates were assessed against firms in naturally stable business, just as some rate reductions occurred in industries generally regarded as unstable.

"8. Against the stabilization accomplishments of the Wisconsin Act must be placed the fact that it has tended to stabilize under employment and has added somewhat to the volume of total unemployment. The results of this study indicated that there has been an increase in stability of employment in some Wisconsin firms. Partly offsetting this gain in improved industrial relations, however, is the fact that under-employment and total unemployment have been increased as a result of the Act.

"For the most part, the increased work spreading that occurred under the Act in about half of the firms interviewed must be regarded as benefit avoidance and stabilization of under-employment rather than as stablization of employment. To the extent that its use is widespread, extreme work spreading may enable employers to qualify for lower contribution rates just as much as if they had accomplished genuine stabilization, which approaches full-time employment. This is not an inherent defect in the Wisconsin law, however, since an amendment raising the level at which partial benefits are payable would set a higher limit on work spreading, and at the same time allow some sharing of the work which may be desirable to prevent temporary cessation in employment and income.

"There has also been a tendency for the total number of unemployed persons to increase insofar as stabilization efforts under the Act have meant that fewer workers were needed at peak periods, and insofar as the hiring of casual labor has been discouraged. This is a normal result of any successful stabilization of employment by individual firms, whether encouraged by experience rating under unemployment compensation or not. Although important, the seriousness of the tendency in Wisconsin can easily be exaggerated, since it was estimated that only about 2 percent of the workers employed by firms interviewed were adversely affected. Furthermore, those who condemn stabilization on this account must be willing to accept, as a lesser evil, continued irregular and haphazard employment for the rest of the workers.

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[13] "Employment Stabilization and the Wisconsin Act," by Charles A. Myers: "In view of this, it is difficult to agree with the following statement, attached to the 1938 and 1939 Wisconsin statistical tables: 'A system of experience-rating based on individual employer accounts fully recognized both industrial and individual variations. (Such a system, while encouraging each employer to employ his workers as steadily as he can, makes his contribution rate depend on his actual unemployment benefit record—just as his premium rate for accident compensation varies with his accident hazard and experience.)' The analogy between accident compensation and unemployment compensation appears to the writer to be fallacious. Under the former, there are industry rates (known as 'manual' or 'average' rates) based upon the accident hazard, and then further variations from these based upon accident experience. There are no separate industry rates for unemployment hazard under the Wisconsin Act."

"Although many of the original claims concerning the Act have not been borne out in subsequent experience, it is an indication of progress in industrial relations that Wisconsin employers under the Act have been more concerned with employment problems than they were before. It is a positive gain that many employers have made genuine efforts under the impetus of the Act to reduce or eliminate intermittent and seasonal irregularity of employment where it is possible to do so. Many of the undersirable aspects of work spreading could be remedied by an amendment to the law, but some increase in total unemployment (at least in the short run) appears to be an inevitable accompaniment of thoroughgoing individual stabilization efforts.

"As long as something positive has been accomplished toward stabilization of employment among some Wisconsin firms, and inasmuch as no workers have yet been denied benefits because of exhaustion of their former employers' accounts, the Wisconsin Unemployment Compensation Act should be accepted as a significant contribution to social legislation. It may not be better than or even as good as experience rating under pooled-fund laws in encouraging employer efforts to stabilize employment, but the final answer must await further experience under the pooled-fund laws and under the Wisconsin Act."

While Dr. Myers found that the tax-saving did in fact operate as an incentive, his conclusion is a carefully qualified one. Where a large organization has built up its methods of production and marketing over a long period of time, and where its management has not found more stable operation profitable for other reasons opponents of experience rating hold that the prospect of a slight reduction in contribution is not likely to be sufficiently appealing to encourage any very important changes in policy (a reduction of the rate by one-third from 2.7 percent to 1.8 percent, represents a saving of nine thousand dollars to a company with a million dollar payroll).[14]

The opponents call attention to the fact that in some types of enterprise stability appears to be virtually impossible. A contractor cannot build houses or roads for inventory, and is seriously limited in the extent to which he can utilize the same trades in different operations. Where the chief products of a concern are of the "built-to-order" type of much heavy special-purpose industrial machinery, employment is dependent entirely on the orders received. A slight degree of stabilizing is possible in some industries engaged in the processing of perishable commodities, but there are well-marked limits; coal cannot be stored indefinitely without loss, and the processors of perishable food products are still dependent in a large measure on the growing season. Indeed, one of the accepted methods of filling in the seasonal valleys for certain of these types of enterprise, that of the "side-line," may in the long run cause more unemployment than it cures. If in their desire to fill their regular slack season, firms of industry A engage in the manufacturing of an article which is the chief source of revenue for firms of industry B, they may imperil the very existence of these other companies since their competitive position often enables them to produce the product at what seems to be a much lower cost.

This is not the only flaw that the critics of stabilization find in the arguments of the proponents. One that is fraught with far greater consequence is touched on in point 8 of Dr. Myers' conclusion. It does not deal with the efficacy of tax incentives as a means of inducing stabilization, but challenges the desirability of employment stabilization itself. Of all arguments the opponents advance this is the most serious, since it is not a criticism of the means but a rejecting of the goal.

[14] Under the "Texas Plan," which is the one most strongly advocated for Pennsylvania in the hearings held before the Joint Legislative Committee to Study Unemployment Compensation Provisions, Aug. 13, and Sept. 17, 1940, minimum rates were set at 1.0 per cent which would provide for correspondingly greater savings.

The proponents of experience rating state that the employers in this state, representing the state as a whole, have a very real community of interest in a sound unemployment compensation law. "We are aware," they say, "of special conditions affecting special industries. Granting there are special problems and special industries, the protagonists strongly question the wisdom of attempting to solve this problem by a payroll tax levied on the other employers of the state, which tax, in a competitive situation, if overloaded, only tends to increase the very unemployment which is sought to be reduced."[15]

Employment stabilization is generally construed to mean relative or regularity of employment for the same group of workers. Obviously, it is theoretically possible for a company to report the same volume of employment or payroll month after month, and yet exhibit a labor turnover that involves the constant dismissal and hire of workers. Under all experience rating plans now in effect[16] such a company would be "unstable" and probably would be penalized by a higher rate. If, however, industry can stabilize in the first sense and is encouraged to do so, one result is inevitable. Whereas some employment each year was provided for 1,000 men by Company A, more employment will be provided for 750. This may or may not be desirable but the conclusion seems inescapable. At present there tends to be a constant flow from the ranks of the employed to the ranks of the unemployed, and vice versa. Here the critics insist that insofar as industry stabilizes, this process is slowed down or stopped altogether, since it can be taken as axiomatic that an employer will stabilize at the point of lowest labor cost. One of the examples of what can be done by attempts on the part of industry is that of the "decasualization" of longshore work on the Pacific Coast. In discussing this experience Lester and Kidd Comment:[17]

"In support of experience rating it has been said that 'the miracle of longshore decasualization' in the port of Seattle indicates how a differentiation in tax rates under reserve-ration rating 'might serve national needs.' A plan of employment 'regulation' through central registration and dispatching was put into operation in Seattle in the middle of 1921. It involved strict limitation of entrance to the trade, so that the work available would be conserved for the registered men. The number of men registered under the scheme was gradually reduced from 722 to 664 in 1929, despite the fact 'work picked up' and that there was 'increased cargo to handle during the period. Because the labor supply had been deceased, the earnings of practically all Seattle longshoremen before the depression ranged from $1,300 to $2,500 a year. After 1929 no replacements were made when men quit or died, with the result that the number of registered workers declined from 664 in 1929 to 525 in 1933. Indeed, the plan proved to be such an extremely tight closed-shop arrangement that the sons of longshoremen were not able to register for longshore work during the four years prior to 1934, when the joint plan terminated. The plan was criticized on the ground that it did 'nothing to relieve the general problem of unemployment' but instead aggravated the problem. The operators of this closed-shop arrangement and the registered workers benefiting from it, however, adopted the attitude that what happened to the 'outsiders' as a result of the closed employment doors at the waterfront was not their responsibility."

Note: Quotations made by Lester and Kidd are from F. P. Foisie, "Decasualizing Longshore Labor and the Seattle Experience."

In regard to regularization, Feldman and Smith say: [18]

[15] Evans, T. L., Statement made in a hearing before the Joint Legislative Committee to Study Unemployment Compensation Provisions. Aug. 13, 1940. Harrisburg, Pa.

[16] See, however, "Merit Rating and Unemployment Compensation," by Karl Pribram and Philip Booth, Social Security Board 1937.

[17] "Case Against Experience Rating," by Richard A. Lester and Charles V. Kidd, Industrial Relations Counselors, Inc., 1939.

[18] Feldman, Herman and Smith, Donald M., The Case For Experience Rating in Unemployment Compensation and a Proposed Method, pp 8 and 9. Industrial Relations Counselors, Inc., New York, 1939.

"Regularization admittedly has certain limitations but there are misconceptions concerning its intended accomplishments. Experience rating would not immediately reduce unemployment. Indeed, there is good reason to believe that if it succeeded in increasing stability of employment all at once, it would increase the volume of unemployment at that time since it would concentrate a given volume of unemployment on certain persons. Superficially examined, this result appears to be objectionable, and one may ask: Why give further attention to a proposal that seems so contrary to public policy?

"Such criticism apparently assumes that irregular employment is a great asset and that the more inefficient and profligate in its use of labor an enterprise is, the more effectively it is providing employment. If a concern, in a seasonal industry in which all work irregularly, reduces fluctuations, 100 men may be employed regularly instead of, possibly, 130 who previously obtained intermittent employment in the same plant. Because the number of part-time employes may be larger than the number of full-time employes, should it be concluded that chronic irregularity is a desirable economic or industrial practice? If so, the objective would be to discourage concerns from providing steady work, and millions would be made insecure in their jobs in order to give occasional employment to the rest. Indeed, the reasoning of many persons appears to justify such a situation. But the aim of regularization is to build up industry to the point where an employe may have a reasonable sense of security on the job. Such security can more readily be achieved when good management technique and low costs of operation prevail than when management is poor and costs are high, from such productive industry the costs of taking care of the excess labor reserve may be met most effectively."

This criticism of stablization is closely allied in principle to another. Where technological changes in an industry have already been responsible for a growing army of unused labor, is it wise to accelerate the process by encouraging further rationalization and reduction in staff?

Thus, stablization of employment can be viewed as a worthwhile aim in that it creates a steadier income for those workers who are employed, in that it encourages industry to make its operations as efficient as possible by utilizing the skills and energies of its workers to the maximum. On the other hand, its critics point out that these are not unmixed blessings and question whether we are prepared to face all of the implications. On the second level of discussion, advocates of experience rating believe that this device is the one best calculated to secure stabilization, while opponents—even some who believe in the virtues of stablization—doubt if slight reductions in contributions to unemployment compensation are sufficient incentive to employers, many of whom cannot achieve real stability because of the nature of their businesses.

Before passing to a second point of debate, it is important to take note of one argument advanced by the advocates of experience rating and contested by its opponents. It is a reasonably well-known fact that rate differentials in Workmen's Accident Compensation Laws have led employers to the adoption of safety devices, to the conduct of safety campaigns among employes, and, in general, to the development of factories and shops that are far less hazardous for the workers than were the factories and shops of an earlier generation. Accident statistics are evidence of this. Would it not be possible that rate differentials might lead employers to throw similar safeguards around job tenure? The opponents hasten to claim that to the extent that the employer has it within his power to eliminate undesirable personnel practice the analogy is sound, but his control over his machinery and working conditions, and his control over the demand for his product and services, are not strictly comparable. While there is a point of diminishing returns, employers can and do make jobs safer and safer with each passing year, but the opponents insist, there is a point at which increased effort to solve problems of employment meets with factors outside of the control of the individual employer

2. Equity in Assessing Social Costs

There are admitted limits to the extent to which all industries can stabilize, and serious question as to the ability of some industries as now constituted to achieve any very apprecable results in this direction. Even the warmest advocates of experience rating do not expect it to achieve the impossible. The protagonists ask, however, whether it is not unsound and contrary to good public policy to provide hidden subsidies to industries that cannot operate without large labor reserves. If because of whimsical buying habits on the part of the public, or the nature of the commodity produced, peaks and valleys are a necessary feature of an industry's employment pattern, then the consumers of that industry's products should bear this extra social cost in the form of higher prices. Experience rating would, it is claimed, provide a just means of assessing these extra social costs equitably.

It was in recognition of these areas of business that the term "merit rating" was abandoned and "experience rating" substituted. For, as pointed out in dealing with enterprises of this type the argument for stabilization loses much of its force. It is not so much a question of encouraging stability as of distributing the benefit burden fairly. If you reside in a frame building in the neighborhood of a gasoline storage tank you realize that your fire insurance premium is bound to be higher, and while the installation of fire extinguishers will have some effect on your rate, there is a limit to what your efforts can accomplish.

A statement of this position is the following,[19] quoted and criticized by Herman Feldman and Donald M. Smith in "The Case for Experience Rating in Unemployment Compensation and a Proposed Method":

"The most probable result of merit rating in operation will be a rate structure which will impose low rates on all employers who participate in the production of goods for a relatively stable market, high rates on all employers who take part in the production of goods for a market subject to severe fluctuations. The rates paid by the producers of necessary consumers' goods and services will be cut. The rates paid by the producers of durable goods, capital goods, and luxury goods will be maintained or increased. The regard of rate reduction will go to employers who have done nothing to earn it. The penalty of high rates will be imposed upon employers who are not so much inefficient as unlucky. Thus merit ratings will bear little or no relation to merit. Their determination will depend less upon good management than upon good fortune."

It is pointed out that the chief flaws found in the argument of equity are those due to the inter-relatedness of economic life and the broad social character of the phenomena of unemployment. It would not always be the industry or the individual enterprise responsible for unemployment that would be forced to carry the burden of the higher rate. A large utility might cease deriving its power from coal by the substitution of water power. Its employment, however, might remain the same and it would qualify for a good rate. The industry that was affected, the mining industry, on the other hand, would find itself penalized and, following the logic of the equity argument, would be forced to raise the price of coal supplied to its other consumers.

The critics emphasized that the very process of "stabilization" on the part of those enterprises so situated that they can stabilize, in many instances would seriously up-

[19] "Merit Rating in State Unemployment Compensation Laws," by Clair Wilcox, American Economic Review, June 1937, quoted in "The Case for Experience Rating in Unemployment Compensation and a Proposed Method" by Herman Feldman and Donald M. Smith, Industrial Relations Counselors, Inc., 1939.

set the employment patterns of other industries and create unemployment. The possible dangers of "side lines" were alluded to above, but equally important is the advantage given to one of two competing industries when the one industry is dependent largely on labor, while the other is either more mechanized or does not have to process its product to the same extent. Of course they contend that this is not a statement that an inefficient industry should be encouraged at the expense of an efficient one, it is merely a question as to the wisdom of using incentive taxation in a way that might create inequities in competition while trying to assess costs more equitably.

Another question which opponents of experience rating ask is, ought the State by means of incentive taxation discourage the marginal or declining enterprise? If because of competitive factors, technological change, or shifts in demand, an employer finds he must contract his employment, should his business be forced to carry a tax rate greater than his more fortunate competitor who finds that he is able to continue or increase his total employment? Probably no employer wants to dismiss employes. If he has a way of employing more and showing a profit, he will do so. Experience rating might have the effect of administering the coup de grace to a number of businesses that are operating on the thinnest of margins, and of hastening the decline of industries that are already finding it difficult to operate profitably. The Majority Report of the Committee on Employer Experience Rating [20] points out:

"As new industries or inventions emerge, as consumption habits shift, and as natural resources are depleted, many manufacturing enterprises, many service enterprises, many of our wholesale and retail enterprises, will undoubtedly suffer severe declines. Many new occupations will arise, and many existing occupations will cease to exist. It is inevitable that these changes will produce immediate unemployment, even though the workers displaced are later absorbed in other enterprises.

"To reward an industry which is rapidly expanding and at the same time to penalize an industry in a state of gradual decline manifestly would be a discrimination and result in many inequities. Such situations, we are confident, were not contemplated by those who first advocated differential rates in unemployment compensation. To believe the stability or regularization of employment can be achieved in the face of new inventions, shifts in consumption habits, and depletion of resources, is, we believe, unrealistic."

An allied problem of interstate competition arises because of the nature of specific experience rating provisions required by Federal Law. A state having pooled fund cannot reduce an employer's contribution rate unless it has a record of at least three years of his experience while covered by its law. If all or the majority of employers within a given industry had so stabilized their employment as to qualify for lower rates, new employers would face a slight tax disadvantage during a period which is generally the most difficult one.

The opposite viewpoint on the question of competition, however, is pointed out by the proponents. An employer in Pennsylvania may be paying a contribution at the 2.7 per cent rate while his competitor in another state which has experience rating may enjoy a much lower rate even though the employment experience of both employers be the same. It is further stated that, although not a conclusive factor, the failure to adopt experience rating would be one more determent to industries contemplating coming to Pennsylvania.

The final criticism of the "equity" argument arises because of the nature of unemployment benefits. Assuming that the entire theory behind equitable assessment of costs be sound, it is doubtful if "compensable" unemployment is a fair measure. Not all of those who are unemployed apply for benefits, and not all of those who do apply and qualify experience the same duration of benefits. An employer who dismissed his employes at a time when other employers happened to need their services would not affect his experience rating account in the slightest degree, and yet could be guilty of the worst type of personnel practice. Another firm that after an excellent record of fair dealing had the misfortune to contract employment at a time when the dismissed workers could not be immediately reabsorbed by industry, would find its account chargd with the benefits or benefit wages of those compensated.

In summarizing, the opponents point out that unemployment can be controlled by the individual employer in only a very limited fashion. Secular declines in his industry due to changing techniques of production, changing demands for products, or other factors, cannot be arrested by him. He shares with all others the rises and falls of the business cycle, and unless he is fortunate beyond most of his class, he will have to adjust his payroll to the pattern of his sales. Efforts to reduce seasonal peaks and valleys may meet with some success, but it may be accomplished by adding to the total volume of unemployment. The only area in which he can operate effectively is in the very narrow one of sound personnel administration. He can avoid a ruthless hire-fire policy, spread his employment as far as this device is consistent with a living wage for the worker, intelligently plan his production, and in general manage his affairs to the best of his ability. It is hardly "equitable" to increase his taxes during lean years when secular or cyclical change forces contraction.

However, advocates of experience rating for Pennsylvania carefully point out that the plan advanced by them would not increase the tax above the present 2.7 per cent level. Those employers who, because of better employment experience, qualify for lower contribution rates, would, still be paying more in contribution than their employees received in benefits and this excess would help towards paying the benefits of employees in those industries.

3. The Prevention of Excessive Reserves

Experience rating is a device that could be used to increase or decrease reserves, depending on the base rate adopted and the scale of reductions and increases permitted. It has been, however, the rate reduction aspect that has been stressed from the very beginning of its history, and it is this phase that makes it possible for its advocates to present it as a means of reducing or stabilizing what seem to be extremely large fund balances.

Even those who oppose experience rating do not take the wholly untenable position that unemployment compensation reserves should be permitted to grow without limit. If the present rate of increase in many of the State funds continued year after year for a long period of time, the effect on American economic life might indeed be serious. The annual withdrawal of millions of dollars from the usual channels of trade in the form of unemployment compensation contributions is defensible only

[20] Volume II—Majority Report, Committee on Employer Experience Rating of the Interstate Conference of Employment Security Agencies, September, 1940.

if a substantial portion of these millions is permitted to flow back again as benefits to the unemployed. The problems arise, however, first, as to what constitutes a reasonable reserve against risks regarding which we know little and, second, if too much purchasing power is being dammed up in idle balances, as to the best method of releasing it.

In the current agitation for reduction of employer contribution rates one important fact is lost sight of. The benefit provisions that were written into the various State laws are premised, for the most part, on the estimates of the actuaries of the Committee on Economic Security. These actuaries assumed the 3 per cent contribution rate to be reasonable, and then estimated how adequate a policy the American people could buy against unemployment. Since there were many unknowns in the computations, the experts were conservative. As a result it was considered advisable to limit the amount and duration of benefits which were to be obtained only after a waiting period of several weeks. While sufficient experience is still lacking to form a final judgment, some believe that the actuaries were over-cautious and that the outlines sketched by the Federal Government and filled in by the states could have been more liberal to the claimant.

[21] "The real difficulty is that our unemployment compensation experience is too limited. To understand this experience we should reconsider the work of the Committee for Economic Security on which the present system was based. This committee, in search of a sound actuarial basis for an unemployment compensation scheme, was confronted with a distressing paucity of data. It is no criticism of the Committee to say it did not achieve the impossible and was, therefore, forced by practical consideration to adopt a conservative policy. It was realized that any unemployment insurance scheme worthy of the name had to compensate for a sufficient portion of the wage loss to protect the worker against exhausting personal resources or resorting to relief immediately upon the loss of employment. Long waiting periods and small weekly benefit amounts paid over relatively short periods were not considered because they were accepted as being socially desirable, but because it was thought that more liberal benefits were impossible within the financial limitations, the Committee, for reasons of expediency, was willing to accept. The Committee seems to have clearly erred, however, when it added a 30 percent safety factor to its original estimates and then readjusted the benefit formula accordingly. After readjustment it was concluded that with a 3 percent contribution rate, benefits equivalent to 50 percent of wage loss up to $30 a week could, after a 2-week waiting period, be paid for 10 weeks. One additional week of benefits might be paid if the waiting period were lengthened by a week. It was on the basis of such conservative advice that provisions for small benefit amounts and for relatively brief periods found their way into State laws. Many states failed to provide for any effective minimum benefit amount, and a maximum duration of 13 to 16 weeks in a year became a standard pattern."

Pennsylvania has a relatively higher wage scale and the provision of a $7.50 minimum prevents the payment of the fantastically meager benefits that are disbursed by some states. Pennsylvania is one of five[22] states that does not pay benefits for partial unemployment; at present it provides a three-week rather than a two-week waiting period for benefits, and while an analysis of the benefit provisions of the law are beyond the scope of this report, some liberalization in terms of duration and rate might be reasonably considered.[23] Studies of claimants whose benefit years ended during the first six months of 1940 revealed that over 50 percent had exhausted all their benefit rights. What proportion of this group later became the responsibility of the County Boards of Assistance is not known, although the Department of Public Assistance reported that it had opened 12,520 cases during the first six months of 1940 in which the immediate cause of need was the cessation of benefit payments.

On the other hand, the publication "Social Security,"[24] has taken the stand that the unemployment compensation reserve funds should be greatly reduced by lowering the unemployment insurance wage tax from 3 percent to 2 percent. The Board of Directors of the American Association for Social Security are unanimous in declaring for the reduction. They feel that "at this time, the immediate reduction of over $300,000,000 annually in unemployment insurance taxes is not only most socially desirable for the welfare of the nation as a whole but also warranted from every point of view." It should be remembered, however, that the Federal Act must be amended to permit the state to adopt such revision.

In answer to those who advocate greater liberalization the Board felt that "the type of liberalization generally demanded and actually possible under the present benefit structure can be achieved in practically all states even under a reduced tax."

As a warning to those who propose too extensive a liberalization of benefits as a solution to the large reserve funds, it is pointed out that when "the benefit level is raised at the time when business is good so that it soaks up all the money being currently collected, the administration is committed to a benefit level that cannot be continued when business drops because, then, collections drop off and the number of claimants increase rapidly.[25]

Beyond this problem of liberalization, however, is the more difficult one of fund adequacy. With the limited experience the states have had with Unemployment Compensation administration, it is impossible for anyone, regardless of how expert he may be, to state categorically that a fund of certain stated size is "adequate." Adequacy can be measured only in terms of probable drains, and the estimation of these must, in turn, depend on an estimation of the probable future of employment conditions. Certainly any catastrophic decline such as that experienced during the early 1930's would drag the fund balance with it, and it would be wishful thinking to indulge in the fancy that the Nation will not again experience a major depression. If the current era of expansion and activity due to defense preparations should be followed by a violent downward reaction, it seems safe to assume that only a comfortably large reserve will insure the payment of all benefits to all eligible claimants. Let us assume that one-third of a potential 2,400,000 covered Pennsylvania workers were to lose employment and were forced to apply for benefits. Assume an average weekly rate of $10 and a full thirteen weeks of benefits. The product is in excess $100,000,000.

4. Efficiency of Claim Administration

The statement is frequently made that experience rating would aid in the improvement of claim administration. If the employer has a definite stake in the payment or denial of benefits he will make certain that unjustified

[21] "The Problem of Increasing Reserves in Unemployment Compensation," by Louis Levine, Technical Publications Digest, Prepared by Bureau of Research and Statistics, Social Security Board, January 18, 1940.

[22] Mississippi, Montana, New Jersey, New York, and Pennsylvania.

[23] Recommendations were made to reduce the waiting period to two weeks, raise the minimum benefit wage to $8, and to make further liberalizations. The Joint Report To The General Assembly of Recommendations For Amending The Pennsylvania Unemployment Compensation Law (Part 1). January 1941.

[24] "Social Security," (Abraham Epstein, editor) June-July 1940—Vol. XIV No. 6.

[25] Cliffe, F. B. Hearings held before the Joint Legislative Committee to Study Unemployment Compensation Provisions. Aug. 13, 1940.

claims are not honored. This point, of course, rests on the assumption that there is an appreciable number of fraudulent or, at least, doubtful claims filed, an assumption that does not seem warranted. Investigations made, in fact, reveal that the percentage is negligible.

One development, however, is bound to occur if experience rating is adopted. The employer, being in the position of one whose favorable contribution rate is placed in jeopardy by each claim for benefits, may be tempted to avoid outright layoff or dismissal, and may make every effort to construe terminations of employment as voluntary. The critics of merit rating point out further that since Pennsylvania does not pay benefits for partial unemployment, an employer will be at liberty to reduce employment to one day out of seven if he so desires without affecting his experience rating account. Benefit avoidance devices, such as the substitution of a contractual for wage relationship, may become more common and while employers will be encouraged to take an interest in the prevention of fraudulent claims, it is possible that some employers will attempt to stop legitimate ones. The proponents, on the other hand, contend that the employes are generally vigilant of their rights and welfare, are well organized, and can fully protect their interests against the small percentage of unfair employers.

Section II

THE METHODS USED IN RATING EXPERIENCE OF EMPLOYERS

1. General Observations

Much that is written on the subject of employer experience rating is kept safely in the realm of generalities. It is assumed by many persons that there is a well-defined method of measuring an employer's experience which has been generally agreed on and could be, with little difficulty, incorporated in a State law. Such is not the case. Section IV of the Majority Report of the New York Unemployment Insurance Advisory Council opens with a statement which describes the present situation with admirable brevity—"Existing experience rating provisions in other States show wide confusion."[26]

One reason for the somewhat bewildering complexity of some provisions is the necessity of designing the details of an experience rating clause so that it is consistent with all other provisions of the State law. Methods of charging employers' accounts, limits on the amounts chargeable, and other administrative processes cannot be independent of the balance of an unemployment compensation structure, but must be made an integral part of it.

This necessity for legal consistency, however, is not the chief reasons for the intricate provisions of many State experience rating clauses, and the diversity of design between States. Once the legislators had decided that the principle of basing the contribution rate on the employer's employment experience was a good one, it was necessary to decide how this measurement was to be made. Deciding this is no easy matter, because the actualities of economic life do not nearly conform to the realm of the stabilization theory.

2. Reserve Ratio

The oldest method in point of time and the most obvious one is derived from the Wisconsin Employer Reserve Law: debit the employers' accounts with the benefits drawn by their employes or former employes, and credit these accounts with the contributions paid. These balances, expressed as a percentage of payroll, can then be used to measure the relative solvency or insolvency of an employer's reserve. Rates are then determined automatically by comparison with statutory reserve limits. If the problem of the worker with a number of employers is ignored, this type of measurement has the advantage of being easily understood by both worker and employer. It is not easy to administer, however, since it necessitates a staggering amount of bookkeeping. Each benefit check paid must be charged against the proper account, and since the employer has a direct interest in the amount by which his reserve is being diminished, he must be notified of the charges made.

The reserve ratio formula (contributions less benefits divided by payroll) can also be used by States with pooled fund laws, if provision is made for experience rating accounts. It has, in fact, been adopted by many States with pooled funds, the impetus having been given by its inclusion in the Social Security draft bills. In these laws three variants of the formula are found, the chief difference being in the payroll figure that serves as the denominator of the fraction $\frac{C-B}{P}$. Ten States average the annual payrolls of the last three or five years and use whichever total is higher, three States average for three years only, and five States average payrolls for three years or five years adjust the contribution figure in the numerator, using only contributions in excess of 1 per cent.

The States' law generally specify that a reserve ratio of from 7.5 to 10.0 per cent entitles an employer to a contribution rate of 1.8 or 2.0 per cent, and that a reserve ratio in excess of 10.0 per cent carries with it a reduction to 0.9 per cent or 1.0 per cent. (There are, however, a number of variations in this schedule). On the other hand, penalty rates are applied by a number of States if the employer's ratio falls below a stipulated percentage or if benefits exceed contributions over a stated period of time.

While the majority of laws of the employer-reserve type or of the pooled fund type that makes provisions for computing an employer-reserve ratio, make rate determination automatic, a few merely set limits and leave rate variation to the administrative agency. For example, the Nebraska agency which operates under an employer-reserve law, first computed the reserve ratio to measure the employer's eligibility for rate change in 1940, and then computed a "disbursement ratio," (1939 benefits divided by 1939 contributions) and assigned 1940 rates according to the following schedule:

Disbursement Rates	Contribution Rate
Over 13½% to and including 16 2/3%	2.5%
Over 10½% to and including 13½%	2.0%
Over 7½% to and including 10½%	1.5%
7½% or less	1.0%

The Agency, however, points out in its statement to employers that this method "will be effective only for the year 1940 and will not necessarily be the method followed

[26] Report of the New York Unemployment Insurance State Advisory Council on the Subject of Experience Rating, Part One, Page 13—March 1, 1940.

in subsequent years in establishing contribution rates."[27]

The Need For Simpler Measures

It should be obvious that States with a large number of covered employers paying into a pooled fund will find the reserve ratio method, either automatic or non-automatic, cumbersome and costly to administer, because of the necessity of booking each benefit payment. If, in addition, the employment of the State is marked by any large amount of "mobility," i.e. movement of workers from employer to employer, the administrator is faced with the problem of applying complicated charging rules debiting accounts, for example, in "inverse chronological order" to the wages paid, all benefits up to a certain fraction of the wages payable by the employer during a stipulated period.

This administrative problem was a challenge to the ingenuity of economists, tax experts, and legislators, and it has led to a wide variety of suggestions as to better methods of measuring employer experience with respect to unemployment. As stated in the recent report of the Experience Rating Committee of the Interstate Conference of Employment Security Agencies:[28]

".... an entirely acceptable measure of an employer's experience with respect to unemployment should meet at least four standards:

1. It should give weight to the frequency with which unemployment occurs.
2. It should give weight to the duration of each occurrence of unemployment.
3. It should be as free as possible from the influence of chance factors resulting from the techniques employed in the measuring process.
4. It must be reasonably simple and economical of administration."

In exploring the possible types of measurement, a number of interesting and illuminating discoveries have been made. One of the most significant has been that the concept of employer stability itself had not been too clearly outlined. Is an employer stable if he provides employment for the same number of persons over a given period, even though they are not the same persons, and even though the volume of employment may vary from time to time? Is the absence of fluctuations in the volume of employment as measured in man-hours worked or steadiness in monthly payroll an indication of stability? These types of stability can be measured, and experience rating systems based on these measurements have been proposed, although no State has enacted such legislation. A periodic count of persons separated from the payroll also could become the basis of measurement, but this too has met with no legislative favor although the wording of the Federal Internal Revenue Code is broad enough to permit the adoption of laws based on any of these concepts.

All the new measurements finally adopted depend, as does the reserve-ratio formula, on the experience of the employer with respect to compensated unemployment. Two States (Michigan and Utah) use a ratio of benefits to payroll, seven States (Texas, Illinois, Delaware, Massachusetts, Virginia, Alabama, and Minnesota) a ratio of "benefit-wages" to payroll, and one State (Connecticut) an index based on weighted compensable separations.

The benefit-ratio method does not simplify the administration of the law, since the charging problem remains and will be discussed below as a fund protection device. The use of the "benefit-wage ratio" and the "index of compensable separations" are, however, administratively far simpler since there is but one charging operation for a benefit series instead of a charging operation for each check disbursed.

3. The Texas Plan

This plan is being proposed for Pennsylvania by the advocates of experience rating. This fact was brought out in hearings held by the Joint Legislative Committee to Study Unemployment Compensation Provisions.[29]

One of the outstanding advocates of simplified experience rating has been Mr. F. B. Cliffe, Assistant Comptroller of the General Electric Company. To a large extent, the development of the plan now adopted by Texas, Delaware, Illinois, Massachusetts, Virginia, and Alabama has been due to his efforts. With considerable ingenuity the "Texas" plan attempts to meet two of the objections raised by opponents of experience rating: 1—That it is difficult to administer; 2—That it endangers the solvency of Unemployment Compensation reserves.

The advocates of the "Texas Plan" submit that it is based on the following principles:[30]

(1) Offering each employer direct and continuous incentive, in the form of lower contributions, for regular employment of the largest possible proportion of his employes and at the same time securing a reasonable allocation, as between employers, of the cost of unemployment benefits.

(2) Requiring that the fund be adequate to assure the payment of benefits under all probable conditions, without withdrawing from industry an unnecessary amount of funds.

(3) Maintaining this fund by replenishing it, over a period of years, for the amount of withdrawals made.

(4) Meeting the foregoing objectives in a way that will have great administrative simplicity, and therefore very low cost to the state agency.

Briefly, the plan depends on the charging of a claimant's base period wages at the time benefits are first piad to the accounts of the employers from whom these wages were earned. At the end of the year the "benefit wages" charged for the three most recently completed calendar years are summed for each employer, and the total divided by the payroll for the three most recently completed calendar years. These "benefit wage ratios," however, do not take into consideration the status of the Fund, so each is multiplied by a "State Experience Factor" which is calculated by dividing all benefits paid dur-

[27] Letter dated December 27, 1939, from the Unemployment Compensation Division of Nebraska to Nebraska employers.

[28] "Experience Rating Under Unemployment Compensation Laws," Unanimous Report of the Committee on Employer Experience Rating of the Interstate Conference of Employment Security Agencies, Volume I, September 1940.

[29] Hearings held before the Joint Legislative Committee to Study Unemployment Compensation Provisions, Aug. 13 and Sept. 17, 1940, Harrisburg, Pa.

[30] The Experience Rating Plan being proposed for incorporation into Pennsylvania's "Unemployment Compensation Act and How It Would Work." Pennsylvania Employers' Conference, 3600 Chestnut Street, Philadelphia, Pa., October 28, 1940

ing the three most recently completed calendar years by all "benefit wages" of all claimants during the same period. Within limits stated in each law this product will give the employer's contribution rate for the ensuing year. In practice, a table is written into the law in which the products are rounded and adjustments are made to provide for the maximum and minimum rates.

Symbolically, if:

P = An employer's payroll for the period
bw = Employer's payroll benefit wages for the period
BW = Statewide benefit wages for the period
B = Statewide benefits for the period

Then:

$\frac{bw}{P}$ = Employer's benefit wage ratio

$\frac{B}{BW}$ = State experience factor

And,

$\frac{bw}{P} \times \frac{B}{BW}$ = Employer's rate

If we manipulate the above fractions, the theory underlying the Cliffe plan becomes clear:

$\frac{bw}{BW}$ = The individual employer's percentage of all "benefit wages"

$\frac{bw}{BW} \times B$ = The individual employer's proportionate share of benefits

$\frac{BW}{bw} \times \frac{P}{B}$ = That share expressed as a percent of payroll

Further explanation of the formula with an illustration was advanced by the Pennsylvania Employers' Conference.[31]

$$\frac{\text{Total Benefit Wages Charged Employer A}}{\text{Employer A's Taxable Payroll}} \times \frac{\text{State Total Benefits Paid}}{\text{State Total Benefit Wages}} = \text{Contribution Rate}$$

Illustration of Principle *—Assuming only three employers in state.

	Company A	Company B	Company C	State Total
(a) Payroll	$600,000	$2,000,000	$1,900,000	$4,500,000
(b) Benefit wages	300,000	400,000	200,000	900,000
(c) Benefits paid	.....	.....	.....	90,000
(d) "State experience factor" (c ÷ b)	.....	.....	.....	10%
(e) Employer's share of benefits (b × d)	30,000	40,000	20,000	
(f) Employer's tax rate (e ÷ a) — calculated	5%	2%	1.1%	
(g) Employer's tax rate as per table	2.7%	2.5%	1.5%	
(h) Amount of employer's tax (a × g)	16,200	50,000	28,500	94,700

[31] Ibid. PP. 5 and 6.

NOTES

* (1) The actual amount of tax collected would be $4,700 more than benefits paid, thus providing a safety margin.

(2) The principles are illustrated by the above figures; the actual operations would be still simpler. The employer's benefit wages (b) would be divided by his payroll (a). The resulting percentage (Company A, 50%; Company B, 20%; Company C, 10%), called his benefit wage ratio, would be located on a table in reference to the current "state experience factor" (10% illustrated); the table indicates the resulting tax rate—Company A, 2.7%; Company B, 2.5%; Company C, 1.5%. The table and explanation that would appear in the law would be as follows:

The tax rate for each employer shall be the percentage indicated at the head of the first column from the left in the following table (excluding Column 1, the "state experience factor") in which, on the same line as the current "state experience factor," there appears in any other column a percentage in excess of such employer's benefit wage ratio, or if no percentage in excess of such employer's benefit wage ratio appears on said line, then such employer's contribution rate shall be 2.7 percentum.

Col. 1 State Experience Factor	Col. 2 1.0%	Col. 3 1.5%	Col. 4 2.0%	Col. 5 2.5%	Col. 6 2.7%
1%	100%	150%	200%	250%	Equal to, or in excess of, benefit wage ratio in Col. 5
2	50	75	100	125	
3	33	50	66	83	
4	25	38	50	63	
5	20	30	40	50	
6	17	25	34	42	
7	14	21	29	36	
8	13	19	25	31	
9	11	16	22	28	
10	10 (Co. C)*	15	20 (Co. B)*	25	(Co. A)*
11	9	14	18	23	
12	8	13	17	21	
13	8	12	15	19	
14	7	11	14	18	
15	7	10	13	17	
16	6	9	12	16	
17	6	9	12	15	
18	6	8	11	14	
19	5	8	11	13	
20	5	8	10	13	
21	5	7	10	12	
22	5	7	9	11	
23	4	7	9	11	
24	4	6	8	10	

* These refer to foregoing illustration.

"In the construction of this table, all fractions have been rounded up against the employer. Thus, if the formula indicates a contribution rate of 1.3% the table calls for the employer paying 1.5%. Thus, all employers except those who are paying the maximum state rate are paying the cost of benefits to their own employes plus a contribution to the general fund. These contributions offset approximately, the losses to the fund by reason of the remaining employers whose payment at even the maximum rate is less than the benefits received by their employes. This wide distribution of part of the cost of the least stable employers corresponds to the contributions to a 'partial pool' or 'balancing account' which are provided in all of the employer-reserve laws."

The bulk of the debate on experience rating for the past two years has been on the merits of the Cliffe plan. The New York State Legislature has in two sessions passed bills embodying it, and has seen both bills vetoed. During 1939 Illinois and Massachusetts, and during 1940

Virginia and Alabama were added to Texas and Delaware, the two States originally accepting this method of rating.

Fundamentally, all of the criticisms that are directed at experience rating in general may be applied to the Cliffe plan in particular, but the special claims of administrative simplicity and "Fund Replenishment" makes it desirable to consider it apart from other plans.

Admittedly, if a State adopts a plan involving the charging of individual employer accounts, that plan is easiest to administer that involves the fewest charging operations. As Mr. Cliffe describes the method in the November 1940 issue of "Personnel," it does not seem to be extremely difficult.[32]

"When a claimant first applies for benefits, the agency must of necessity consult his wage history as reported by his various employers during the base period. Having determined that he is eligible for benefits, and having fixed his weekly benefit rate from such records, the first step taken under the experience rating provisions is a simple refiling of such records, after the first benefit check has been issued, according to the employer who paid the wages during the base period. As a part of such refiling, the employer may be notified immediately or periodically of the benefit wages that are being charged against his account, resulting from the claim of 'employe ....., Social, Security Account No. ....., base period wage .....' At the end of each year, the total amount of benefit wage records filed under the number of each employer (or a summary of the periodic reports rendered to the employer) will be determined. This total, plus the corresponding figures for the preceding two years, will be divided by the employer's total taxable payroll for the same three years, in order to determine the 'employer's experience factor.'"

This procedure, however, would have to be modified if the claimant had two or more different employers during his base period.

The Fund Replenishment argument is far more difficult for the opponents to accept, although the theory underlying the idea is absolutely sound. If, during a given period, it is desired to replace benefits paid out and each employer is required to replace his pro rata share, it obviously brings the Fund back to its initial size. However, the fact that this pro rata share is expressed as a percentage of a future payroll that may not be as great as the average payroll during the experience period, does not at all, the critics charge, mean Fund Replenishment. Furthermore, the imposition of an arbitrary maximum (2.7 per cent in the plans most recently adopted) may or may not be offset by the provision of a minimum. In fact, during a period of steady decline, this plan will result in depletion of reserves as certainly as any other.[33]

In recognition of this problem, the variants of the Cliffe Plan adopted by Illinois, Massachusetts, Virginia, and Alabama, contain so-called "safety factors" which are designed to provide a measure of protection to the reserves of the State. As Mr. Cliffe frankly states:[34]

"The original Texas plan has been modified in the laws adopted by Illinois, Massachusetts, Virginia, and Alabama. They contain what has been referred to as a 'safety factor,' that is, a special increase in the contribution rates if the fund falls below a predetermined point, and usually a corresponding special decrease in the contribution rates if the fund exceeds another and higher specified point. This provision seems desirable because contribution rates have had no relation to benefit disbursements for the first five years that the laws have operated in each state. It is also recognized that even thereafter the contribution rates provided in the Texas plan may not exactly replenish the fund. If there is a long trend or bias of the fund upward or downward, it will be corrected by this so-called safety factor, so that the fund will be kept within the predetermined limits."

[32] "The Texas Plan of Experience Rating," by F. B. Cliffe, Assistant Comptroller, General Electric Company, "Personnel," November 1940.

[33] See "Notes on the Cliffe Plan of Experience Rating," by Adolph Appleman, "Personnel," August 1940.

[34] "The Texas Plan of Experience Rating," by F. B. Cliffe, Assistant Comptroller, General Electric Company, "Personnel," November 1940.

The provision Massachusetts wrote into its statute may be taken as an example of such a safety factor. If the Fund falls below the highest annual amount of benefits paid during the last ten years, the lowest four rates are each increased by 0.5 per cent, and the 2.5 per cent rate becomes 2.7 per cent. If the Fund still remains below the minimum, all rates are automatically increased to 2.7 per cent until the reserve equals 150 per cent of the highest annual benefits.

The "Safety Factor"—How It Works

In the plan advocated for Pennsylvania,[35] the maximum contribution rate for any employer at any time would be set at the present 2.7%, thus protecting more irregular employers from paying higher contribution rates than they now pay.

"The minimum contribution rate would be set at 1.0%, thus providing a contribution from even the most stable employer toward paying the benefits to employes of the least stable employers.

"An individual employer's rate would annually be graded between these limits according to the regularity of his recent employment record, thus providing every employer with an incentive to better his performance and an opportunity to reduce his contributions. To lessen fluctuations and to provide for the collection of most of the necessary funds during periods of rising payrolls, the "state experience factor" and each "employer's benefit wage ratio" would both be based upon the three years' experience immediately preceding the calendar year for which the contribution rate is being established.

"A safety factor finally would be included to insure a safe and adequate balance in the reserve fund at all times. Subject always to the 1% minimum and 2.7% maximum, this would provide for an automatic proportionate increase in the contribution rates of employers contributing at less than the maximum rate if and whenever the fund balance falls below an amount equal to 1½ times the maximum amount disbursed in the worst year of the last ten. Similarly it would provide for a corresponding automatic decrease in such contribution rates if and whenever the fund balance exceeds an amount equal to two times the maximum annual disbursements."

When an employer has been subject to the experience rating provisions of the law for three consecutive calendar years immediately preceding the fixed computation date, his normal contribution rate shall be that established in accordance with the procedure and table explained above. At the end of each calendar year starting with 1941, if the balance in the fund is less than 150% of the largest amount of benefits expended in any one of the last ten years, employers contributing at less than the maximum rate of 2.7% will sacrifice some of their calculated saving. Their rates will be scaled proportionately upward according to the balance in the fund as shown in the following table:

[35] "The Experience Ruling Plan being proposed for incorporation into Pennsylvania's Unemployment Compensation Act and How It Would Work," pp. 3, 4, 6 and 7, Pennsylvania Employer's Conference, 3900 Chestnut Street, Philadelphia, Pa., Oct. 28, 1940.

Balance as a percentage of largest year of benefits				
Normal Rate	135-149% Adjusted Rate (Col. 1)	120-134% Adjusted Rate (Col. 2)	105-119% Adjusted Rate (Col. 3)	Under 105% Adjusted Rate (Col. 4)
2.7%	2.70%	2.70%	2.70%	2.70%
2.5	2.55	2.60	2.65	2.70
2.0	2.18	2.35	2.53	2.70
1.5	1.80	2.10	2.40	2.70
1.0	1.43	1.85	2.28	2.70

If the fund's balance computed as above is in excess of 200%, the contribution rates of employers paying less than the maximum shall be scaled down proportionately, increasing their savings, in accordance with the following table:

Balance as a percentage of largest year of benefits				
Normal Rate	201-215% (inclusive) Adjusted Rate (Col. 1)	216-230% (inclusive) Adjusted Rate (Col. 2)	231-245% (inclusive) Adjusted Rate (Col. 3)	246% and over Adjusted Rate (Col. 4)
2.7%	2.70%	2.70%	2.70%	2.70%
2.5	2.45	2.40	2.35	2.30
2.0	1.83	1.65	1.48	1.30
1.5	1.20	1.00	1.00	1.00
1.0	1.00	1.00	1.00	1.00

4. Connecticut's Compensable Separation Plan and Minnesota's Beneficiary Wage Plan

Allied to the Texas plan of experience rating, although superficially different, as those adopted by the States of Connecticut and Minnesota. The latter State insures that the average rate of contribution will not fall below certain statutory minima by ranking employers in order of their "beneficiary wage ratios" (similar to benefit wage ratio), and then taking equal payroll categories, to each of which a rate fractionally above or below the average is assigned. As described in a recent release[36] made by the State of Minnesota:

"After the average rate is determined, the law requires that a schedule of contribution rates for the year be prepared, the various rates in this schedule being graduated in equal number above and below the average with a difference of one-fourth of one percent between each of the various rates. The total state payroll must be applied to this schedule, assigning employers' payrolls in equal amounts to each rate, giving the employers with the most favorable employment experience the lowest rate available in the schedule and those with the least favorable employment experience the highest rate therein provided. For the purpose of illustration, there is shown hereafter a schedule using as the average rate 1.5 percent since that is the first rate shown in the schedule (above) provided by law for determining the average rate. This rate, however, would apply only if the State as a whole had an unusually favorable employment experience and the condition of the Fund were unusually good.

[36] Form MES-16, Division of Employment Security of Minnesota, dated September 5, 1940.

CHART SHOWING APPLICATION OF EXPERIENCE RATING PROVISIONS OF MINNESOTA UNEMPLOYMENT COMPENSATION LAW

	Rate Schedule	Divisions of State Payroll	Range of Beneficiary Wage Ratios	Amount of Contribution
Minimum	0.50%	$50,000,000	Lowest ratio group..	$ 250,000
Below Average	0.75	50,000,000	Second " " ..	375,000
	1.00	50,000,000	Third " " ..	500,000
	1.25	50,000,000	Fourth " " ..	625,000
Average	1.50	50,000,000	Fifth " " ..	750,000
Above Average	1.75	50,000,000	Sixth " " ..	875,000
	2.00	50,000,000	Seventh " " ..	1,000,000
	2.25	50,000,000	Eighth " " ..	1,125,000
Maximum	2.50	50,000,000	Highest " " ..	1,250,000
		$450,000,000		$6,750,000

Connecticut utilizes the ranking technique, although it has a 2.7 percent ceiling (no reductions, however, unless Fund's assets exceed benefits paid for last two calendar years). The charging operation, however, has been reduced to its simplest terms.[37]

Each employer is assigned a merit rating index which is determined by dividing total payrolls of the past three completed calendar years by the sum of the weekly benefit rates of compensated claimants. These are arranged in inverse order of magnitude, thirteen equal payroll parts taken and rates ranging from 1.5 to 2.7 per cent assigned at 0.1 intervals.

5. The Benefit Ratio

One other device for measuring employer experience which has found its way into the statute books is the benefit ratio. Since each benefit must be charged, there is no particular gain in administrative simplicity over the "reserve ratio." The two laws (Michigan and Utah) which use this type of measurement do, however, provide for Fund protection devices that are calculated to insure the maintenance of an average contribution rate that is consistent with a safe level of reserves.

Michigan's law establishes twelve categories of employer's experience indices, and assigns to each category a base rate which ranges from a low of 1.0 per cent to a high of 4.0 per cent through 0.3 per cent intervals. Each year, however, the Agency computes a State Experience Factor similar to that described under the Texas plan, and adjusts the base rates upward or downward by 0.1 per cent increments or decrements, according to the State Factor.

Utah, like Minnesota and Connecticut, resorts to ranking of employers, using the benefit ratio for that purpose. Commerce Clearing House in setting forth how 1941 rates will be determined, explains the procedure as follows:[38]

"After each subject employer's benefit ratio for a given calendar year has been computed, his contribution rate for the succeeding calendar year is determined in the following manner: the sum of each subject employer's annual payrolls for the two years preceding the calendar year for which his benefits ratio was computed, in the example above this was 1940, is listed in the order of the magnitude of his benefit ratio, beginning with the employer whose benefit ratio was lowest. The total of such payrolls is then computed and subtotals are taken at points nearest to 12%, 24% and 76% of the total. The employers are then classified into groups A, B, C, and D, according to whether their payrolls appear in the list immediately preceding the sub-total taken at 12%, 24%, 76% or the total, respectively. Each employer's contribution rate will be determined upon the basis of his group classification for the preceding calendar year, and his rate will be the percent which appears in the following table

[37] See, however, article by David Pinsky, Claims Examiner, entitled, "Merit Rating: Charging Separations," Monthly Bulletin of Placement and Unemployment Compensation Division, November 1940, Connecticut Department of Labor and Factory Inspection.

[38] Commerce Clearing House. Unemployment Insurance Service, P. 47031.

in Column II on the line in which in Column I appears his group classification with respect to the preceding calendar year:

Column I Group Classification	Column II Contribution Rate
A	1.7%
B	2.2%
C	2.7%
D	3.2%

"To illustrate, assume that there were only eight subject employers in Utah and that the sums of their annual payrolls for 1939 and 1940, and their benefit ratios for the year 1941 were as follows

Employer	Benefit Ratio for 1941	Sum of Annual Payrolls for 1939 and 1940
S	.003571	$ 98,000
T	.0073	110,000
U	.008255	200,000
V	.00902	50,000
W	.0352	10,000
X	.037083	168,000
Y	.115384	130,000
Z	.200616	146,000
	Total.....	$912,000

"The employers in the above example are listed in the order of the magnitude of their benefit ratios, with the employer having the lowest ratio at the top of the list. The total of the payrolls is $912,000. The sub-total nearest to 12% of such total, without dividing the sum of any employer's annual payroll, is $98,000, the amount of the payroll of employer S. According to the above table, S would be in group A, and would therefore have a contribution rate of 1.7% for 1942. The sub-total nearest to 24% of the total is $208,000, the sum of the payrolls of S and T. Therefore T would fall in group B and have a contribution rate for the year 1942 of 2.2%. The sub-total nearest to 76% of the total is $636,000, the sum of the payrolls of S, T, U, V, W, and X. The four employers last named, U, V, W, and X, would be classified in group C and have a contribution rate for 1942 of 2.7%. The remaining employers, Y and Z, would fall in Group D and have a contribution rate of 3.2% for 1942. However, if either Y or Z could show to the satisfaction of the Commission that his experience in the previous calendar year was due to fire or catastrophe or an act of civil or military authority, directly affecting the place in which the individuals were employed by him, this rate would not be more than 2.7%.

6. Charging of Employer's Accounts

So many references have been made to the problem of charging accounts that some discussion of the complexities of this phase of experience rating is warranted.

Since the charging of an experience rating account is the States' method of allocating the cost of unemployment, the entire theory of experience rating must stand or fall on the justice with which this charge is made, and in no other sections of the States' laws do we find such diversity.

The immediate cause of a claimant's unemployment is the employer who has just dismissed him. If the worker has had a record of many years with this employer no problems as to the justice of the benefit wage charges nor the method of making them can arise. Unfortunately not all cases are so simple and in attempting to allocate responsibility the States have set up "charge-back" procedures that are frequently unjust and usually complex.

A few of the questions that arise when a claimant reports two or more employers are:

1. Should the charges be made against the most recent employer when the employment has been of a temporary nature? Or if the employment has been of reasonably long duration is it just to charge benefits to the most recent employer based in wages paid by the base period employer or employers?

2. If, on the other hand, the account of the base period employer is charged, it is just to thus allocate the costs to a firm whose record of employment is a good one? In fact, the claimant in question may have resigned from the employment provided by the base-employer to accept a job with the employer who dismissed him.

3. If there have been a number of employers, in what order should the accounts be charged and what limits should be placed on total charges?

4. If the employer normally chargeable is not subject to the law, whose account can be charged?

5. In case of concurrent employment, how should charges be allocated if an employer bases both positions simultaneously?

Of the states with experience rating, 32 have systems involving the charging of benefits paid, 7 charge benefit wages and 1 charges compensable separations.

Only one State, New Hampshire, charges all benefits to the most recent employer, although it seems like the most reasonable method if experience rating is to be used to penalize the immediate cause of the worker's unemployment. This method, however, can be extremely unjust as some New Hampshire employers have learned. If for example, a firm offers temporary employment, even though it be for only a day, it will incur liability for all the benefits paid to those it has given the employment.

To remedy this situation five States (Arizona, New Mexico, North Dakota, Tennessee, and West Virginia) charge the most recent employer only if the claimant has earned from him during the lag and current quarters an amount equal to his possible benefits. Otherwise the next most recent employer's account is also liable. Nine States (Colorado, Florida, Kansas, Kentucky, Missouri, New Jersey, Ohio, Oklahoma, and South Carolina) charge all recent employers in inverse chronological order of the claimant's employment. Wisconsin also charges accounts in inverse chronological order but stops liability 68 weeks after the end of a workers employment.

Michigan has a unique plan. "One-third of the benefits paid to an individual during a benefit year shall be charged against the experience records of his last regular employer and the remainder of his benefits shall be charged against the employer in whose employ the claimant earned the largest amount of wages during his base period." In this instance a regular employer is one who has paid wages of at least $150 during or after the last quarter of the base period.

All of these States attempt to make recency of employment the method of determining liability for charges. An entirely different approach is taken by States who charge the accounts of those employers who provided employment during the base period. Six States (Arkansas, Indiana, Iowa, Nebraska, South Dakota, and Vermont) charge the most recent employers in the base period in inverse chronological order and three States, California, North Carolina and Utah, and the territory of Hawaii, charge the accounts of all base period employers simultaneously in proportion to the wages paid.

All of the States using the "Texas" plan, or a variant of it, charge the benefit wages to the accounts of all base

period employers, and Connecticut charges the weekly benefit rate to "all employers by whom the claimant was employed during 4 calendar weeks over an 8-week period preceding the first compensable week in each spell of unemployment."[39]

Five States omitted instructions as to charging methods from their Acts or specified that the agency was to provide a method. Curiously enough, Maine and Mississippi provided charging procedure but did not enact experience rating.

Section III

EXPERIENCE RATING IN PRACTICE

1. Present Status and General Observation of the Operation of Experience Rating in the States

Discussion of experience rating is generally kept on the plane of theory, because as yet there is an insufficient body of facts on the effects of its operations. Wisconsin began decreases in contribution rates in 1938, and increases in 1939; Indiana, Nebraska, and South Dakota made their provisions effective in January of 1940. While thirteen more states are using or intend to use the experience of prior years in setting the rates for 1941, and while other states have been charging benefits, benefit wages, or separations, there is so little information available on the results of these operations that adequate presentation is impossible at this time. The following table[1] gives the effective dates embodied in the various state laws, although in a few instances it is questionable whether the Social Security Board will find the dates or the provisions acceptable under the provisions of the Federal Internal Revenue Code.

January 1938 (1 law)	January 1940 (3 laws)	January 1941 (11 laws)	July 1941 (2 laws)	January 1942 (19 laws)	July 1942 (2 laws)	January 1943 (1 law)
Wisconsin	Indiana	Arizona	Connecticut	Alaska	Hawaii	Illinois
	Nebraska	California	Oregon	Arkansas	Dist. of Columbia	
	S. Dakota	Kentucky		Colorado		
		Minnesota		Delaware		
		N. Hampshire		Florida		
		Tennessee		Iowa		
		Texas		Kansas		
		Utah		Massachusetts		
		Vermont		Michigan		
		Virginia		Missouri		
		W. Virginia		Nevada		
				New Jersey		
				New Mexico		
				N. Carolina		
				N. Dakota		
				Ohio		
				Oklahoma		
				S. Carolina		
				Wyoming		

The difficulty does not end here. The majority of the states, with or without experience rating, operate on pooled-fund laws, while the four states in which rate reductions were effective during 1940 are all using either employer-reserve systems or modifications of it which permit partial pooling. Furthermore, other provisions in the law of these states and differences in their coverage and industrial structure so complicate analysis that the results are not only inconclusive but, unless carefully used, apt to be misleading.

Several general observations may be made on the comparison of data derived from the experiences of different states:

1. A favorable or unfavorable record of experience may be secured under any type of experience rating by the provision in the law of eligibility rules or a benefit structure designed to keep either a low or high average of benefits.
2. If a state law provides for special treatment of seasonal or casual labor, or permits the employer to give "learners" special status, the resulting rate distribution will be biased.
3. "Escape" clauses which exempt employers from charges under unusual circumstances (acts of God, civil or military authority, exhaustion of a mine or quarry, etc.) can result in the low rates of contribution even though a substantial amount of benefits have been paid.
4. Since the employer's payroll is the denominator used in the computation of the reserve ratios which measure the right to rate reduction in many states, under certain limited circumstances it is possible for an account to yield a lower contribution rate merely because a decline in payroll has not been compensated for by an increase in chargeable benefits.
5. Some of the employer-reserve laws permit voluntary contributions to accounts by employers. This device permits the employer to avoid the higher rate that he may have expected.
6. A narrow or broad coverage of a law will be reflected both in the distribution of rates and on the effect of experience rating on the state's Fund. Thus, a state covering firms having only eight or more employes may be expected to find experience rating easier to administer and somewhat more predictable than a state with a coverage of one or more. Business turn-

[39] Comparison of State Unemployment Compensation Laws, Employment Security Memo No. 8, Social Security Board.

[1] From "Comparison of State Unemployment Compensation Laws as of October 1, 1940," Employment Security Memorandum No. 8, Revised October 1940, published by the Social Security Board. (Alabama has passed a provision for experience rating, but must wait for a proclamation from the Governor to make it effective.)

over tends to be greater among small business, and while Federal law forbids rate reduction until one or three years' experience[2] with new employers, there is no way of protecting against the loss of expected income that is entailed because of employers going completely out of business, even though they have enjoyed rate reductions during earlier periods. (This, too, can have the effect of giving a fictitious appearance of stability to the employment provided by small employers.)

7. Experience rating for most states will be effective for the first time during a period of rapidly rising production and markets. In addition, the experience of 1939 and 1940 has been favorable. The latter will be reflected in the statistics in lower average rates, while the former will probably result in reserves that will remain high in spite of rate reduction. It must be remembered that exactly the reverse can be expected in periods of general economic decline.
8. Most important of all is the danger that lurks in industrial comparisons between states. Statistical compilation necessitates broad and uniform classification. Generally such classes are created by grouping all those who produce products of the same type or perform services that are roughly comparable. "Food Products," however, includes entirely different kinds of activity and runs the gamut from the small seasonal canning establishment to the giant industrialized brewery or sugar refinery; "Personal Service" includes barber shops, shoe repair shops, and power laundries; and the general class "Machinery (Except Electrical)" ranges from the manufacture of carbon paper and office equipment to the production of machine tools and steam turbines. Before attempting to compare or contrast data for the same major industrial class in different states, it is essential that the competent lines of business be known.

2. Wisconsin's Law and Experience

Only one state, Wisconsin, has had a long enough experience to permit any safe analysis, and the results of these analyses cannot be too safely used in interpreting the experience of other states.

More than three years before the passage of the Federal Social Security Act, Wisconsin concluded a decade of "Huber bills"[3] by passage of America's first Unemployment Compensation Act. Although its principles have been recognized in whole or in part in the laws of other states, and although the original Wisconsin Act has been amended repeatedly, it is still in some respect unique.

The claimant's weekly benefit rate is based on 50 per cent of an average wage computed from his actual earnings during a specified period. The period is generally the preceding calendar year, but may in some instances differ. Base year and benefit years are not mentioned as such, and the potential duration of a claimant's benefit period depends on the worker's accumulation of "credit weeks" of employment. Partial unemployment benefits are paid. Eligibility depends on prior employment of at least four weeks by an employer. (The employer's account remains liable to charges for 68 weeks after a worker becomes unemployed.) If the worker qualified in this respect, and has waited two weeks, he may receive between $6.00[4] and $15.00 per week until he has received benefits which account for a total of one-third of a week's benefit for each credit week of employment from previous liable employers. He may not, however, receive any benefits from the account of an employer from whom he has voluntarily quit, or who has dismissed him for cause, and any credit weeks he may have earned from earlier employers cannot be honored until an additional waiting period has been served. Salaried workers who have earned $200 or more per month for ten months of the year, students, and cannery workers, are disqualified; and those whose unemployment is the result of a labor dispute are disqualified for the duration of the dispute. If unemployment is caused by "act of God, fire, or other catastrophe, or act of civil or military authority," no benefits are paid or can be chargeable.

Benefits are paid from and charged against the individual employer's reserve account, although earnings of the Fund are pooled to provide for workers who are eligible for benefits from exhausted accounts. The employer's contribution rate is determined by the status of his account at the end of the last calendar year, the measure being the reserve percentage.[5] If the employer finds it to his advantage to make voluntary contributions to improve his balance he is permitted to do so. Rate determination is as follows:[6]

"An employer may pay contributions at a reduced rate only if (1) benefits have been payable from his account throughout the preceding calendar year, and (2) the net reserve of his account amounts to not less than five times the largest amount of benefits charged against the account in any one of the three preceding calendar years, and (3) the reserve percentage of his account at least equals 7½%. If these conditions are fulfilled, the employer's rate will be 1% if the reserve percentage is at least 7½% but less than 10%; if the percentage is 10% or more, no contributions will be required for the year. "If an employer's reserve percentage is 2½% or more, but less than 4%, his contribution rate for the next year is 3.2%; if his reserve percentage is less than 2½% his next year's contribution rate is 3.7%; if his account is overdrawn his rate is 4%. In no case, however, may an employer's rate exceed by more than 0.5% whichever is the higher of the standard rate of 2.7% and the rate which applied to him at the beginning of the previous year. Beginning December 31, 1939, if the fund's 'balancing account' at the close of any month has a net unencumbered balance of less than $500.000, each employer from whose account benefits have been potentially payable during the three previous calendar years will be liable for an additional contribution in an amount equal to 1% of the account's positive net reserve at the end of the previous calendar year."

The law permitted reduction of contribution rates for 1938, but few employers could qualify. This was because the lower contribution rates of the early years of Wisconsin's program made it impossible for most employers to accumulate a reserve equal to 7.5 per cent of their 1937 payroll. In fact, the agency notified employers late in 1937 that "reduced rates are not likely to apply to Wisconsin employers until 1939." Nevertheless 114 accounts were judged to be eligible for rate change; 84 for 1.0 per cent, and 30 for complete exemption. Dr. Myers comments on the reasons behind many of the reductions:[7]

[2] Depending on the type of unemployment-compensation fund.

[3] Designed in accordance with the beliefs of Professor John R. Commons. The "Groves Bill" which became law in 1932 differed somewhat from these bills.

[4] "An eligible employe whose weekly benefit rate from a given employer is less than $6.00 shall ..... be paid benefits from that employer's account for his weeks of total or part-total unemployment as if his weekly benefit rate with respect to such employer were $6.00 ....." Charges to the employer's account, however, are made at the lower rate. (Paragraphs 108.5 and 108.6, Wisconsin Unemployment Reserves and Compensation Act.)

[5] See Section II.

[6] Summarized from Wisconsin Law by Commerce Clearing House, Unemployment Insurance Service—p. 52,003. Edition of July 14, 1939. (Citations to Law included in summary have been omitted from the above quotation.)

[7] "Employment Stabilization and the Wisconsin Act," page 126 et seq. By Dr. Charles A. Myers, Social Security Board. See, however, Dr. Myers' qualifying footnote.

"Although employers were first eligible to qualify for reduced contribution rates in 1938, as a matter of fact relatively few could do so. This was because an employer with a constant annual payroll, and no benefit payments, would not secure a reserve percentage equal to 7.5 percent or more until the end of 1938. Most employers had a higher payroll in 1937 (a good year) than in preceding years, which made the reserve percentage (based upon the preceding year's payroll) even smaller. In view of this, the Unemployment Compensation Department announced in November 1937 that it would not compute the reserve percentage for any account as of December 31, 1937, unless an employer submitted figures to show a probable percentage of 7.5 or more.

"Subsequently, a number of employers offered evidence of the necessary percentages, and after careful audits by the department, 114 were eventually approved for reduced contribution rates in 1938. Thirty firms had reserve percentages of 10 percent or more, or enough to exempt them from contributions (the zero rate), while 84 others qualified for the 1 percent rate.

"Most of these firms, however, qualified for lower 1938 contribution rates because of unusual circumstances. Only one of the 30-zero rate firms had really stable employment, and even then it had to make a large voluntary contribution to attain a reserve percentage of 10 percent. The usual case in the group was one in which the company had a smaller payroll in 1937 than in 1934-1936, when the reserve fund was being built up This occurred when operations were curtailed in the second half of 1936 or in 1937 because of less work (as in the case of contractors) or because the company sold part of its business to another firm. In the latter cases, some of the company's employes were often hired by the succeeding firm, although the reserve fund accumulated during previous years was retained.

"For example, an ice cream company sold a plant to another firm, leaving only a small 1937 payroll. The reserve built up on the higher payrolls of earlier years than equalled or exceeded 10 percent of this small 1937 payroll. In another case, a bulk gasoline dealer with retail gas stations sold the stations to another company which hired many of the same employes. While the reserve fund remained intact, a smaller 1937 payroll and highest reserve percentage resulted. Again, a construction company had a large amount of work in 1934 and 1935, building up its reserve and having no benefits charged. In 1937, fewer contracts were secured, and the payroll was small enough to make the necessary reserve percentage possible."

The rate changes in 1939 and 1940 were more significant. Furthermore, amendments were provided which made rate changes less dependent on unusual payroll values. Instead of using the preceding year as had been done in computing 1938 rates, the average of two years was used for 1939 and the average of three years for 1940.[8]

During the first of these years, 2,431 accounts, approximately 34.2 per cent of the 7,113 which had been liable for benefits for one year, were eligible for a reduction to 1.0 per cent; 3,637, or 51.1 per cent, remained at 2.7 per cent, and 656, or 9.2 per cent were required to pay 3.2 per cent. There were 389, or 5.5 per cent, of the experience rating accounts exempt from any contribution whatsover. In 1940, there were 8,121 accounts that had the per cent rate, 32.1 per cent remained at the standard 2.7 per cent rate; while 4.7 per cent wer raised to a rate of 3.2 per cent, and 2.8 per cent to a rate of 3.7 per cent.

DISTRIBUTION OF WISCONSIN EXPERIENCE-RATING ACCOUNTS[a] BY 1939 AND 1940 CONTRIBUTION RATES

Contributions Rate (Per cent)	1940 Number of Accounts	1940 Per cent	1939 Number of Accounts	1939 Per cent
Total	7,113	100.0	8,121	100.0
0	389	5.5	903	11.1
1.0	2,431	34.2	4,009	49.4
2.7	3,637	51.1	2,603	32.0
3.2	656	9.2	381	4.7
3.7	...	...	225	2.8

[a] Does not include all covered employers. In 1940, for example, approximately 3,600 employers were not eligible for rate change and paid 2.7 percent.

In line with expectations, there are considerable differences in rate distribution between industries for both 1939 and 1940. During 1939, for example, 54.1 per cent of apparel enterprises, 45.0 per cent of firms manufacturing transportation equipment, and 61.3 per cent of the "automobile industry" paid 3.2 per cent of payroll, the maximum rate for that year. On the other hand no accounts in Printing and Publishing, Communications, Utilities, Finance or Insurance showed advances in rates, while substantial proportions showed reductions. In 1940 all industrial classes showed an improvement in the proportion obtaining lower rates, but again those industries which seemed blessed with a natural stability showed the greater number of accounts with rate reduction. Balancing this, to a degree, were records of the 381 firms whose rates were set at 3.2 per cent and the 335 firms whose rates were advanced to the 3.7 per cent limit permitted for 1940. Construction, Manufacturing, Trade, and Amusement Places contributed the bulk of the penalty contribution.[9]

Since there has been much discussion of the relative effect of experience rating on "large" and "small" business, some presentation of Wisconsin's experience may

DISTRIBUTION OF WISCONSIN EXPERIENCE-RATING ACCOUNTS BY MAJOR INDUSTRY CLASS AND 1940 CONTRIBUTION RATES[a]

Major Industry Class	Exper.[b] Rating Accts.	Accounts Paying at Specified Rate: Zero No.	Zero %	1.0% No.	1.0% %	2.7% No.	2.7% %	3.2% No.	3.2% %	3.7% No.	3.7% %
Total	8,121	903	11.1	4,009	49.4	2,603	32.0	381	4.7	225	2.8
Forestry, Agriculture, and Fishing	35	2	5.7	12	34.3	14	40.0	3	8.6	4	11.4
Mines and Quarries	58	5	8.6	15	25.9	23	39.7	4	6.9	11	18.9
Construction	746	54	7.2	124	16.6	376	50.4	150	20.2	42	5.6
Manufacturing	2,183	184	8.4	1,028	47.1	800	36.6	81	3.7	90	4.1
Communication, Transportation, and Utilities	327	43	13.1	164	50.2	106	32.4	5	1.5	9	2.8
Wholesale and Retail Trade	3,237	418	12.9	1,846	57.0	903	27.9	53	1.6	17	0.5
Finance, Insurance, and Real Estate	499	66	13.2	328	65.7	93	18.6	7	1.4	5	1.0
Service Industries	1,024	129	12.6	485	47.4	285	27.8	78	7.6	47	4.6
Other N. E. C.	9	...	...	7	77.8	2	22.2	...	...	...	...
Unknown	3	2	66.7	...	...	1	33.3	...	...	...	...

[a] Based on reports to Social Security Board.

[b] See note on preceding table.

year of benefit-paying experience required by law. Of this number, 11.1 per cent were exempt from contributions, 49.4 per cent were eligible for reduction to a 1.0 be of value. Wisconsin's Law provided for a gradual broadening of coverage by specifying that employers of eight or more were to be covered in 1937, employers of seven (during 1937 or thereafter) were added during 1938,

[8] Further providing that an amount equal to half of the employer's largest payroll for any year shall be used as the payroll for any one year in which the actual payroll was less than such amount.

[9] Detailed industry tables are appended to this section.

and employers of six (during 1938 or thereafter) were added during 1939. Since one year's experience is necessary before an account is eligible for rate reduction, 1940 is the first year in which a distribution can be made which is comparable with any similar distribution for the future.

Although a greater proporton of those employers with payrolls of less than $5000 were exempt from payment than was true for any other group, this was partly offset by the smaller proportion eligible for a reduction to 1.0 per cent and the larger proportion paying the penalty rates of 3.2 per cent and 3.7 per cent.

At the other extreme of the payroll distribution were those employers paying wages of $1,000,000 or more. Although they comprise but slightly more than one per cent of the total—only 96 employers—the distribution of their contribution rates is of substantial importance to the Wisconsin Fund. Not only did 68 employers qualify for rate reduction, but in addition they exhibited as a class relatively fewer penalty rates, only 4 employers being affected.

DISTRIBUTION OF WISCONSIN EXPERIENCE-RATING ACCOUNTS BY SIZE OF PAYROLL AND 1940 CONTRIBUTION RATES [a]

Size of Payroll	Exper.[b] Rating Accts.	Accounts Paying at Specified Rate									
		Zero		1.0%		2.7%		3.2%		3.7%	
		No.	%	No.	%	No.	%	No.	%	No.	%
Total	8,121	903	11.1	4,009	49.4	2,603	32.0	381	4.7	225	2.8
Below $5,000	739	167	22.6	213	28.8	272	36.8	54	7.3	33	4.5
$5,000-$9,999	1,393	149	10.7	618	44.4	516	37.0	79	5.7	31	2.2
$10,000-$19,999	2,130	238	11.2	1,045	49.1	739	34.7	73	3.4	35	1.6
$20,000-$29,999	1,058	114	10.8	568	53.7	313	29.6	36	3.4	27	2.5
$30,000-$39,999	686	75	10.9	362	52.8	203	29.6	24	3.5	22	3.2
$40,000-$49,999	390	34	8.7	225	57.7	98	25.1	22	5.6	11	2.8
$50,000-$99,999	834	59	7.1	476	57.1	222	26.6	43	5.2	34	4.0
$100,000-$999,999	793	58	7.3	443	55.9	214	27.0	48	6.0	30	3.8
$1,000,000 and over	96	9	9.4	59	61.4	24	25.0	2	2.1	2	2.1
Unclassified	2	...	...	....	...	2	100.0	...	...	...	...

[a] Based on reports to Social Security Board.

[b] See note on preceding table.

Between these extremes lie the great majority of Wisconsin employers. The greatest concentration is in the three lower payroll classes—$5,000 to $9,999, $10,000 to $19,999, and $20,000 to $29,999—which include more than three-fifths of the total. For these three classes approximately the same proportions received the zero rate, although the percentage with a rate of either zero or 1.0 per cent of payroll increased with increases in payroll total. Employers paying between $30,000 and $39,999 and those paying $40,000 to $49,999 in payroll show larger proportions of rate reductions, larger proportions paying penalty interest, but smaller proportions with the zero rate.

For those large employers who pay more than $50,000 but less than $1,000,000 the significant items are that they exhibit the lowest proportions with zero rates and, with the exception of those paying less than $5,000, the highest proportions with penalty rates. In this class are 1,627 employers of whom 117 paid nothing, 919 paid 1.0 per cent, 436 paid the normal 2.7 per cent, 91 paid a penalty rate of 3.2 per cent, and 64 paid a penalty rate of 3.7 per cent.

Thus, while all classes showed the majority receiving lower rates, the proportion of employers receiving rate reductions tended to increase with the size of payroll, and the proportion receiving rate increases tended to decrease with size of payroll up to $20,000, and thereafter to increase, excepting the very highest payroll class. The proportion continuing to pay 2.7 per cent tended to decrease with increasing payrolls.

Wisconsin's experience, while longer than that of any other state, is still not long enough to warrant sweeping generalizations either as to the theoretical soundness or unsoundness of experience rating, or as to the probable long-run effect on employers of various industries and sizes. Two attitudes are expressed in the following. Paul Raushenbush, director of the Wisconsin Unemployment Compensation Department, speaking before the First Wisconsin Conference on "Steadier Jobs," on June 21, 1940,[10] said:

"Here in Wisconsin we have at least seen the beginnings of what experience rating can do to promote steadier jobs by recognizing the performance of individual employers. It is all very well for some of its critics to say, 'Most employers can't do anything much about steadier employment. Why bother with experience rating?' But the fact that 4,900 employers in this state are now paying reduced rates cannot be explained away merely by saying 'They just naturally operated steadily.' We know that isn't true of several thousand of them. Their industries are not just 'naturals.' They don't just have a rate reduction drop into their laps. True, not all Wisconsin employers have made the kind of successful efforts you have heard about today. Many of them, however are giving increasing attention to the problem."

In the December 1940 issue of "Social Security," Abraham Epstein and his Associates of the American Association for Social Security,[11] say:

"Thus, while Wisconsin cannot prove genuine stabilization of work even after almost three years of merit rating, there can no longer be any doubt of the anti-labor and anti-social effects of this scheme, effects which the American Association for Social Security has constantly predicted and warned against—avoidance of benefits, low benefits, reduced employment, increased underemployment, lowered wages, new threats to our social structure through the reduction of temporary jobs, and a myriad of other anti-labor practices. With these results becoming more evident every day the position of the Wisconsin organized labor forces, which have continued to stand by their state system in defiance of the strong opposition to merit rating by the American Federation of Labor and the C. I. O., is becoming more and more untenable. In view of the growing opposition on the part of industry and labor throughout the country, Wisconsin labor cannot much longer continue to support a program which, in the name of 'progressivism,' sacrifices the basic rights and welfare of the State's workers."

3. The Laws of Kentucky and Nebraska, and the Experience of Nebraska

The State of Wisconsin has the purest form of the employer-reserve type of law now on the statute books. While other states have (to a lesser degree) utilized the employer-reserve, none of them have been as consistent

[10] "The First Wisconsin Conference on Steadier Jobs," June 21, 1940, printed by the Industrial Commission of Wisconsin, 137 E. Wilson St., Madison, Wisconsin.

[11] "Social Security," December 1940—Vol. XIV No. 9.

in their adherence to the theory behind it. Most closely related are the laws of Kentucky and Nebraska, both of which credit contribution and debit benefits to the individual accounts of employers. In Nebraska, as in Wisconsin, the only monies pooled are the earnings of the Fund, but Kentucky supplements the "pool" with employe contributions. Both states provide for decreases in contribution rates when the individual's reserve ratio warrants it, Nebraska by means of a "disbursement ratio" devised by the Agency, and Kentucky by an automatic statutory schedule. Kentucky assesses a penalty rate when the employer's reserve falls below 3 per cent, while Nebraska's maximum is fixed at 2.7 per cent of payroll. Both States use a base period to define weekly benefit amount, qualification, and maximum potential benefits, and provide for an individual benefit year which runs for 52 weeks from the first valid claim; and, although definitions differ, both pay benefits for partial unemployment. Benefit rates are based on high-quarter earnings in Nebraska and on annual earnings in Kentucky. Disqualifications for varying periods can occur in both states because of voluntary leaving of employment, discharges for misconduct, and labor disputes; while Nebraska disqualifies students, women who have lost employment because of marriage, worker suspended because of misconduct, and salaried workers receiving $200 or more per month.

Since Kentucky amended its law during 1940 postponing rate reductions for six months, the rate distribution of Nebraska is the only available guide to the experience under this type of law. At the end of the first quarter of 1940 Nebraska had 3,333 experience-rating accounts. Of these, 69 per cent failed to qualify for rate reduction, continuing to pay 2.7 per cent of payroll, while 31 per cent obtained lower rates varying from 2.5 per cent to the minimum of 1.0 per cent Of those who did receive rate reductions, the great majority (27 per cent of the total) paid at the lowest rate.

An important factor in obtaining reductions for many Nebraska employers was the amount refunded by the Federal Government under the provisions of House of Representatives Bill No 8174 By legislative enactment this $1,330,836, representing 1936 contributions, was credited to the individual accounts of employers For many accounts these credits made rate reductions possible.[12] Commenting on this, a release of the Bureau of Employment Security[13] says:

"The only direction given to the Commissioner by the statute, in connection with the determination of individual rates, is that:

'contributions shall only be such a per centum, not exceeding 2.7 per cent, as the commissioner finds necessary to maintain such reserve account at 7½ per cent of his annual payroll during the ensuing calendar year.'

"Upon the basis of the statutory requirement that the employer's reserve balance must be equal to 7.5 per cent of his annual payroll, it would appear that very few employers would be able to qualify for rate reductions. This arises from the fact that only 1.8 per cent of taxable wages had been collected for 1937, and 2.7 per cent in each of the years 1938 and 1939, with the result that a total of 7.2 per cent of payrolls has been credited to employers' accounts for these 3 years (assuming that payrolls were uniform for the period). This reserve balance of 7.2 per cent necessarily fell short of meeting the minimum 7.5 per cent reserve requirement set forth in the statute. By enactment of legislation during 1939, which made it possible to credit to an employer's reserve account his contributions under the Federal act for the year 1936, this deficiency was overcome. If an employer's account could be credited with an additional .9 per cent of payroll, this would permit the possible accumulation of a reserve balance of 8.1 per cent of his annual payroll."

DISTRIBUTION OF NEBRASKA EXPERIENCE-RATING ACCOUNTS BY MAJOR INDUSTRY CLASS AND 1940 CONTRIBUTION RATES[a]

Major Industry Class	Exper.[b] Rating Accts.	Accounts Paying at Specified Rate									
		1.0%		1.5%		2.0%		2.5%		2.7%	
		No.	%	No.	%	No.	%	No.	%	No.	%
Total	3,333	903	27.1	80	2.4	39	1.2	24	0.7	2,287	68.6
Forestry, Agriculture, and Fishing	13	1	7.7	..	..	..	..	..	..	12	92.3
Mines and Quarries	21	3	14.3	..	..	..	..	1	4.8	17	80.9
Construction	252	20	7.9	4	1.6	1	0.4	2	0.8	225	89.3
Manufacturing	470	121	25.7	17	3.6	8	1.7	3	0.6	321	68.3
Communication, Transportation, and Utilities	168	36	21.4	4	2.4	3	1.8	1	0.6	124	73.8
Wholesale and Retail Trade	1,751	513	29.3	44	2.5	21	1.2	14	0.8	1,159	66.2
Finance, Insurance, and Real Estate	265	118	44.5	2	0.8	..	..	..	..	145	54.7
Service Industries	393	91	23.2	9	2.3	6	1.5	3	0.8	284	72.3

[a] Based on reports to Social Security Board.

[b] Does not include all covered employers. On January 1, 1940 there were 3,410 employers. Some of them, however, had not been covered long enough to qualify.

More than half of the experience-rating accounts were for employers engaged in wholesale or retail trade, the state's most important type of enterprise. Generally speaking, the experience of employers in these groups was favorable, more than one-third obtaining reductions. Nebraska's rate structure, however, partially obscures the record, since overdrawn accounts remain at 2.7 per cent and employers with perfect records can receive no reduction beyond 1.0 per cent. For example, 678 accounts in wholesale and retail trade had no benefits charged against them, only 9.1 per cent of the aggregate contributions for the group was paid out in benefits, and but 2.4 per cent of the accounts were overdrawn. "Finance, Insurance, and Real Estate" and "Transportation, Communication, and Utilities" were the only industrial groups with better records.

[12] Another provision of the Nebraska law that made reduced rates possible for 172 employers was that permitting voluntary contributions to accounts. This device was used more by employers with large payrolls than by the less substantial contributors.

[13] "Experience Rating in Nebraska—1940," Released by the Bureau of Employment Security in December 1940.

PERCENTAGE OF NEBRASKA ACCOUNTS OBTAINING REDUCED RATES FOR 1940, WITH NO BENEFITS CHARGED, WITH OVERDRAWN ACCOUNTS, AND RATIOS OF BENEFITS TO CONTRIBUTIONS, BY PRINCIPAL INDUSTRY DIVISIONS[14]

Principal industry division	All Accounts					
	Number	Percent with reduced rates	Ratio of benefits to contributions[1]	Accounts with no benefits charged[1]		Percent of accounts overdrawn
				Number	Percent	
TOTAL	3,333	31.4	11.5	1,170	34.5	2.5
Agriculture	13	7.7	25.8	2	[2]	[2]
Mining	21	19.1	51.8	6	[2]	[2]
Construction	252	10.7	44.1	57	22.7	11.5
Manufacturing	470	31.7	11.2	99	20.5	1.9
Transportation, etc.	168	26.2	7.5	52	30.9	2.4
Trade	1,751	33.8	9.1	678	38.3	1.4
Finance, Insurance, etc.	265	45.3	4.6	145	54.7	.4
Service	393	27.7	13.7	131	30.8	2.5

[1] Based upon data for 3,395 accounts active as of January 31, 1940.
[2] Percentages not computed.

2.5 per cent rate. The balance, 225, paid 2.7 per cent. Included in the latter group were a large proportion of the state's overdrawn accounts, 11.5 per cent of all construction accounts being overdrawn.

In discussing Wisconsin it was noted that a relatively greater proportion of employers with "large" payrolls received rate reductions than did employers with "small" payrolls. This tendency is even more marked in Nebraska. Excepting the employers with average annual payrolls less than $5,000, 35 per cent of whom earned reduced rates,[15] there is a direct relationship between payroll size and percentage of accounts with reduced rates.

An inspection of the last column in the above table is evidence that opportunity for rate reduction seems to go hand and hand with magnitude of payroll, the highest percentages of rate decreases—with one exception—was exhibited by the group of employers having payrolls of $1,000,000 and more, the lowest by the group of employers meeting payrolls of from $5,000 to $10,000 a year. The one exception mentioned is the group labeled in the table as "Unclassified," which includes those accounts whose business history was less than the three years needed to compute the average annual payroll.

DISTRIBUTION OF NEBRASKA EXPERIENCE-RATING ACCOUNTS BY AVERAGE ANNUAL PAYROLL AND 1940 CONTRIBUTION RATES [a]

Average Annual Payroll	Exper.[b] Rating Accts.	Accounts Paying as Specified Rate									
		1.0%		1.5%		2.0%		2.5%		2.7%	
		No.	%	No.	%	No.	%	No.	%	No.	%
Total	3,333	903	27.1	80	2.0	39	1.2	24	0.7	2,287	68.6
Below $5,000	366	125	34.2	..	...	2	0.5	..	...	239	65.3
$5,000-$9,999	544	153	28.1	7	1.3	8	1.5	5	0.9	371	68.2
$10,000-$10,999	724	209	28.9	12	1.6	11	1.5	7	1.0	485	67.0
$20,000-$29,999	288	98	34.0	9	3.1	5	1.7	3	1.0	173	60.1
$30,000-$39,999	153	55	35.9	8	5.2	1	0.7	1	0.7	88	57.5
$40,000-$49,999	109	45	41.3	9	8.3	..	...	..	...	55	50.4
$50,000-$99,999	232	98	42.2	14	6.0	7	3.0	3	1.3	110	47.4
$100,000-$999,999	168	68	40.5	15	8.9	3	1.8	2	1.2	80	47.6
$1,000,000 and over	12	9	75.0	1	8.3	..	...	..	....	2	16.7
Unclassified	737	43	5.8	5	0.7	2	0.3	3	0.4	684	92.8

[a] Based on reports made to Social Security Board.
[b] Does not include all covered employers. On January 1, 1940 there were 3,410 employers. Some of them, however, had not been covered long enough to qualify.

Slightly more than one-quarter of Nebraska's manufacturers obtained the 1.0 per cent rate, better than two-thirds remained at 2.7 per cent, and the balance paid at one of the three intermediate rates. Nebraska's manufacturing is largely concentrated in food products industries, and includes highly seasonal canning as well as more stable enterprises such as baking and dairy products. Approximately one-fourth of the state's covered workers are employed in manufacturing enterprises. Other measures of significance are the proportion of accounts with no charges (22.7 per cent) and the proportion of accounts overdrawn (1.9 per cent).

As in Wisconsin, the seasonal and fluctuating employment provided by the construction industry is reflected in the low percentage of accounts receiving rate reductions. Of the 252 employers engaged in construction work only 20 qualified for the 1.0 per cent rate, 4 for the 1.5 per cent rate. 1 for the 2.0 per cent rate and 2 for the

[14] "Experience Rating in Nebraska—1940," Released by the Bureau of Employment Security in December, 1940.

4. The First Year of Rate Reduction in Indiana and South Dakota

Four states have effected compromises between the employer-reserve and the pooled fund by crediting part of the employer's contribution to individual accounts and part to a pool. North Carolina credits 75 percent to the employer, South Dakota 5/6 (83-1/3 percent), Vermont all amounts in excess of 0.54 percent of the average annual payroll, and Indiana all amounts in excess of 0.135 percent of the average annual payroll—the balance in each case being pooled. Two of these states provided for rate changes in 1940—South Dakota and Indiana—both states having automatic experience-rating provisions. Indiana rates can vary from a minimum of 0.135 percent to a penalty rate of 3.7 percent; South Dakota provides no rates greater than 2.7 percent, but still permit reductions to zero.

[15] This group will always tend to show a relatively better record, since it is generally the more stable small employers who stay in business. A larger enterprise will weather a bad year and will appear in the table with a high contribution rate; a small employer is apt to disappear altogether, leaving only the "better" accounts.

While benefit and eligibility provisions, disqualifying clauses, and methods of charging have just as important an influence on experience rating in these states as in those already discussed, the effect of the partial pooling of contributions has been to make qualifying for rate change more difficult during the early years. Indiana calculates reserves by crediting 5/6 (83-1/3 percent) of the contributions for 1936, 1937, and 1938, and all other past contributions in excess of 0.135 percent of annual payroll, minus all benefits, divided by payroll for preceding year. South Dakota subtracts benefits from 5/6 (83-1/3 percent) of past contributions, and divides by the preceding annual payroll. In both laws the reserve must be equal to at least five times the largest amount of benefits charged in any one of the three preceding years, while the reserve ratio must be at least 7.5 percent before rate reduction is possible.

DISTRIBUTION OF EXPERIENCE RATING ACCOUNTS FOR INDIANA AND SOUTH DAKOTA BY MAJOR INDUSTRY CLASS AND 1940 CONTRIBUTION RATES [a]

Major Industry Class	INDIANA Exper. [b] Rating Accts.	No. Accts. Paying At Specified Rates 0.135%	1.0%	2.0%	2.7%	3.7%	SOUTH DAKOTA Exper. [b] Rating Accts.	No. Accts. Paying At Specified Rates Zero	1.0%	2.0%	2.7%
Total	10,217	51	19	209	9,938	....	1,623	28	15	76	1,504
Forestry, Agriculture, and Fishing	26	1	..	2	23	....	6	..	..	..	6
Mines and Quarries	287	2	..	5	280	....	42	1	1	1	39
Construction	767	6	2	3	756	....	143	2	..	4	137
Manufacturing	2,521	5	3	30	2,483	....	161	..	..	5	156
Communication, Transportation, and Utilities	572	2	..	4	566	....	66	..	1	6	59
Wholesale and Retail Trade	4,190	22	5	109	4,054	....	959	20	9	46	884
Finance, Insurance, and Real Estate	613	10	4	19	580	....	114	2	..	8	104
Service Industries	1,241	3	5	37	1,196	....	130	3	4	6	117
Other N. E. C.	.....	..	..	...	.....	....	2	..	..	..	2

[a] Based on reports to Social Security Board.
[b] Does not include all covered employers. See notes on earlier tables.

Because of this, the industry and size classifications of accounts have little meaning as yet. In Indiana the accounts remaining at a rate of 2.7 percent of payroll were in excess of 95 percent for all industrial classes except for "Agriculture, Forestry, and Fishing," where the number of accounts is too small to give a percentage significance. Substantially the same thing is true for South Dakota.

One important provision of the Federal Internal Revenue Code was evidently overlooked by some of the legislators who drafted partial pool provisions. L. A. Pietz, chief accountant for the South Dakota Unemployment Compensation Commission, discusses its effect as follows:

"The Federal tax under Title IX is 3% of the payroll, but the law permits a credit to 90% of that tax for payments made to a state or for credits allowed by a state under an approved experience rating plan.

"It was supposed that when the contribution rate was reduced to 2% an additional credit of .7% would be granted on the Federal tax, and likewise when the contribution to the state was not required, a full credit of 2.7% would be allowed.

"However, Section 1602 (b) (2) of the Internal Revenue Code, as amended in 1940, provides: 'If the Board finds that under the law of a single state more than one type of fund or account is maintained and reduced rate of contributions to more than one type of fund or account were allowable with respect to any taxable year . . . the Board shall on December 31 of such taxable year certify to the Secretary of the Treasury only those provisions of the State law pursuant to which reduced rates of contributions were allowable . . . under conditions fulfilling the requirements of subsection (a) . . . .'

"Subsection (a) provides: 'A taxpayer shall be allowed an additional credit . . . with respect to any reduced rate of contributions permitted by a state law, only if the Board finds that under such law (1) No reduced rate of contributions to a pooled fund or to a partially pooled fund is permitted to a person . . . except on the basis of his experience with respect to unemployment or other factors bearing a direct relation to unemployment risk . . . .'

"Our law is classified as a partially pooled fund. The condition of the individual employer's reserve account under our present law is the sole basis for determining reduced contribution rates. No consideration is given to the contributions to, withdrawals from, or the condition of the pooled account of the Agency, in determining reduced rates. That portion of the reduced contributions which would have gone into the pooled fund (one-sixth) therefore fails to comply with the provisions of the Federal Act, and only five-sixths of the reduced rate will be allowed as additional credit.

"For each $1,000 of an employer's payroll, the result will be as follows:

Rate	State Contribution	Credit Allowed by State	Credit Allowed by Federal	Federal Tax
2.7%	$27.00	None	$27.00	$3.00
2%	20.00	$7.00	5.83	4.17
1%	10.00	17.00	14.17	5.83
None	None	27.00	22.50	7.50

"From this it would be seen that the Federal Tax increases from .3% to .75% for the reason that credit is allowed by the Federal Government only on the reduction in contributions to the reserve account." [16]

[16] "Unemployment Compensation Comments," December 1940, "Pooled-Reserve Account With Experience Rating versus Pooled Fund With Experience Rating," by L. A. Pietz, chief accountant, Unemployment Compensation Commission of South Dakota.

5. Experience Rating—States Reducing Rates in 1941

The year 1941 marks the addition of several more states to the list of those which have effective experience-rating provisions in their unemployment compensation laws. The unemployment laws of the following additional states provides for reduced contribution rates in 1941:

Alabama	Oregon
Arizona	Tennessee
California	**Texas
*Connecticut	**Utah
Kentucky	*Vermont
Minnesota	*Virginia
*New Hampshire	*West Virginia

Of these additional states, however, only those marked by an asterisk have had their merit-rating provisions definitely approved by the Social Security Board so as to enable the employers with reduced rates to obtain the additional credit provided by the Federal Act. The ex-

perience-rating provisions of Texas and Utah (marked by a double asterisk) have been held not to comply with the additional credit provisions of the Federal law because of failure, to require three years of individual benefit payment experience. Further amendment will be necessary in these states. The other jurisdictions either have not yet submitted their laws or are awaiting approval. In Alabama, the Legislature has passed a provision, but it cannot become effective until proclaimed by the Governor.

6. The Significance to Pennsylvania of the Experience of Other States

The experiences of those states included in the foregoing discussion, and the limited data received from other jurisdictions whether or not included in this report, raise the question whether a cautious approach to experience rating in unemployment compensation is desirable. Certainly many employers in those states in which rate changes have become effective must have been surprised to find that anticipated reductions did not materialize, while many others probably have fared better than they expected. In Wisconsin there is evidence to show that some stabilization of employment was actually effected, but there is also evidence to show that accidental factors or inclusion in a sheltered industry were just as effective in obtaining lower contribution rates. Larger enterprises seem to have a relatively better opportunity for rate reduction than smaller ones, although more must be known regarding the industries of the larger employers before generalization is conclusive. In the states studied the lower average rate has meant a reduction in income which has been compensated for in part by rigid eligibility and benefit provisions which operate to cut down state outgo. Construction, Heavy Manufacturing Industries, and Mining tend to have a larger percentage of employers subject to higher rates, while Finance, Insurance, Trade, and Utilities have uniformly higher percentages of employers subject to low rates.

Pennsylvania differs decidedly from the states examined in its industrial composition, its size, in the number of employers covered, and in its unemployment-compensation law. While its Fund has grown, the rate of growth has not been excessive.[18] Only recently has the balance between collections and payments been tipped heavily to the collection side.

If experience rating were adopted with a maximum rate of 2.7 percent, it should be done with full recognition that any large-scale industrial depression would hit Pennsylvania with even greater force than it would affect most other states, therefore adequate safety and protective measures should be adopted. Mining, steel manufacturing, construction, and other types of enterprise frequently marked by wide employment fluctuations comprise a more important place in Pennsylvania's economy than they do in the industrial structures of most other states.

The only available quantitive data on Pennsylvania that are directly relevant to the problem of experience rating take the form of comparisons for relatively short periods,[19] of benefits to contributions by industry and an analysis of the swings from high to low have marked the employment patterns of many lines of manufacturing enterprise. Tables are appended which present both types of information.

[17] See Commerce Clearing House, pages 46.525 et seq. and 47.544.

[18] See Statistical Information Bulletin No. 18, "The Pennsylvania Unemployment Compensation Fund—Contributions, Benefit Payments, and Fund Balances, January 1937-June 1940," and Weekly Financial Summaries for the Growth of the Fund. Included in Supplement to this report.

[19] See Statistical Information Bulletins Nos. 17 and 19 in Supplement to this report.

TABLE I

CONTRIBUTIONS BY EMPLOYERS, BENEFIT PAYMENTS TO THE UNEMPLOYED, AND BALANCE IN THE UNEMPLOYMENT COMPENSATION FUND, FOR PENNSYLVANIA, BY MONTH—JANUARY, 1937 TO DECEMBER, 1940

Year and Month	Additions to the Fund						Benefits Paid From the Fund		Balance in Fund
	Contributions		Interest		Total				
	Amount	Cumulative Amount	Amount	Cumulative Amount	Amount	Cumulative Amount	Amount	Cumulative Amount	
1937									
January	$ 2,244,534.29	$ 2,444,534.29	$	$	$ 2,444,534.29	$ 2,444,534.29	$	$	$ 2,444,534.29
February	5,985,205.06	8,429,739.35			5,985,205.00	8,429,739.35			8,429,739.35
March	16,774,312.64	25,204,051.99			16,774,312.64	25,204,051.99			25,204,051.99
1st Quarter	25,204,051.99				25,204,051.99				
April	693,143.05	25,897,195.04			693,143.05	25,897,195.04			25,897,195.04
May	869,016.39	26,766,211.43			869,016.39	26,766,211.43			26,766,211.43
June	12,104,683.96	38,870,895.39	53,583.02	53,583.02	12,158,266.98	38,924,478.41			38,924,478.41
2d Quarter	13,666,843.40		53,583.02		13,720,426.42				
July	2,850,968.62	41,721,864.01			2,850,968.62	41,775,447.03			41,775,447.05
August	12,414,247.22	54,136,111.23			12,414,247.22	54,189,694.25			54,189,694.25
September	386,710.58	54,522,821.81	170,607.65	224,190.67	557,318.23	54,747,012.48			54,747,012.48
3d Quarter	15,651,926.42		170,607.65		15,822,534.07				
October	3,300,082.55	57,822,904.36			3,300,082.55	58,047,095.03			58,047,095.03
November	11,390,499.17	69,213,403.53			11,390,499.17	69,437,594.20			69,437,594.20
December	423,602.77	69,637,006.30	291,761.56	515,952.23	715,364.33	70,152,958.53			70,152,958.53
4th Quarter	15,114,184.49		291,761.56		15,405,946.05				
Total 1937	69,637,006.30		515,952.23			70,152,958.53			70,152,958.53
1938									
January	5,136,892.38	74,773,898.68	386,855.47	902,807.70	5,523,747.85	75,676,706.38			38,676,706.38
February	10,269,156.97	85,043,055.65			10,269,156.97	85,945,863.35	4,764,779.65	4,764,779.65	81,181,083.70
March	462,488.97	85,505,544.62			462,488.97	86,408,352.32	10,006,562.00	14,771,341.65	71,637,010.67
1st Quarter	15,868,538.32		386,855.47		16,255,393.79		14,771,341.65		

Year and Month	Additions to the Fund: Contributions Amount	Contributions Cumulative Amount	Interest Amount	Interest Cumulative Amount	Total Amount	Total Cumulative Amount	Benefits Paid From the Fund Amount	Benefits Paid From the Fund Cumulative Amount	Balance in Fund
April	3,414,320.67	89,319,865.29			3,814,320.67	90,222,672.99	8,595,842.15	23,367,183.80	66,855,489.19
May	13,650,592.36	102,970,457.65	435,715.21	1,338,522.91	14,086,307.57	104,308,980.56	5,922,382.90	29,289,566.70	75,019,413.86
June	426,850.53	103,397,308.18			426,850.53	104,735,831.09	7,971,279.80	37,260,846.50	67,474,984.59
2d Quarter	17,891,763.56		435,715.21		18,327,478.77		22,489,504.85		
July	2,632,094.37	106,029,402.55	413,403.59	1,751,926.50	3,045,497.96	107,781,329.05	7,872,129.65	45,132,976.15	62,648,352.90
August	14,735,548.44	120,764,950.99			14,735,548.44	122,516,877.49	7,824,527.70	52,957,503.85	69,559,373.64
September	614,816.03	121,379,767.02			614,816.03	123,131,693.52	5,932,465.35	58,889,969.20	64,241,724.32
3d Quarter	17,382,458.84		413,403.59		18,395,862.43		21,629,122.70		
October	2,959,674.51	124,339,441.53	387,331.77	2,139,258.27	3,347,006.28	126,478,699.80	5,083,340.50	63,973,309.70	62,505,390.10
November	14,481,109.32	138,820,550.85			14,481,109.32	140,959,809.12	3,097,923.35	67,971,233.05	72,988,576.07
December	774,715.62	139,595,266.47			774,715.62	141,734,524.74	3,581,926.00	71,553,159.05	70,181,365.69
4th Quarter	18,215,499.45		387,331.77		18,602,851.22		12,663,189.85		
1939									
January	3,722,512.69	143,317,779.16	396,629.43	2,535,887.70	4,119,142.12	145,853,666.86	4,902,568.05	76,455,727.10	69,397,939.76
February	16,433,825.60	159,751,604.76			16,433,825.60	162,287,492.46	3,062,932.95	79,518,660.05	82,768,832.41
March	510,225.64	160,261,830.40			510,225.64	162,797,718.10	5,199,113.55	84,717,773.60	78,079,944.50
1st Quarter	20,666,563.93		396,629.43		21,063,193.36		13,164,614.55		
April	2,948,207.91	163,210,038.31			2,948,207.91	165,745,926.01	5,041,983.50	89,759,757.10	75,986,168.91
May	15,314,635.80	178,524,674.11	449,666.81	2,985,554.51	15,764,302.61	181,510,228.62	7,201,026.30	96,960,783.40	84,549,445.22
June	400,538.81	178,925,212.92			400,538.81	181,910,767.43	6,479,786.75	103,440,570.15	78,470,197.28
2d Quarter	18,663,382.52		449,666.81		19,113,049.33		18,722,796.55		
July	3,490,209.42	182,415,422.34	481,771.76	3,467,326.27	3,971,981.18	185,882,748.61	4,808,208.25	108,248,778.40	77,633,970.21
August	15,569,368.69	197,984,791.03			15,569,368.69	201,452,117.30	6,104,732.40	114,353,510.80	87,098,606.50
September	459,020.87	198,443,811.90			459,020.87	201,911,138.17	4,133,989.05	118,487,499.85	83,423,638.32
3d Quarter	19,518,598.98		481,771.76		20,000,370.74		15,046,929.70		
October	3,666,245.93	202,110,057.83	491,656.09	3,958,982.36	4,157,902.02	206,069,040.19	2,714,320.15	121,201,820.00	84,867,220.19
November	15,310,409.93	217,420,467.76			15,310,409.93	221,379,450.12	2,327,661.20	123,529,481.20	97,849,968.92
December	762,688.45	218,183,156.21			762,688.45	222,142,138.57	2,618,222.45	126,147,703.65	95,994,434.92
4th Quarter	19,739,344.31		491,656.09		20,231,000.40		7,660,203.80		
Total 1939	78,587,889.74		1,819,724.09		80,407,613.83		54,594,544.60		
1940									
January	4,714,722.49	222,897,878.70	545,060.89	4,504,043.25	5,259,783.38	227,401,921.95	4,024,506.50	130,172,210.15	97,229,711.80
February	18,316,256.06	241,214,134.76			8,316,256.06	245,718,178.01	4,017,219.00	134,189,429.15	111,528,748.86
March	425,674.80	241,639,809.56			425,674.80	246,143,852.81	4,207,155.75	138,396,584.90	107,747,267.91
1st Quarter	23,456,653.35		545,060.89		24,001,714.24		12,248,881.25		
April	1,492,759.94	243,132,569.50	628,880.84	5,132,924.09	2,121,640.78	248,265,493.59	4,615,856.80	143,012,441.70	105,253,051.89
May	17,767,638.72	260,900,208.22			17,767,638.72	266,033,132.31	5,304,598.40	148,317,040.10	117,716,092.21
June	476,598.66	261,376,806.88			476,598.66	266,509,730.97	3,909,225.15	152,226,265.25	114,283,465.72
2d Quarter	19,736,997.32		628,880.84		20,365,878.16		13,829,680.35		
July	3,705,735.22	265,082,542.10	675,627.25	5,808,551.34	4,381,362.47	270,891,093.44	4,474,767.00	156,701,032.25	114,190,061.19
August	15,877,276.85	280,959,818.95			15,877,276.85	286,768,370.29	4,054,669.45	160,755,701.70	126,012,668.59
September	360,484.65	281,320,303.60			360,484.65	287,128,854.94	2,918,355.75	163,674,057.45	123,454,797.49
3d Quarter	19,943,496.72		675,627.25		20,619,123.97		11,447,792.20		
October	5,104,811.61	286,425,115.21	733,471.29	6,542,022.63	5,838,282.90	292,967,137.84	2,726,743.85	166,400,801.30	126,566,336.54
November	14,502,945.55	300,928,060.76			14,502,915.55	307,470,083.39	1,881,052.48	168,281,833.78	*133,813,597.89
December	707,018.81	301,635,079.57			707,018.81	308,177,102.20	2,126,648.35	170,408,502.63	†131,069,600.60
4th Quarter	20,314,775.97		733,471.29		21,048,247.26		6,754,445.18		
Total	83,451,923.36		2,583,040.27		86,034,963.63		44,260,798.98		

* Transferred to Railroad Unemployment Insurance Account $5,374,631.72.
† Transferred to Railroad Unemployment Insurance Account $1,324,367.25.

TABLE II

ESTIMATED CONTRIBUTIONS COLLECTED COMPARED WITH ESTIMATED UNEMPLOYMENT BENEFITS PAID, BY INDUSTRY, FOR SPECIFIED PERIODS THROUGH SEPTEMBER 1940 *

Industry	Contributions July-Dec. 1939	Benefits Jan.-June 1940	Ratio (Percent)	Contributions Oct. 1939-March 1940	Benefits April-Sept. 1940	Ratio (Percent)
Total	$41,435,000	$26,079,000	62.9	$41,652,000	$25,304,000	60.8
Mining	3,799,000	3,372,000	88.8	3,785,000	5,344,000	141.2
Metal Mining	†	†		†	†	†
Total Coal Mining	3,551,000	3,168,000	89.2	3,535,000	5,229,000	147.9
Anthracite Mining	1,511,000	1,960,000	129.7	1,502,000	3,075,000	204.7
Bituminous Mining	2,040,000	1,208,000	59.2	2,033,000	2,154,000	106.0
Petroleum and Natural Gas	166,000	52,000	31.3	167,000	62,000	37.1
Non-Metallic Mining and Quarrying	82,000	152,000	185.4	83,000	53,000	63.9
Construction	1,486,000	3,824,000	257.3	1,483,000	1,633,000	110.1
Building Construction	457,000	1,003,000	219.5	439,000	431,000	98.7
General Contractors	369,000	1,186,000	321.4	397,000	465,000	117.1
Construction-Special Trade	660,000	1,636,000	247.7	647,000	737,000	113.9

Industry	Contributions July-Dec. 1939	Benefits Jan.-June 1940	Ratio (Percent)	Contributions Oct. 1939-March 1940	Benefits April-Sept. 1940	Ratio (Percent)
Manufacturing	19,946,000	12,836,000	64.4	19,885,000	12,753,000	64.1
Food and Kindred Products	1,530,000	715,000	46.7	1,525,000	658,000	43.1
Tobacco Manufactures	227,000	485,000	213.7	230,000	235,000	102.2
Textile-Mill Products	2,403,000	3,374,000	140.4	2,396,000	3,756,000	156.8
Apparel and Other Products from Fabrics	1,576,000	1,417,000	89.9	1,541,000	1,499,000	97.3
Lumber and Timber Basic Products	82,000	104,000	126.8	83,000	90,000	108.4
Furniture and Finished Lumber Products	395,000	313,000	79.2	394,000	269,000	68.3
Paper and Allied Products	539,000	144,000	26.7	541,000	140,000	25.9
Printing, Publishing and Allied Industries	1,049,000	222,000	21.2	1,089,000	274,000	25.2
Chemicals and Allied Products	605,000	158,000	26.1	580,000	177,000	30.5
Products of Petroleum and Coal	290,000	103,000	35.5	292,000	176,000	26.0
Rubber Products	125,000	52,000	41.6	106,000	39,000	36.8
Leather and Leather Products	414,000	407,000	98.3	417,000	442,000	106.0
Stone, Clay and Glass Products	1,141,000	982,000	86.1	1,125,000	841,000	74.8
Iron and Steel and Their Products	4,983,000	2,996,000	60.1	4,990,000	2,838,000	56.9
Transportation Equipment (except auto.)	458,000	195,000	42.6	455,000	200,000	44.0
Nonferrous Metals and Their Products	520,000	118,000	22.7	519,000	115,000	22.2
Electrical Machinery	1,180,000	316,000	26.8	1,188,000	274,000	23.1
Machinery (except electrical)	1,638,000	304,000	18.6	1,625,000	366,000	22.5
Automobiles and Automobile Equipment	354,000	130,000	36.7	353,000	172,000	48.7
Miscellaneous Manufacturing Industries	437,000	301,000	68.9	436,000	292,000	67.0
Transportation, Communication, Other Public Utilities	2,682,000	687,000	25.6	2,699,000	572,000	21.2
Street Railways and Bus Lines	412,000	65,000	15.8	419,000	51,000	12.2
Trucking and/or Warehousing	414,000	259,000	62.6	417,000	216,000	51.8
Other Transportation Except Water Transportation	125,000	64,000	51.2	125,000	39,000	31.2
Water Transportation	41,000	14,000	34.1	42,000	25,000	59.5
Services Allied to Transportation N. E. C.	105,000	38,000	36.2	103,000	37,000	35.9
Communication, Telephone, Telegraph, Related Services	597,000	92,000	15.4	608,000	101,000	16.6
Utilities, Electric and Gas	906,000	129,000	14.2	902,000	78,000	8.6
Local Utilities and Local Public Services	82,000	26,000	31.7	83,000	25,000	30.1
Wholesale and Retail Trade	8,629,000	3,658,000	42.4	8,908,000	3,510,000	39.4
Full Service and Limited Function Wholesalers	1,517,000	443,000	29.2	1,458,000	407,000	27.9
Wholesale Distributors	1,395,000	388,000	27.8	1,311,000	329,000	25.1
Retail General Merchandise	1,307,000	565,000	43.2	1,408,000	584,000	41.5
Retail Food	1,079,000	482,000	44.7	1,336,000	456,000	34.1
Retail Automotive	539,000	143,000	26.5	541,000	127,000	23.5
Retail Apparel and Accessories	414,000	249,000	60.1	436,000	310,000	71.1
Retail Trade N. E. C.	911,000	443,000	48.6	916,000	476,000	52.0
Eating and Drinking Places	495,000	466,000	94.1	522,000	416,000	79.7
Filling Stations, Garages, Auto Repair Service	268,000	169,000	63.1	272,000	152,000	55.9
Other Wholesale and Retail Trade	704,000	310,000	44.0	708,000	253,000	35.7
Finance, Insurance and Real Estate	2,074,000	416,000	20.1	2,060,000	390,000	18.9
Bank and Trust Companies	268,000	54,000	20.1	272,000	64,000	23.3
Security Dealers and Investment Banking	125,000	†	†	125,000	11,000	6.3
Finance Agencies N. E. C.	166,000	26,000	15.7	167,000	25,000	15.0
Insurance Carriers	872,000	92,000	10.6	872,000	113,000	13.0
Insurance Agents and Brokers	105,000	26,000	24.8	83,000	25,000	30.1
Real Estate Dealers, Agents, and Brokers	331,000	192,000	58.0	333,000	127,000	38.1
Real Estate, Insurance, Loans, Law Offices	82,000	26,000	21.7	83,000	25,000	30.1
Holding Companies	125,000	†	†	125,000	†	†
Service Industries	2,045,000	1,147,000	56.1	2,066,000	1,037,000	50.2
Hotels, Rooming Houses, Camps, Other Lodging Houses	227,000	167,000	73.6	231,000	150,000	64.9
Personal Services	476,000	298,000	62.6	480,000	265,000	55.2
Business Services N. E. C.	373,000	117,000	31.4	375,000	113,000	30.1
Employment Agencies, Commercial and Trade School	41,000	†	†	42,000	†	†
Misc. Repaid Services and Hand Trade	63,000	26,000	41.3	61,000	25,000	41.0
Motion Pictures	207,000	65,000	31.4	208,000	62,000	29.8
Amusement, Recreation and Related Service	144,000	228,000	158.3	147,000	149,000	101.4
Medical and Other Health Services	82,000	52,000	63.4	83,000	62,000	74.7
Law Offices and Related Services	82,000	26,000	31.7	83,000	25,000	30.1
Educational Institutions and Agencies	41,000	†	†	42,000	12,000	28.6
Other Professional and Social Service Agencies	82,000	38,000	46.3	83,000	25,000	30.1
Non-Profit Membership Organizations	227,000	130,000	57.3	231,000	149,000	64.5
Establishments Not Elsewhere Classified	774,000	139,000	18.0	766,000	65,000	8.5

* Sample studies have yielded sufficient data to estimate the industrial distribution of benefits paid to workers during the six-month periods Jan.-June 1940 and April-Sept. 1940. In each case these estimates were related to estimated contributions made during the preceding six-month period. Because of the short periods covered the data should be used with caution. Comparison of these results is not advised due to the overlapping quarters.

† Benefit payments to employes in this industry comprised such a negligible percentage of the sample that reliable estimation is impossible.

TABLE III

CUMULATIVE COLLECTIONS AND INTEREST, CUMULATIVE BENEFIT PAYMENTS TO THE UNEMPLOYED AND BALANCES IN UNEMPLOYMENT COMPENSATION FUNDS, BY STATES AND TERRITORIES, AT THE END OF THE YEARS 1937, 1938, 1939, AND ON JUNE 30, 1940*

(Amounts in Thousands of Dollars)

State or Territory	December 31, 1937			December 31, 1938			December 31, 1939			June 30, 1940		
	Cum. Contr. and Int.	Cum. Ben. Pay.	Bal. in Fund	Cum. Contr. and Int.	Cum. Ben. Pay.	Bal. in Fund	Cum. Contr. and Int.	Cum. Ben. Pay.	Bal. in Fund	Cum. Contr. and Int.	Cum. Ben. Pay.	Bal. in Fund
Total	$666,292	$2,263	$ 664,029	$1,506,556	$ 395,931	$1,110,625	$2,363,629	$ 825,233	$1,537,797	$2,816,350	$1,107,504	$1,707,046
Alabama	8,838	.....	8,838	15,530	8,128	7,402	24,262	12,413	11,849	29,261	14,823	14,439
Alaska	238	.....	238	885	.....	885	1,454	350	1,104	1,650	634	1,016
Arizona	2,014	.....	2,014	3,839	1,902	1,937	6,648	3,422	2,626	7,161	4,129	3,037
Arkansas	1,890	.....	1,890	5,309	.....	5,309	8,893	1,816	7,077	10,719	3,484	7,235
California	67,173	.....	67,173	131,352	23,715	107,637	211,823	62,262	149,561	251,450	97,350	154,099
Colorado	4,717	.....	4,711	8,944	.....	8,944	14,225	3,485	10,760	16,776	5,960	10,815
Connecticut	15,304	.....	15,304	28,520	12,254	16,266	45,750	17,380	27,771	35,579	20,717	34,080
Delaware	1,077	.....	1,077	3,915	.....	3,915	6,421	711	5,710	7,744	1,240	6,507
Dist. of Columbia	5,894	.....	5,894	12,455	1,672	10,788	19,546	3,096	16,450	23,445	4,131	19,314
Florida	2,969	.....	2,969	9,871	.....	9,871	16,652	3,503	13,149	20,272	6,028	14,245
Georgia	4,481	.....	4,481	15,502	.....	15,502	23,950	3,238	20,712	28,713	5,412	23,302
Hawaii	944	.....	944	3,248	.....	3,249	5,200	286	4,914	6,205	465	5,740
Idaho	1,873	.....	1,873	3,577	366	3,211	5,643	2,559	3,094	6,607	4,009	2,598
Illinois	18	.....	18	117,940	.....	117,940	189,827	16,783	173,044	228,083	40,852	187,231
Indiana	22,558	.....	22,558	39,165	16,309	22,856	60,752	26,525	35,227	71,742	31,955	39,787
Iowa	7,169	.....	7,169	11,032	2,586	11,448	22,514	7,809	14,705	26,605	10,381	16,225
Kansas	3,587	.....	3,587	10,181	.....	10,181	15,915	2,288	13,627	18,405	3,543	14,862
Kentucky	9,590	.....	9,590	18,936	.....	18,936	30,574	4,863	25,711	36,272	7,325	28,947
Louisiana	7,652	.....	7,652	16,811	4,007	12,804	26,961	9,941	17,020	32,132	13,170	18,962
Maine	3,759	.....	3,759	6,992	4,536	2,456	11,151	7,563	3,588	13,251	9,480	3,771
Maryland	9,057	.....	9,057	10,414	10,144	9,270	31,817	15,891	15,926	38,409	19,700	18,710
Massachusetts	41,775	.....	41,775	78,829	27,099	51,730	118,120	46,749	71,371	138,921	62,543	76,378
Michigan	43,488	.....	43,488	77,626	39,903	37,723	123,824	77,017	46,807	149,607	88,574	61,033
Minnesota	11,924	.....	11,924	24,289	8,161	16,128	39,031	15,759	23,272	45,939	22,146	23,791
Mississippi	2,350	.....	2,350	4,761	1,414	3,347	7,055	2,858	4,197	8,399	4,056	4,343
Missouri	.....	.....	.....	34,036	.....	34,036	54,844	5,461	49,183	65,335	9,329	56,005
Montana	1,848	.....	1,848	4,772	.....	4,772	7,663	765	6,898	9,065	2,955	6,110
Nebraska	1,941	.....	1,941	7,082	.....	7,082	11,207	1,304	9,903	12,891	2,468	10,422
Nevada	573	.....	573	1,528	.....	1,528	2,515	815	1,700	2,982	1,488	1,493
New Hampshire	4,247	.....	4,247	7,082	2,732	4,350	10,044	4,281	5,763	11,417	5,734	5,683
New Jersey	30,049	.....	30,049	66,691	.....	66,691	114,453	14,906	99,547	139,908	14,161	115,748
New Mexico	1,289	.....	1,289	2,481	9	2,472	3,974	1,235	2,739	4,701	1,846	2,854
New York	98,363	.....	98,363	226,291	87,331	138,906	346,324	167,350	178,974	413,121	217,128	195,993
North Carolina	9,413	.....	9,413	19,411	8,216	11,195	30,901	12,611	18,290	36,841	14,907	21,935
North Dakota	598	.....	598	1,897	.....	1,897	2,935	545	2,390	3,380	965	2,415
Ohio	51,974	.....	51,974	97,884	.....	97,884	156,149	23,662	132,487	187,843	38,544	149,298
Oklahoma	6,442	.....	6,442	13,273	71	13,202	19,190	4,312	14,878	22,593	6,449	16,145
Oregon	5,855	.....	5,855	11,996	5,916	6,080	17,825	9,969	7,856	21,124	12,779	8,345
Pennsylvania	70,540	.....	70,540	142,130	71,545	70,585	222,688	126,148	96,538	267,184	152,225	114,958
Rhode Island	7,939	.....	7,939	16,253	9,293	6,960	24,620	15,039	9,581	29,779	20,233	9,548
South Carolina	4,276	.....	4,276	8,457	595	7,362	12,522	2,739	9,782	14,927	3,987	10,249
South Dakota	1,020	.....	1,020	1,977	.....	1,977	3,160	394	2,768	3,740	627	3,113
Tennessee	7,776	.....	7,776	14,721	6,144	8,577	23,686	10,723	12,963	28,154	13,921	14,233
Texas	19,753	.....	19,753	42,127	9,344	32,783	65,638	20,051	45,587	77,208	25,413	51,795
Utah	2,560	.....	2,560	4,702	2,461	2,241	7,456	4,156	3,300	8,840	4,989	3,852
Vermont	1,412	.....	1,412	2,863	822	2,041	4,447	1,396	3,051	5,047	2,017	2,703
Virginia	8,367	.....	8,367	16,889	5,636	11,253	27,331	10,124	17,207	32,553	13,285	19,288
Washington	6,192	.....	6,192	18,691	.....	18,881	28,318	6,148	22,172	33,890	12,150	21,740
West Virginia	10,200	.....	10,200	19,282	12,065	7,217	29,472	16,276	13,194	34,712	18,155	16,557
Wisconsin	32,430	2,263	30,167	49,515	11,555	37,960	65,203	15,122	50,081	71,315	17,648	53,667
Wyoming	896	.....	896	2,401	.....	2,401	3,858	1,154	2,704	4,453	2,018	2,434

* Based on totals published by the Social Security Board. Fund balances for Connecticut on December 31, 1939 and June 30, 1940 do not include funds transferred to the Railroad Unemployment Compensation Account. Similar adjustments have been made for the June 30, 1940 balances reported for South Carolina and Vermont.

Table IV

EMPLOYMENT FLUCTUATIONS IN MAJOR PENNSYLVANIA MANUFACTURING INDUSTRIES DURING THE PAST SEVEN YEARS

1933 to December 1940 inclusive

(Base 1923-25 = 100)

Industry	Highest Monthly Index of Employment	Lowest Monthly Index of Employment	Percent Decrease from High to Low
All Manufacturing	92.3	58.1	34.2
Iron and Steel	92.6	41.0	50.7
Blast Furnaces	62.4	29.0	33.4
Steel Works and Rolling Mills	88.1	40.0	48.1
Iron and Steel Forgings	96.7	31.9	64.8
Structural Iron and Steel	119.9	54.5	65.4
Heating and Plumbing Supplies	101.5	43.3	58.2
Stoves and Furnaces	101.0	50.1	50.9
Foundries	95.4	40.1	55.3
Machinery and Parts	95.7	41.2	54.5
Electrical Apparatus	109.5	42.4	67.1
Engines and Pumps	160.0	43.4	116.6
Hardware and Tools	114.0	48.3	65.7
Non-ferrous Metal Products	140.9	65.3	75.6
Brass and Bronze	187.9	50.5	137.4
Smelting and Refining	137.2	63.7	73.5
Stamped Enamel and Painted Ware	55.7	7.7	48.0
Jewelry and Novelties	174.6	37.1	137.5
Others	151.6	90.1	61.5
Transportation Equipment	73.1	43.6	29.5
Autos and Motor Trucks	148.3	55.4	92.9
Auto and Truck Bodies and Parts	121.1	24.3	96.8
Locomotives and Cars	49.3	14.4	34.9
R. R. Repair Shops	71.9	51.0	20.9
Shipbuilding	145.2	30.1	115.1
Textiles and Clothing	109.8	81.2	28.6
Textiles	104.8	72.0	32.8
Cotton Goods	84.5	44.0	40.5
Woolen and Worsted Goods	94.7	47.7	47.0
Silk Manufacturing	116.6	67.3	49.3
Textile Dyeing and Finishing	94.0	57.7	36.3
Carpets and Rugs	71.8	32.0	39.8
Hats	97.6	56.7	40.9
Hosiery	150.2	73.5	76.7
Knit Goods, Other	131.6	81.7	49.9
Millinery and Lace Goods	90.4	56.1	34.3
Clothing	131.8	94.8	37.0
Men's	100.8	65.1	35.7
Women's	176.6	113.0	63.6
Shirts and Furnishings	172.0	78.3	93.7
Food Products	115.0	79.8	35.2
Bread and Bakery Products	116.0	94.7	21.3
Confectionery	130.0	66.9	63.1
Ice Cream	83.0	46.1	36.9
Slaughtering and Meat Packing	133.4	84.0	49.4
Butter and Creamery Products	175.4	94.4	81.0
Beverages	149.8	41.3	108.5
Flour	100.6	62.5	38.1
Canning	146.2	57.9	88.3
Stone, Clay, and Glass	92.3	46.6	45.7
Brick, Tile	65.8	30.0	35.8
Pottery	137.9	77.1	60.8
Cement	59.0	27.6	31.4
Glass	124.5	62.2	62.3
Marble, Granite, and Slate	88.1	23.3	64.8
Asbestos and Magnesia	155.2	103.3	51.9
Lumber Products	112.8	40.5	72.3
Lumber and Planing Mills	60.3	32.2	28.1
Furniture	97.2	39.5	57.7
Wooden Boxes	58.7	42.6	16.1
Chemicals and Products	100.6	66.4	34.2
Chemicals	136.2	68.3	67.9
Drugs	114.2	69.0	45.2
Coke	67.4	30.2	37.2
Explosives	138.2	54.7	83.5
Paints and Varnishes	136.7	77.6	59.1
Petroleum Refining	128.8	85.1	43.7
Leather and Products	99.2	73.2	26.0
Leather Tanning	107.3	67.2	40.1
Shoes	105.2	79.9	25.3
Leather Goods	87.3	30.4	56.9
Paper and Printing	101.3	77.7	23.6
Paper and Wood Pulp	119.0	74.6	44.4
Paper Containers	119.3	75.5	43.8
Printing	94.7	78.5	16.2
Book and Job	95.2	74.2	21.0
Newspaper and Periodical	97.3	82.5	14.8
Other Manufactures			
Cigars and Tobacco	73.5	43.4	30.1
Rubber Tires and Goods	94.4	60.0	34.4
Musical Instruments	73.9	32.1	41.8

TABLE V

EMPLOYMENT FLUCTUATIONS IN MAJOR PENNSYLVANIA NON-MANUFACTURING INDUSTRIES DURING THE PAST SEVEN YEARS

1933 to December 1940 Inclusive

(Base: 1933=100)

Industry	Highest Monthly Index of Employment	Lowest Monthly Index of Employment	Percent Decrease from High to Low
All Non-manufacturing	115.5	82.2	28.8
Anthracite Mining	130.7	60.1	54.0
Bituminous Mining	132.5	83.7	36.0
Quarrying	136.4	63.9	53.2
Crude Petroleum Producing	154.3	75.6	51.0
Construction & Contracting	115.9	44.2	61.9
Street, Railway, Bus & Taxi	110.5	90.3	18.3
Motor Freight, Dock, & Warehouse	123.7	81.4	34.2
Telephone, Telegraph, & Broadcasting	110.5	85.6	22.5
Light, Heat, & Power	123.2	96.3	21.8
Retail Trade	143.3	86.0	40.0
Wholesale Trade	124.6	96.3	22.7
Banking & Brokerage	107.6	98.0	8.9
Insurance & Real Estate	111.7	99.3	11.1
Dyeing & Cleaning	115.2	79.3	31.2
Laundries	118.3	96.8	18.2
Hotels	120.8	96.7	20.0

Source: Philadelphia Federal Reserve Bank and Department of Labor and Industry.

TABLE VI

WISCONSIN EXPERIENCE-RATING ACCOUNTS CLASSIFIED BY 1940 CONTRIBUTION RATES AND INDUSTRY *

Industry	Number of Experience Rating Accounts	Experience-Rating Accounts With Specified Rate									
		Zero		1.0%		2.7%		3.2%		3.7%	
		No.	%	No.	%	No.	%	No.	%	No.	%
All Industries	8,121†	903	11.1	4,009	49.4	2,603	32.0	381	4.7	225	2.8
Agriculture, Forestry, and Fishing	35	2	5.7	12	34.3	14	40.0	3	8.6	4	11.4
Mining	58	5	8.6	15	25.9	23	39.7	4	6.9	11	18.9
Metal Mining	4	....	....	2	50.0	....	....	1	25.0	1	25.0
Non-metallic Mines and Quarries	54	5	9.2	13	24.0	23	42.5	3	5.6	10	18.7
Construction	746	54	7.2	124	16.6	376	50.4	150	20.2	42	5.6
Building Construction	212	13	6.1	30	14.1	120	56.6	44	20.8	5	2.4
General Contracting Other Than Building	225	21	9.4	9	3.9	85	37.7	83	36.9	27	12.1
Special Trade Contractors	309	20	6.5	85	27.5	171	55.3	23	7.5	10	3.2
Manufacturing	2,183	184	8.4	1,028	47.1	800	36.6	81	3.7	90	4.1
Food and Kindred Products	511	49	9.6	301	59.0	131	25.6	12	2.3	18	3.5
Tobacco Manufacture	12	1	8.3	8	66.7	3	25.0	....	....	....	....
Textile Mill Products	57	7	12.3	14	24.6	23	40.4	5	8.8	8	14.0
Apparel and Other Fabric Products	63	4	6.3	17	27.0	16	25.4	8	12.7	18	28.6
Lumber and Basic Timber Products	137	10	7.3	52	38.0	60	43.7	5	3.7	10	7.3
Furniture and Allied Products	159	12	7.5	66	41.5	67	42.1	8	5.0	6	3.8
Paper and Allied Products	96	11	11.5	70	72.9	12	12.5	2	2.1	1	1.0
Printing and Publishing	232	33	14.2	151	65.1	48	20.7	....	....	....	....
Chemicals and Allied Products	68	10	14.7	38	55.9	18	26.4	1	1.5	1	1.5
Products of Petroleum and Coal	7	....	....	5	71.4	2	28.6	....	....	....	....
Rubber Products	6	....	....	3	50.0	2	33.3	....	....	1	16.6
Leather and Leather Products	95	12	12.6	30	31.6	40	42.1	8	8.4	5	5.3
Stone, Clay, and Glass Products	64	6	9.4	21	32.8	26	40.6	6	9.4	5	7.8
Iron, Steel, and Their Products	201	9	4.5	62	30.8	120	59.7	8	4.0	2	1.0
Transportation Equip. (except Automobiles)	22	2	9.1	3	13.6	12	54.5	1	4.5	4	18.2
Non-ferrous Metals and Their Products	60	4	6.7	26	43.3	29	48.3	1	1.7	....	....
Electrical Machinery	47	2	4.3	14	29.8	28	59.6	1	2.1	2	4.2
Machinery, except Electrical	233	9	3.9	107	45.9	106	45.5	8	3.4	3	1.3
Automobiles and Auto. Equipment	33	2	6.0	5	15.2	18	54.5	5	15.2	3	9.1
Miscellaneous	80	1	1.2	35	43.8	39	48.8	2	2.5	3	3.7
Transportation, Communications, and Utilities	327	43	13.1	164	50.2	106	32.4	5	1.5	9	2.8
Street and Suburban Railroads	8	3	37.5	5	62.5	....	....	....	....	....	....
Trucking and Warehousing	157	16	10.2	67	42.7	67	42.7	4	2.5	3	1.9
Other Transportation, except Water	26	6	23.1	8	30.8	11	42.3	1	3.8	....	....
Water Transportation	5	....	....	....	....	3	60.0	....	....	2	40.0
Allied Services, N. E. C.	24	2	8.3	12	50.0	6	25.0	....	....	4	16.7
Communication	66	11	16.7	44	66.6	11	16.7	....	....	....	....
Electric and Gas Utilities	36	4	11.1	24	66.7	8	22.2	....	....	....	....
Other, N. E. C.	5	1	20.0	4	80.0	....	....	....	....	....	....
Wholesale and Retail Trade	3,237	418	12.9	1,846	57.0	903	27.9	53	1.6	17	0.5
Full-Service and Limited Function Wholesalers	551	65	11.8	342	62.1	135	24.5	6	1.1	3	0.5
Wholesale Distributors, Other	347	39	11.2	190	54.8	102	29.4	10	2.9	6	1.7
Retail General Merchandise	212	44	20.8	132	62.3	35	16.5	1	4.0	....	....
Retail Food and Beverage	320	63	19.7	173	54.1	81	25.3	3	0.9	....	....
Retail Automotive	338	38	11.2	209	61.8	90	26.6	1	0.3	....	....
Retail Apparel	294	28	9.5	156	53.1	100	34.0	8	2.7	2	0.7
Retail Trade, N. E. C.	487	56	11.5	265	54.4	160	32.9	2	0.4	4	0.8
Eating and Drinking Places	285	31	10.9	141	49.5	97	34.0	16	5.6	....	....
Filling Stations, Garages, and Auto Repair	90	20	22.2	39	43.3	27	30.0	4	4.4	....	....
Other Wholesale and Retail Trade	313	34	10.9	199	63.6	76	24.3	2	0.6	2	0.6
Finance, Insurance, and Real Estate	499	66	13.2	328	65.7	93	18.6	7	1.4	5	1.0
Banks and Trust Companies	169	22	13.0	132	78.1	15	8.9	....	....	....	....
Security Dealers and Investment Banking	29	4	13.8	14	48.3	11	37.9	....	....	....	....
Finance Agencies, N. E. C.	59	8	13.6	36	61.0	15	25.4	....	....	....	....
Insurance Carriers	75	4	5.3	57	76.0	13	17.3	1	1.3	....	....
Insurance Agents	29	3	10.3	22	75.9	4	13.8	....	....	....	....
Real Estate Dealers	111	20	18.0	51	45.9	29	26.1	6	5.4	5	4.5
Real Estate, Insurance, Etc., (Combination)	26	5	19.2	15	57.7	6	23.1	....	....	....	....
Holding Companies	1	....	....	1	100.0	....	....	....	....	....	....
Service Industries	1,024	129	12.6	485	47.4	285	27.8	78	7.6	47	4.6
Hotels, Lodging Houses, Etc.	174	22	12.6	88	50.6	53	30.5	6	3.4	5	2.9
Personal Services	226	43	19.0	133	58.8	44	19.5	4	1.8	2	0.9
Business Service, N. E. C.	123	15	12.2	78	63.4	28	22.8	2	1.6	....	....
Employment Agencies, and Trade Schools	6	1	16.7	1	16.7	4	66.6	....	....	....	....
Miscellaneous Repair	9	3	33.3	2	22.2	4	44.4	....	....	....	....
Motion Pictures	98	11	11.2	65	66.3	22	22.5	....	....	....	....
Amusement Places, N. E. C.	139	7	5.0	22	15.8	54	38.8	32	23.0	24	17.3
Medical and Other Health Services	41	7	17.1	28	68.3	6	14.6	....	....	....	....
Law Offices and Related Service	20	1	5.0	18	90.0	1	5.0	....	....	....	....
Educational Institutions and Agencies	6	....	....	3	50.0	3	50.0	....	....	....	....
Other Professional and Social Service Agencies	7	2	28.6	....	....	5	71.4	....	....	....	....
Non-profit Membership Associations	73	4	5.5	33	45.2	32	43.8	4	5.5	....	....
Regular Government Agencies	102	13	12.7	14	13.7	29	28.4	30	29.4	16	15.7
Other N. E. C.	9	....	....	7	77.8	2	22.2	....	....	....	....
Unclassified	3	2	66.7	....	....	1	33.3	....	....	....	....

* Based on reports to Social Security Board.
† Not all covered employers. Excludes 3,600 employers who were not eligible for rate changes.

TABLE VII

NEBRASKA EXPERIENCE-RATING ACCOUNTS CLASSIFIED BY 1940 CONTRIBUTION RATES AND INDUSTRY *

Industry	Number of Experience Rating Accounts	Experience-Rating Accounts With Specified Rate									
		1.0%		1.5%		2.0%		2.5%		2.7%	
		No.	%	No.	%	No.	%	No.	%	No.	%
All Industries	3,333†	903	27.1	80	2.4	39	1.2	24	0.7	2,287	68.6
Agriculture, Forestry, and Fishing	13	1	7.7	....	....	....	....	....	....	12	92.3
Mining	21	3	14.3	....	....	....	....	1	4.8	17	80.9
Crude Petroleum and Natural Gas	3	2	66.7	....	....	....	....	....	....	1	33.3
Non metallic Mining and Quarrying	18	1	5.6	....	....	....	....	1	5.6	16	88.8
Construction	252	20	7.9	4	1.6	1	0.4	2	0.8	225	89.3
Building Construction	78	7	9.0	1	1.3	....	....	....	....	70	89.7
General Contractors Other Than Building	109	9	8.3	....	....	....	....	2	1.8	98	89.9
Special Trade Contractors	65	4	6.2	3	4.6	1	1.5	....	....	57	87.7
Manufacturing	470	121	25.7	17	3.6	8	1.7	3	0.6	321	68.3
Food and Kindred Products	186	34	18.3	13	7.0	3	1.6	3	1.6	133	71.5
Apparel and Other Fabric Products	15	3	20.0	....	....	....	....	....	....	12	80.0
Lumber and Timber Basic Products	8	4	50.0	....	....	1	12.5	....	....	3	37.5
Furniture and Allied Products	24	5	20.8	....	....	....	....	....	....	19	79.2
Paper and Allied Products	6	3	50.0	....	....	....	....	....	....	3	50.0
Printing and Publishing	85	46	54.1	2	2.4	2	2.4	....	....	35	41.1
Chemicals and Allied Products	31	9	29.0	....	....	....	....	....	....	22	71.0
Products of Petroleum and Coal	2	....	....	....	....	....	....	....	....	2	100.0
Rubber Products	1	....	....	....	....	....	....	....	....	1	100.0
Leather and Leather Products	5	3	60.0	....	....	....	....	....	....	2	40.0
Stone, Clay, and Glass Products	29	2	6.9	1	3.4	....	....	....	....	26	89.7
Iron and Steel, and Their Products	18	4	22.2	....	....	1	5.6	....	....	13	72.2
Transportation Equip't. (Except Automobiles)	2	....	....	....	....	....	....	....	....	2	100.0
Non-Ferrous Metals and Their Products	12	1	8.3	....	....	....	....	....	....	11	91.7
Electrical Machinery	6	2	33.3	....	....	....	....	....	....	4	66.7
Machinery (Except Electrical)	18	3	16.6	1	5.6	1	5.6	....	....	13	72.2
Automobiles and Automobile Equipment	2	....	....	....	....	....	....	....	....	2	100.0
Miscellaneous Manufacturing Industries	20	2	10.0	....	....	....	....	....	....	18	90.0
Transportation, Communication, and Utilities	168	36	21.4	4	2.4	3	1.8	1	0.6	124	73.8
Street, Suburban, and Interurban Railways (other than Interstate Railroads)	3	2	66.7	....	....	....	....	....	....	1	33.3
Trucking and/or Warehousing for Hire	75	3	4.0	2	2.7	1	1.3	....	....	69	92.0
Other Transportation, except Water	20	3	15.0	1	5.9	....	....	1	5.0	15	75.0
Services Allied to Transportation N. E. C.	13	2	15.4	....	....	....	....	....	....	11	84.6
Communication: Telephone, Telegraph and Related Services	33	18	54.5	1	3.0	....	....	....	....	14	42.4
Utilities: Electric and Gas	19	8	42.1	....	....	....	....	....	....	11	57.9
Local Utilities and Local Public Services, N. E. C.	5	....	....	....	....	2	40.0	....	....	3	60.0
Wholesale and Retail Trade	1,751	513	29.3	44	2.5	21	1.2	14	0.8	1,159	66.2
Full Service and Limited Function Wholesalers	222	81	36.5	8	3.6	7	3.1	1	0.5	125	56.3
Wholesale Distributors, other than full-service and Limited Function Wholesalers	462	134	....	8	....	8	....	2	....	310	....
Retail General Merchandise	93	34	36.6	3	3.2	....	....	2	2.2	54	58.0
Retail Food (includes liquor store)	115	18	15.7	3	2.6	1	0.9	2	1.7	91	79.1
Retail Automotive	153	41	26.8	10	6.5	....	....	1	0.7	101	66.0
Retail Apparel and Accessories	101	30	29.7	2	2.0	1	1.0	1	1.0	67	66.3
Retail Trade, N. E. C.	164	52	31.7	3	1.8	1	0.6	1	0.6	107	65.2
Eating and Drinking Places	129	14	10.9	....	....	1	0.8	1	0.8	113	87.5
Filling Stations, Garages and Automobile Repair Services	90	24	26.7	3	3.3	1	1.1	....	....	62	68.9
Other Wholesale and Retail Trade	222	85	38.3	4	1.8	1	0.5	3	1.3	129	58.1
Finance, Insurance and Real Estate	265	118	44.5	2	0.8	....	....	....	....	145	54.7
Banks and Trust Companies	13	7	53.8	....	....	....	....	....	....	6	46.2
Security Dealers and Investment Banking	22	13	59.1	1	4.5	....	....	....	....	8	36.4
Finance Agencies, N. E. C.	37	17	45.9	....	....	....	....	....	....	20	54.1
Insurance Carriers	90	54	60.0	1	1.1	....	....	....	....	35	38.9
Insurance Agents and Brokers	32	7	21.9	....	....	....	....	....	....	25	78.1
Real Estate Dealers, Agents and Brokers	52	11	21.2	....	....	....	....	....	....	41	78.8
Real Estate, Insurance, Loans, Law Offices: any combination	17	9	52.9	....	....	....	....	....	....	8	47.1
Holding Companies (except Real Estate Holding Companies)	2	....	....	....	....	....	....	....	....	2	100.0
Service	393	91	23.2	9	2.3	6	1.5	3	0.8	284	72.3
Hotels, Rooming Houses, Camps and Other Lodging Places	77	7	9.1	....	....	2	2.6	1	1.3	67	87.0
Personal Services	101	30	29.7	5	5.0	1	1.0	1	1.0	64	63.3
Business Services, N. E. C.	59	20	33.9	....	....	....	....	....	....	39	66.1
Employment Agencies, Commercial and Trade Schools	9	3	33.3	....	....	....	....	....	....	6	66.7
Miscellaneous Repair Services and Hand Trades	13	3	23.1	....	....	1	7.7	....	....	9	69.2
Motion Pictures	45	14	31.1	3	6.7	....	....	1	2.2	27	60.0
Amusement and Recreation, and Related Services, N. E. C.	46	3	6.5	1	2.2	1	2.2	....	....	41	89.1
Medical and Other Health Services	22	6	27.3	....	....	1	4.5	....	....	15	68.2
Law Offices and Related Services	1	1	100.0	....	....	....	....	....	....	....	....
Other Professional and Social Service Agencies and Institutions	6	3	50.0	....	....	....	....	....	....	3	50.0
Non-Profit Membership Organizations	14	1	7.1	....	....	....	....	....	....	13	92.9

* Based on reports to Social Security Board.

† Does not include all covered employers. On January 1, 1940 there were 3,410 employers. Some of them, however, had not been covered long enough to qualify.

REPORT OF THE DELAWARE RIVER JOINT COMMISSION OF PENNSYLVANIA AND NEW JERSEY TO THE LEGISLATURES OF THE COMMONWEALTH OF PENNSYLVANIA AND THE STATE OF NEW JERSEY 1940

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Warren R. Roberts
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J. Willison Smith
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ANNUAL REPORT OF THE DELAWARE RIVER JOINT COMMISSION OF PENNSYLVANIA AND NEW JERSEY

To the Honorable: The Legislatures of the Commonwealth of Pennsylvania and the State of New Jersey

The Delaware River Joint Commission respectfully reports that 1940 was the busiest in the fourteen-year history of the Delaware River Bridge.

A new record of 14,185,835 vehicles was set, a gain of 807,600 or 6.03 per cent over the total in 1939. Gross receipts were $3,340,113.26 and expenses, $562,054.96 leaving a net of $2,778,058.30. The bulk of the business was passenger automobiles and light trucks. Of these, 11,361,240 paid the straight twenty-cent toll and 1,405,595 commutation tickets on a fifteen-cent basis were collected. Compared with 1939 figures, the use of commutation ticket books increased by 13.43 per cent against 5.37 per cent for those paying the twenty-cent toll. The number of trucks using the bridge showed a gratifying gain. The rise in the number of buses was less than one-half per cent.

The rail transit line across the bridge was patronized by 4,655,937 passengers compared with 4,340,095 in 1939. This increase was 7.28 per cent.

Total cross-river traffic in the vicinity of Philadelphia divided among the Delaware River Bridge, the Tacony-Palmyra Bridge and the ferries at Market and South Streets, Philadelphia increased by 5.65 per cent. Of the total traffic, the Tacony-Palmyra Bridge received 11.88 per cent and the Delaware River Bridge, 76.23 per cent. One of the ferries showed a 2.35 per cent increase and the other, .94 per cent.

The traffic gain in 1940 again brought forcibly and painfully to the motoring public an acute consciousness of the inadequacy of the bridge approaches in both Philadelphia and Camden. During the year, a number of conferences were held for the purpose of trying to get some relief from the congestion. In the first full year of bridge operation, 1927, total bridge traffic was 8,593,207. Although this annual total has risen to more than 14,000,000 cars, facilities for distribution of traffic have not been improved with the exception of cutting off a portion of the sidewalk at Seventh and Penn Streets, Camden in June, 1940.

A resume of bridge operation since the opening on July 1, 1926 is as follows:

	Traffic	Gross Receipts	Expenses	Net Receipts
1940	14,185,835	$3,340,113.26	$562,054.96	$2,778,058.30
1939	13,378,235	3,155,259.05	526,546.73	2,628,712.32
1938	12,820,338	3,028,489.36	581,672.32	2,445,817.04
1937	12,293,129	2,969,423.52	452,810.03	2,516,613.49
1936	10,614,475	3,067,967.87	461,260.86	2,606,707.01
1935	10,156,929	2,899,563.25	441,146.59	2,458,416.66
1934	9,981,615	2,846,116.26	429,412.63	2,416,703.63
1933	9,886,705	2,820,018.71	418,516.46	2,401,502.25
1932	10,804,557	3,091,576.91	456,397.44	2,635,179.47
1931	12,308,225	3,479,337.93	430,856.72	3,048,981.21
1930	12,285,359	3,517,730.64	500,597.53	3,017,133.11
1929	11,615,609	3,331,754.46	398,496.20	2,933,258.26
1928	9,725,470	2,827,786.83	378,590.01	2,449,196.82
1927	8,593,201	2,435,784.40	346,678.59	2,093,921.89
1926 (½ year)	4,137,674	1,110,108.38	158,109.47	946,682.83

Despite the fact that 76,501 vehicles crossed on Sunday, July 21 creating a new record for 24-hour travel, the capacity of the bridge has not been seriously threatened. The Commission has plans to add two lanes to the roadway by paving the spaces originally set apart for trolleys but this improvement is not deemed necessary at this time. When access to the bridge in both Philadelphia and Camden is made easier, the widening of the bridge itself will be undertaken.

One of the problems which confronted the Commission at the end of 1940 was the continued operation of the rail transit line. Opening on June 6, 1936, this operates between Haddon Avenue and Carman Street, Camden and Eighth and Market Streets, Philadelphia. While the line was being built, the public expected that the subway from Eighth and Market Streets to Eighteenth and Locust Streets, Philadelphia would be immediately completed so that passengers from New Jersey might reach the business center of Philadelphia without interchange of cars. This has not yet been done. The public, so far, has shown an unmistakable preference to travel across the bridge by bus. Completion of the Locust Street subway, undoubtedly, would make the rail transit line more attractive.

The four-year lease of the line by the Philadelphia Transportation Company expires June 30, 1941. The Company reports a loss from operation and a decision not to renew the lease upon the present terms. The attitude of the Company was set forth on October 15, 1940 in the following letter:

CLASSIFICATION OF VEHICLES

Crossing Delaware River Bridge
in 1940

PERIOD	AUTOMOBILES AND LIGHT TRUCKS						BUSES (50c & 75c)		TRUCKS (2 to 5 Tons) (35c, 40c, 50c)		TRUCKS (5 to 10 Tons) (65c, 75c)		Special Vehicles	Motor-cycles	Horse-drawn Etc.	Total	% Change Same Month 1939
	Total		20c Rate		Commuters 15c												
	Vehicles	% of Total	Vehicles	% of Autos	Vehicles	% of Autos	Vehicles	% of Total	Vehicles	% of Total	Vehicles	% of Total					
Grand Totals from Date of Opening to Dec 31, 1939	129,497,788*	87.14	30,431,947	23.49	3,390,695	2.61	15,168,352	10.20	2,634,425	1.77	707,812	0.47	210,092	378,717	4,335	148,601,521	†
1940 Jan. ...	822,536	88.07	709,415	86.24	113,121	13.76	73,075	7.82	23,104	2.47	9,079	0.97	5,152	1,007	0	933,953	+ 9.90
Feb. ...	774,175	88.22	667,696	86.25	106,479	13.75	68,508	7.80	21,357	2.43	7,791	0.88	4,773	898	0	877,502	+ 6.65
Mar. ..	944,509	89.42	830,605	87.95	113,904	12.05	73,454	6.95	24,073	2.27	8,318	0.78	4,793	1,099	0	1,056,246	+ 8.55
Apr. ...	929,372	89.33	808,591	87.01	120,781	12.99	72,452	6.96	24,518	2.35	7,926	0.76	4,557	1,444	0	1,040,269	+ 0.19
May ...	1,082,420	90.21	958,229	88.52	124,191	11.48	76,320	6.30	26,686	2.22	7,874	0.65	4,570	1,981	1	1,199,852	+ 3.98
June ..	1,199,186	90.94	1,087,763	90.39	111,423	9.61	76,107	5.77	27,599	2.09	8,047	0.61	5,096	2,626	1	1,318,662	+ 8.16
July ...	1,362,518	91.34	1,254,622	92.08	107,896	7.92	85,275	5.71	28,292	1.89	8,381	0.56	4,706	2,452	0	1,491,624	+ 2.66
Aug. ..	1,359,238	91.21	1,249,442	91.18	109,796	8.82	86,073	5.77	28,638	1.92	9,038	0.60	5,044	2,086	0	1,490,117	+ 4.52
Sept. ..	1,156,588	90.53	1,044,665	90.33	111,923	9.67	76,822	6.01	28,396	2.26	8,722	0.64	4,870	2,122	0	1,277,520	+ 5.66
Oct. ...	1,066,762	89.57	930,743	87.25	136,019	12.75	78,802	6.61	28,911	2.42	8,890	0.74	5,829	1,725	0	1,190,919	+ 7.96
Nov. ..	1,022,159	89.72	895,183	87.58	126,976	12.42	74,761	6.56	26,508	2.32	8,831	0.77	5,514	1,396	0	1,139,169	+ 7.91
Dec. ..	1,047,372	89.51	924,286	88.25	123,086	11.75	79,822	6.82	27,193	2.32	9,121	0.77	5,259	1,235	0	1,170,002	+ 8.82
1940 Totals .	12,766,835	89.99	11,361,240	88.99	1,405,595	11.01	921,471	6.49	315,275	2.22	102,018	0.71	60,163	20,071	2	14,185,835	
Grand Totals from Date of Opening to Dec. 31, 1940	142,264,623*	87.39	41,793,187	29.37	4,796,290	3.37	16,089,823	9.88	2,949,700	1.81	809,830	0.49	270,255	398,788	4,337	162,787,356	

(* includes 95,675,146 at 25c rate.)

RECEIPTS FOR 14½ YEARS

Gross $43,920,030.83
Net 37,376,884.29

RAIL TRANSIT LINE

Month	1936			1937			1938			1939			1940		
	Passengers	Receipts	Daily Average Passengers	Passengers	Receipts	Daily Average Passengers	Passengers	Receipts	Daily Average Passengers	Passengers	Receipts	Daily Average Passengers	Passengers	Receipts	Daily Average Passengers
January ..				382,624	9,565.60	12,343	419,887	10,497.18	13,544	364,050	9,101.25	11,743	373,204	9,330.10	12,038
February ..				346,963	8,674.08	12,392	322,278	8,056.95	11,510	324,688	8,117.20	11,596	361,400	9,035.00	12,462
March	Opened June 6th, 1936			403,001	10,075.02	13,001	338,587	8,464.67	10,922	381,908	9,547.70	12,319	387,569	9,689.23	12,502
April				390,876	9,771.90	13,029	329,325	8,233.13	10,977	354,040	8,851.00	11,801	383,087	9,577.17	12,770
May				383,345	9,583.63	12,366	323,689	8,092.22	10,441	362,038	9,050.95	11,678	391,069	9,776.73	12,615
June	322,660	8,066.50	13,444	379,799	9,494.97	12,660	313,607	7,840.18	10,453	350,547	8,763.68	11,685	364,991	9,124.77	12,164
July	340,282	8,507.05	10,977	365,141	9,128.53	11,714	287,451	7,186.27	9,272	312,118	7,802.95	10,068	354,288	8,857.20	11,428
August ...	312,811	7,820.28	10,091	361,423	9,035.57	11,658	301,784	7,544.60	10,059	323,622	8,090.55	10,439	357,400	8,935.00	11,529
September .	313,496	7,837.40	10,449	386,126	9,653.15	12,871	312,867	7,821.68	10,429	333,477	8,336.92	11,115	358,934	8,973.35	11,964
October ...	365,250	9,131.25	11,782	425,410	10,635.25	13,723	357,747	8,943.67	11,540	377,903	9,447.58	12,190	412,779	10,319.48	13,315
November .	360,814	9,020.35	12,027	426,113	10,652.83	14,204	362,178	9,054.45	12,073	394,302	9,857.55	13,143	409,435	10,235.87	13,647
December .	463,923	11,598.07	14,965	492,489	12,312.22	15,887	451,355	11,283.88	14,560	461,402	11,535.05	14,883	501,781	12,544.53	16,186
Totals	2,479,236	61,980.90	11,920	4,743,310	118,582.75	12,995	4,120,755	103,018.88	11,289	4,340,095	108,502.38	11,890	4,655,937	116,398.43	12,721

Resumé of Operation

Year	TOTALS		PLEASURE CARS AND LIGHT TRUCKS				Buses	Trucks (Heavy)	Special Permits	Motor-cycles	Miscl. Horses etc.	AVERAGES				Sunday & Holiday Traffic	HIGH SPEED LINE (opened June 6, 1936)			Net Receipts
												VEHICLES		RECEIPTS			Total Fares 2½c	AVERAGE		
	Vehicles	Receipts	Total	25c Rate	20c Rate (Feb. 1/37)	15c Comm'ls. (Mar. 1/37)						Month	Daily	Month	Daily			Month	Daily	
1936	10,614,475	3,067,967.87	9,176,274	100%	None	None	1,034,938	345,578	28,524	29,138	3	884,539	29,001	255,647.32	8,387.89	38,923	2,479,236	354,177	11,920	2,606,707.01
1937	12,293,129	2,969,423.52	10,901,116	619,864	9,267,896	1,013,356	1,005,322	328,951	29,368	28,372	0	1,024,428	33,679	247,451.96	8,135.40	43,667	4,743,310	395,276	12,995	2,516,613.49
1938	12,820,338	3,027,489.36	11,520,211	None	10,381,993	1,138,218	924,010	314,915	36,959	24,237	6	1,068,361	35,124	252,290.78	8,294.49	45,272	4,120,755	343,396	11,289	2,445,817.04
1939	13,378,235	3,155,259.05	12,021,179	None	10,782,058	1,239,121	917,042	369,410	47,720	22,879	5	1,114,852	36,652	262,938.25	8,644.54	46,176	4,340,095	361,675	11,890	2,628,712.32
1940	14,185,835	3,340,113.26	12,766,835	None	11,361,240	1,405,595	921,471	417,293	60,163	20,071	2	1,182,153	38,759	278,342.77	9,125.99	48,096	4,655,937	387,995	12,720	2,778,058.30

PHILADELPHIA TRANSPORTATION COMPANY

Broad and Locust Streets

Philadelphia

October 15, 1940

Delaware River Joint Commission,
Administration Building,
Camden, New Jersey.

Dear Sirs:

I am sending you this letter at the direction of the Board of Directors of Philadelphia Transportation Company in order that there may be taken up for consideration, in ample time, the various aspects of the problem of continuing operation of the high speed electric rail transit line across the Delaware River Bridge after the expiration, on June 30, 1941, of the current term of the Bridge Line Lease entered into under date of February 15, 1935.

The operation as conducted under that lease involves the running of trains from the eastern terminus of this line at Carman Street and Haddon Avenue, Camden, across the bridge to a connection at 8th and Race Streets with the Broad Street Subway System of the City of Philadelphia, of which this Company is operating lessee, and thence over that system to a final station at 8th and Market Streets and an actual western terminus of operation at 8th and Ranstead Streets. We have more than four full years of experience of this operation as above described and in the course of this experience have incurred, after paying to your Commission 2½c per passenger carried, a loss averaging $144,790 per annum. While the most careful economies have been put into effect, the loss is currently running at a rate close to $100,000 per annum. The current four-year term of the present lease runs to June 30, 1941, and prior to the end of February 1941 it will be necessary for our Company to give the four months' notice of election to terminate operations under the present agreement at the end of the current term.

We are satisfied, as we are sure your Commission is, that the continued operation of the through line as at present constructed and under the terms of the present lease would entail continued money loss to our Company. We are conscious that the service afforded by the line is a convenience to those passengers who make use of it. However, those passengers represent less than 1% of the total passengers of our system.

With the industrial revival in Philadelphia incident to the progress of the defense program, we are facing presently and in the future a period of need for additional service on our system generally, which unfortunately coincides with a period of increasing costs of material and supplies. The $100,000 per year which we are losing in operating the Bridge Line for the benefit of the 1% of our passengers who use it could furnish upwards of 300,000 car miles of additional service for the 99% of our passengers using the balance of our system. If the problem be viewed from a capital rather than from an operating standpoint, the aggregate loss which we have thus far sustained in our operation of the Bridge Line, amounting as it does to nearly $600,000, would, if the money had been differently applied, have made possible the purchase for our system generally of thirty additional modern trolley cars or sixty full-sized modern buses and thus would have augmented to a marked degree the progress of our modernization program which is so essential for the welfare of the entire community which we serve.

There have been in past years unofficial discussions and independent studies of methods which might be adopted to make the Bridge Line pay, all of which, however, involve as essential components additional expenditures for increased facilities not only at the New Jersey end of the line but also for the completion and equipping by the City of Philadelphia of the Locust Street Subway at least as far west as 16th and Locust Streets. It is the conviction of our Company that these studies should be given a formal status and should be diligently pursued through joint action of all parties in interest, but it is obvious that the task of completing an agreed plan, the finding of public funds necessary to provide the additional facilities, and of thereafter completing the necessary construction work will require considerable time even with the utmost expedition and the fullest cooperation. Our Company would like to join in such studies and is ready and willing to lend its full cooperation to the final consummation of such a program. However, separate and apart from this obvious necessity for all interested parties to work toward a permanent solution of this problem, the Board of Directors of our Company is willing to try to find some way, even if only on a temporary basis, to preserve the operation of the Bridge Line as at present operated if such can be done without financial loss to our Company. Furthermore, it seems to us that this immediately pressing problem is one for which, if solution can be found, it will be found primarily through negotiations between your Commission and this Company, the parties to the present lease.

We will be glad to take this matter up with your Board at any convenient time and place you may indicate.

Very truly yours,

R. T. SENTER,
President.

The subject has been given serious consideration by the Transportation Committee of the Commission. At the close of the year, negotiations between the Company and the Transportation Committee were still in progress.

Operation of the bridge in 1940 was facilitated by the installation of two-way radio communication between the bridge police cars and the Administration Building. Motorcycles of the bridge police were equipped to receive messages. In addition, a receiving set was placed at the Philadelphia end of the bridge. The Federal Communications Commission approved our application and assigned a radio wave frequency of 35,900 kilocycles. The station is known as WAOM. In obtaining this radio system, the Commission is indebted to Colonel Mark O. Kimberling, Superintendent of the New Jersey State Police, for his invaluable cooperation. The Delaware River Bridge is the first in the country to be equipped with two-way radio service. One of the features of installation is the placing of antennae on the top of the Camden Tower, 384 feet above the Delaware River.

During the year, the bridge was kept under careful daily inspection. Numerous minor repairs were made by our Maintenance Bureau. The structure is in excellent condition.

Forty-six accidents on the bridge were reported in 1940; sixty-seven arrests were made; twenty-nine fires in vehicles were extinguished and two persons committed suicide by jumping from the structure.

At the end of 1940, Commission bonds outstanding totaled $36,745,000 callable on September 1, 1943 at 105 at which time refinancing at a lower coupon rate than the 4¼ per cent now prevailing should be obtainable. On April 15, 1940, the Commission renewed $10,000,000 All Risk and $500,000 Use and Occupancy insurance for a three-year period.

The financial history of the bridge is summarized as follows:

Cost of Bridge including Land and Approaches		$37,085,100.71
Expended for:		
High-Speed Rail Transit Line (net)	$ 8,209,487.90	
Maintenance Building (net)	73,331.15	
Improvements to Toll Houses	138,953.75	
		8,421,772.80
Total		$45,506,873.51
Total Interest Paid		22,440,905.30
Total Expenses Paid		6,870,544.19
Total Costs Paid		$74,818,323.30
Total Receipts	$44,376,446.28	
Bonds issued	$38,120,000.00	
Less: Bonds redeemed	1,375,000.00	
Bonds Outstanding	36,745,000.00	
Receipts and Borrowed Capital		81,121,446.28
Receipts and Borrowed Capital in Excess of Total Costs		$ 6,303,122.98
Invested as follow:		
Cash on hand	$ 750,283.18	
Bond funds	5,524,203.28	
Prepared insurance unexpired	28,636.52	
		$ 6,303,122.98

The Commission reports with regret the death, on June 26, 1940, of Ralph Modjeski who served as Chief Engineer and Chairman of the Board of Engineers during construction of the Delaware River Bridge.

On January 1, 1940, the Honorable Robert E. Lamberton took office as Mayor of Philadelphia succeeding the Honorable George Connell and thereby became a member, ex officio, of the Commission. This was the only change in Commission membership during the year.

A cordial invitation is extended the members of the Legislatures of the Commonwealth of Pennsylvania and the State of New Jersey to inspect the Delaware River Bridge at any time convenient to them.

Respectfully submitted,

DISTRIBUTION OF VEHICULAR TRAFFIC

Across the Delaware River

Among Ferries & Bridges Within 10 Miles of the Delaware River Bridge

Year 1940

Month	Ferry Vehicles		Tacony-Palmyra Bridge	Total Vehicles Other Than the Delaware River Bridge	Delaware River Bridge	Total Cross River Traffic	Tacony-Palmyra Bridge Share of Traffic	Delaware River Bridge Share of Traffic
	Penn. R. R.	South St. Kaighn Ave.						
January	101,736	40,334	98,680	240,750	933,953	1,174,703	8.40%	79.50%
February	92,805	42,724	98,044	233,573	877,502	1,111,075	8.82%	78.97%
March	103,652	52,960	132,306	288,918	1,056,246	1,345,164	9.83%	78.52%
April	104,575	54,286	136,319	295,180	1,040,269	1,335,449	10.20%	77.89%
May	115,270	74,838	185,826	375,934	1,199,852	1,575,786	11.79%	76.14%
June	117,586	86,142	244,129	447,857	1,318,662	1,766,519	13.82%	74.64%
July	131,044	99,926	314,402	545,372	1,491,624	2,036,996	15.43%	73.22%
August	136,752	99,230	305,397	541,379	1,490,117	2,031,496	15.03%	73.35%
September ...	123,090	89,324	232,326	444,740	1,277,520	1,722,260	13.48%	74.17%
October	120,098	80,115	165,824	366,037	1,190,919	1,556,956	10.65%	76.49%
November	107,615	65,907	146,617	320,139	1,139,169	1,459,308	10.04%	78.06%
December	106,463	64,434	150,790	321,687	1,170,002	1,491,689	10.10%	78.43%
TOTALS 1940.	1,360,686	850,220	2,210,660	4,421,566	14,185,835	18,607,401	11.88%	76.23%
TOTALS 1939.	1,347,982	830,623	2,056,200	4,234,805	13,378,235	17,613,040	11.67%	75.95%
% CHANGE ..	+ 0.94	+ 2.35	+ 7.51	+ 4.41	+ 6.03	+ 5.65	....	....

THE DELAWARE RIVER JOINT COMMISSION

Arthur H. James, Chairman
Arthur C. King, Vice-Chairman
Robert E. Lamberton
Warren R. Roberts
I. Norwood Griscom
F. Clair Ross
Alfred Cooper
Thomas B. Smith
Barton F. Sharp
Richard Weglein
A. Matlack Stackhouse
J. Willison Smith
Marvin H. Coombs
William H. Folwell
Albert H. Woodruff
Edward L. Sturgess

Joseph K. Costello, Secretary-General Manager

December 31, 1940.

PROPOSED WIDENING OF VINE STREET

From Bridge to Parkway

As Philadelphia Approach to Delaware River Bridge

APPENDICES

BALANCE SHEET — December 31, 1940

ASSETS

Cash in Banks:			
Operating funds		$ 740,283.18	
Operating funds on deposit with Fiscal Agent for bond interest coupons (per contra)		203,910.00	$ 944,193.18
Operating Funds on Hand:			
Toll Bureau			10,000.00
Sinking and Surplus Funds:			
Cash in banks	$ 50,909.53	$ 47,506.25	$ 98,415.78
Investments (at par) in:			
U. S. Government obligations (cost $5,571,776)	830,000.00	4,560,000.00	5,390,000.00
Interest accrued on investments	6,938.15	28,849.35	35,787.50
	$887,847.68	$4,636,355.60	5,524,203.28
Prepaid Insurance Premiums			28,636.52
Investment in Physical Property			
Bridge		$33,207,410.82	
High-Speed Transit Project		10,985,383.53	
Maintenance Building and Toll Houses		269,515.61	44,462,309.96
			$50,969,342.94

LIABILITIES AND SURPLUS

Bonded Debt:		
4¼% Serial bonds maturing 1935/73:		
Authorized: $41,000,000 (less $2,880,000 canceled)	$38,120,000.00	
Redeemed through Sinking Fund	1,375,000.00	$36,745,000.00
Interest on Funded Debt:		
Accrued—not due	$ 320,554.17	
Coupons—not presented (per contra)	203,910.00	524,464.17
Other Liabilities:		
Unpaid balance of land claim	$ 800.00	
Payable to Commonwealth of Pennsylvania	12,124.85	12,924.85
Surplus:		
Non-Operating	$ 2,832,326.34	
Operating: Balance of Surplus accumulated in operations from 7/1/31 to 12/31/40	10,854,627.58	
Total Surplus		13,686,953.92
		$50,969,342.94

STATEMENT OF OPERATIONS FOR CALENDAR YEAR ENDED DECEMBER 31, 1940

Receipts:		
Tolls and Rentals		$3,220,976.87
High-Speed Line Fares		115,388.95
Interest received on bank balances		3,747.44
Gross Operating Receipts		$3,340,113.26
Expenses (Operating):		
Salaries	$414,377.74	
Equipment	13,869.24	
Supplies	11,970.97	
Repairs	24,747.67	
Miscellaneous (including Light and Heat)	74,040.72	
Insurance (All Risk, Income and Group)	23,048.52	562,054.96
Gross Operating Income		$2,778,058.30
Interest on Bonds Accrued: (1/1 to 12/31/40)		1,571,100.76
Net Operating Income		$1,206,957.54
Non-Operating Net Income:		
Sinking Fund—less net premium paid of $12,385.63	$ 13,483.71	
Surplus Fund—less net premium paid of $12,957.03	108,072.49	121,556.20
Net Income		$1,328,513.74

SOURCES OF FUNDS PROVIDED AND THEIR APPLICATION DURING CALENDAR YEAR ENDED DECEMBER 31, 1940

Funds were provided from the following sources:			
Net Income for year (per operating schedule)			$1,328,513.74
Elimination of Accruals:			
Add: decrease in Income Accruals at 12-31-40:			
Sinking Fund Income	$ 771.75		
Adjustment of Expense Accruals at 12-31-40	2,987.47		
Deduct: Increase in Income Accruals at 12-31-40:			
Surplus Fund Income	1,736.07		
Bonded Debt Interest accrued at 12-31-39 (payable 3-1-40)	$ 524,931.67		
Less: Bonded Debt Interest accrued at 12-31-40 (payable 3-1-41)	320,554.17	204,377.50	202,354.35
Total Funds Provided			$1,126,159.39
Which Were Applied and Accounted for as Follows:			
Funded Debt: Bonds redeemed	$ 309,000.00		
Sinking Fund: Investments Acquired (net)	25,000.00		
Net Sinking Fund	$ 334,000.00		
Bond Surplus Fund: Investments Acquired	675,000.00		
Total Bonded Debt Funds		$1,009,000.00	
All Risk and Income Insurance prepaid (net)		23,289.61	
Total Funds Applied			$1,032,289.61
Excess of Cash Receipts over Disbursements			$ 93,869.78
Cash Balance—Beginning of Year (1-1-40)			754,829.18
Cash Balance—End of Year (12-31-40)			$ 848,698.96

Composed of:

	Beginning	End
Operating Funds	$ 710,831.39	$ 750,283.18
Sinking Fund	43,997.79	50,909.53
Bond Surplus Fund		47,506.25
	$ 754,929.18	$ 848,698.96

SCHEDULE OF TOLL RATES

Passenger Automobile	$0.20
Motor Truck—7,000 pounds gross weight (pneumatic tires)	.20

(Commutation toll books containing 40 tickets for the passage of passenger automobiles and trucks of 7,000 pounds gross weight are sold for $6.00 for use within 30 days after purchase. Unused tickets will not be redeemed. Use of tickets will be limited to the vehicle identified by the license number recorded on the book cover.)

Motor Truck:	
7,000 pounds gross weight (solid rubber tires)	.35
7,001 to 18,000 pounds (pneumatic tires)	.40
(solid rubber tires)	.50
18,001 to 26,000 pounds (pneumatic tires)	.65
(solid rubber tires)	.75
26,001 to 28,000 pounds gross weight (pneumatic tires)	.90
(Solid rubber-tired vehicles in excess of 26,000 pounds by special permit only.)	
28,001 to 36,000 pounds gross weight (pneumatic tires)	1.00
Passenger Bus (single-deck)	.50
(double-deck)	.75
Horse-drawn vehicles (1 or 2 horses)	.30
(3 or more horses)	.40
Horse and Rider	.15
Led horse, mule, sow, hog or sheep	.20
Motorcycle	.10
One-wheel trailer	.10

"Gross Weight" is the combined weight of the vehicle and its maximum allowable load. Loads in excess of 26,000 pounds (gross weight) when permitted, shall be charged $0.25 per 2,000 pounds, or portion thereof, of such load in excess of 26,000 pounds in addition to the above tolls with the exception of pneumatic-tired vehicles of 28,001 to 36,000 pounds upon which a toll of $1.00 shall be charged.

No vehicle and load of a combined weight exceeding 80,000 pounds permitted to cross the bridge.

No motor truck or tractor with metal tires allowed on the bridge.

REPORT OF THE SPECIAL COMMISSION OF THE GENERAL ASSEMBLY TO INVESTIGATE REGULATION OF MILK IN PENNSYLVANIA

To the General Assembly of Pennsylvania:

During the Session of 1939 the General Assembly constituted the Attorney General, the Secretary of Agriculture and the Secretary of Health a Special Commission. In the words of the Resolution, this Commission was "authorized and requested to immediately undertake a thorough study and investigation of all the problems entering into the regulation of milk as affecting the producer, the distributor, and the consumer and make a report to the next Regular or Special Session of the General Assembly of the results of such study and investigation, which report shall be accompanied by drafts of any legislation they deem necessary and proper to be enacted in order to properly regulate said milk industry and properly protect the consumer."

Your Commission has devoted a great deal of time and effort to fulfill this request. It has held a number of hearings and has received numerous briefs offering many helpful suggestions. The problem of handling milk appears at first to be a comparatively simple one. Your Commission found, however, that the problem was not simple and the answer not easy to find. Some idea of the diversity of opinion as to the manner of "solving the milk problem" will be found in the fact that of the twenty-one briefs submitted by various groups of producers of milk, dealers in milk and consumers of milk no two briefs contained identical suggestions, and few of them agreed on many principles. The Commission found that in order to attempt to solve the problem before it, it was necessary to understand the history of milk regulation in Pennsylvania.

Throughout the United States the general health depends to a great extent upon an adequate supply of pure and wholesome milk. The production and distribution of milk is one of the great industries of the United States. In only a handful of states is more milk produced or consumed than in Pennsylvania. In 1938 there were only nineteen counties throughout the United States that produced more milk than Lancaster County, Pennsylvania. Milk is the chief source of the farmer's cash income in Pennsylvania, as well as generally throughout the country.

Your Commission found that the milk problem as it exists today, is essentially a farmer's problem. The inhabitants of Pennsylvania are today receiving a sufficient supply of pure and wholesome milk. Pennsylvania consumers have enjoyed uninterrupted service in receiving their daily milk and have received it at prices no higher, and in many instances lower, than the prices paid by consumers of milk in the states surrounding Pennsylvania. Indeed, to the consumer it must be hard to realize that there is a serious milk problem, for within recent years there has been no epidemic of milk-borne diseases, no interruption of service by reason of inadequate facilities of milk dealers, and no lack of milk because of milk strikes or insufficient production by milk producers.

With the milk dealer, there is a problem of complying with the laws relating to public health and milk control. Regulations of milk dealers must be strict enough to safeguard health and protect milk producers. Your Commission has found that public health is well guarded at the present time, but that certain additional measures are necessary to protect producers in their transactions with milk dealers. In many parts of Pennsylvania there is serious duplication of plants and equipment, which, if increased, will require further regulation at some future date.

When your Commission considered and inquired into the condition of the farmers of Pennsylvania, however, an acute milk problem became apparent. If the public is to enjoy uninterrupted service of this commodity that it needs, the producer must have some assurance that his time and effort and care do not go unrewarded. It is here that the history of the handling of milk shows a situation that is burdensome to some milk farmers and which requires some help on the part of the General Assembly.

A century ago, when our population was small and largely scattered, milk was obtained either directly from farmers or from small dealers who delivered the milk from the farmers. With the growth of our cities and the consequent necessity of obtaining milk from greater distances, sanitary precautions became increasingly necessary to protect the health of concentrated populations. Increased sanitary measures have meant greater protection of the public health. But as health requirements became more and more strict, the number of farmers who could comply with them became smaller and smaller. Increasingly the farmer has found himself relying upon the milk dealer to take the milk, pasteurize it, bottle it, and deliver it to the consumer.

Because the farmer was compelled to send his milk to dealers as fast as it was produced in order that a favorable market be found for it, it was inevitable that a certain amount of tension would exist between the farmers and the dealers. The dealers were business men whose aim was to buy as cheaply as possible, in order to sell reasonably and make a profit. The farmer found himself unable to keep his milk at the farm if he was to realize a fair price for it. If the milk dealer did not pay as much as the farmer needed to produce milk, the farmer was critical of the dealer and hard-pressed to meet his obligations.

At first milk was sold to the dealer by volume. Questions arose as to whether dealers were paying for all the milk that they received. These disputes gradually led to payment for milk by weight rather than by volume.

The richness of milk became increasingly important. Milk dealers insisted on having rich milk. Milk producers insisted that they be paid their extra costs for extra butterfat. While the butterfat contents of milk varies with breeds of cattle it also varies with individual cattle, and with individual cattle varies according to the manner in which they are cared for and fed. The problem of the richness of milk led to a system of paying for milk based upon weight and butterfat contents.

These matters all found their place in laws as they developed. In 1911 the Act of June 8 (P. L. 712) forbade the sale of milk containing added water or milk from which part of the butterfat had been removed, or milk that did not contain as much as 3¼% butterfat.

The Act of May 6, 1925, P. L. 541, as amended in 1927

and 1929, provided standard methods of testing the amount of butterfat in milk and required milk dealers to furnish producers with statements as to the butterfat contents of their milk. It is now incorporated in Article VI of the Milk Control Law.

The Act of May 2, 1929, P. L. 1229, provided regulations for milk dealers in the handling of milk at their plants. This Act was superseded by the Act of July 2, 1935, P. L. 589. It requires milk dealers to obtain a permit from the Secretary of Health before selling milk or milk products within this Commonwealth. Rigid health requirements are provided for the handling of milk at processing and bottling plants. Stringent requirements surround the production and handling of raw milk. The manner of preparing pasteurized milk and milk products is fully prescribed.

During the 1920's, the lot of the milk farmer became increasingly difficult, but he was able to meet his difficulties by improved production methods until the depression following 1929. During, 1930, 1931, and 1932, the milk producers' lot became so acute that it was apparent that legislative help would be required to prevent the destruction of milk farming. The classification system of paying for milk did not solve the producers' problem of meeting the depression. With the market for milk products a buyers' market, the farmer was forced to accept woefully inadequate prices for "surplus" milk, that is, milk used in manufacturing. Pennsylvania farmers were not alone in this experience. Milk producers throughout the country had similar experiences. Farmers who had previously disposed of their milk at manufacturing plants tried to turn their milk over to milk dealers serving milk to the public. As a result, farmers supplying the public with milk to be consumed as such also received inadequate returns.

On January 2, 1934, the Milk Control Board Law was passed as an emergency aid to milk producers. It was amended and continued in force on April 30, 1935. In 1937 it was embodied in the Milk Control Law, which continues in force at the present time and makes price-fixing and the licensing and bonding of milk dealers permanent legislation. Producers in many instances have not been satisfied with the results obtained under the Milk Control Law. Your Commission has therefore given special attention to determining what part of the Milk Control Law, if any, should be retained, or what part, if any, should be discarded. Your Commission has found that there are several conditions inherent in the handling of milk at the present time that make practical regulation difficult:

1. Minimum prices to be paid producers for milk used in manufacturing food products cannot be substantially higher than the amount paid for such milk in mid-western states where production costs are considerably lower for many producers. If minimum prices for this milk were raised considerably, consumers of milk products would buy milk products shipped in from other states or milk dealers would buy milk from other states to manufacture milk products. The result would be loss of all Pennsylvania markets for milk for manufacturing.

2. The amount of milk that the public will consume in fluid form remains almost constant, so that there is little hope of manufacturing milk finding its way into channels of fluid distribution.

3. In the parts of Pennsylvania near the borders of the State, Pennsylvania milk farmers often find their fluid milk markets upset by milk being obtained from neighboring states for fluid consumption. Lack of state control over these sources of supply as in the case of milk used for manufacturing makes the producers' situation precarious. Neighboring states probably experience similar difficulties.

4. If consumers of milk are required to pay enough for bottled milk to make up too great a loss on surplus milk used for manufacturing, consumers will be unduly burdened by a requirement to pay more than in fairness they should.

5. Milk producers cannot hold onto milk to await favorable markets. Milk is highly perishable and must be marketed immediately after production in order to receive a market in any way favorable. Once milk sours, its market is limited to that for butter-making. Milk used for making butter commands a price controlled by the market value of butter.

6. The milk producer is unable profitably to handle milk cattle and equipment otherwise than in producing milk. Once having established a herd of milk cattle, the producer is unable to cease being a milk producer without serious loss. Milk cattle have little value for butchering. Milk equipment is scarcely usable elsewhere.

7. Milk producers have been unnecessarily increasing their herds beyond the number of cattle required to supply fluid milk for the public, and have created a surplus of milk that can only be used in manufacturing milk products.

Certain groups of producers and certain groups of dealers before the advent of milk control legislation had formulated several plans for improving the lot of the milk farmer. They are useful in large measure in milk control legislation. One of these was a plan of equalization. It was used to a large extent by cooperative associations of milk producers. Under the plan of voluntary equalization the cooperative markets the milk of a large number of farmers to a number of milk dealers. When the cooperative receives payment from the dealers it equalizes the payments to the producers in such a way that each producer receives the same amount for the same quantity and quality of milk. Equalization is used under milk control laws to enable farmers supplying fluid milk during scarce periods of the year to enjoy the fluid milk market the remainder of the year.

Another idea that was used by producers and dealers was the base-rating plan. Under this plan a milk dealer estimated his future requirements of fluid milk and then pro-rated these requirements among his producers according to their past production. Producers received top price for an amount of milk equal to their base amount. If they produced more than their base amount they could only receive manufacturing milk prices for this extra milk. This plan is desirable today and if properly administered would go a long way towards solving some of the most difficult problems of the milk producers.

A third plan is the classification of milk according to the use to which it is put and payment for it accordingly. This plan was adopted by the milk industry in order that any producer who wished to sell milk could sell it and get for it the highest available price. This system has so pervaded the whole milk industry that today prices

of milk used in manufacturing food products are paid almost entirely according to this system. The fallacy of the system, however, is that there is no relationship between the use to which milk is put and the most of producing that milk unless it is all produced for one particular purpose. The farmer who meets today's high sanitary requirements for fluid milk finds little consolation in knowing that for the amount of milk that is not consumed in fluid form he will receive a price satisfactory for less carefully prepared milk.

Your Commission has prepared corrections that it deems essential to the workability of the Milk Control Law. To this report is appended a proposed draft of necessary amendments to that act.

Your Commission therefore respectfully submits the following recommendations:

1. That the "consignment" loophole be removed from the various sections of the Milk Control Law of April 28, 1937, P. L. 417, affected thereby.

2. That the bonding of milk dealers for the protection of producers be made more effective by providing for sufficient increase in the amounts of bonds where necessary.

3. That witnesses before the Milk Control Commission be required to testify fully, within constitutional limitations.

4. That protection be afforded milk producers who testify before the Milk Control Commission to prevent their losing their milk markets by the action of unscrupulous dealers.

5. That provisions be set forth in the Milk Control Law for equalizing minimum prices to be paid producers where equalization is necessary.

6. That the Milk Control Law be amended sufficiently to enable the Milk Control Commission to effectively aid milk producers, as specifically set forth in the proposed draft of amendments attached hereto.

7. That none of the powers of municipalities or of the state to require sanitary milk production be abrogated but that effort be made by the various municipalities, the State Department of Health and the State Department of Agriculture to work out uniform sanitary regulations that will adequately protect the public health without creating unnecessary burdens upon milk producers.

8. That the Milk Control Commission increase its inspection of milk dealers' plants, auditing of milk dealers' books and checking of payments by milk dealers to producers in order to guarantee producers that they are being paid fairly and according to the orders of the Milk Control Commission.

9. That the Milk Control Commission establish some base-rating method whereby milk producers can be assured of receiving a certain amount representing cost of production plus a reasonable return for a specific quantity of milk and under which the option to produce surplus milk, for which lower prices must necessarily be paid, shall rest entirely with the producers themselves.

10. That all milk producers be encouraged to unite through cooperative agricultural associations and corporations, for the purpose of improving their economic condition by developing favorable markets and profitably disposing of surplus milk.

Respectfully submitted,

THE SPECIAL COMMISSION OF THE GENERAL ASSEMBLY TO INVESTIGATE THE REGULATION OF MILK IN PENNSYLVANIA

JOHN H. LIGHT,
Secretary of Agriculture, Chairman.

JOHN J. SHAW,
Secretary of Health, Member.

CLAUDE T. RENO,
Attorney General, Member.

March 24, 1941.

An Act to amend the act, and to add sections one thousand and seven, one thousand and eight, and one thousand and nine to the act approved the twenty-eighth day of April, one thousand nine hundred thirty-seven (P. L. 417), entitled "An act relating to milk and the products thereof; creating a Milk Control Commission; establishing its jurisdiction, powers and duties; regulating the production, transportation, manufacturing, processing, storage, distribution, delivery and sale of milk and certain products thereof; providing for the licensing of milk dealers and the payment of fees therefor; requiring milk dealers to file bonds to secure payment for milk to producers and certain milk dealers; authorizing the holding of hearings and the issuance of subpoenas by the commission; conferring jurisdiction upon courts to punish contempts and to prohibit violations of this act and of rules, regulations and orders of the commission; authorizing the commission to adopt rules, regulations and orders, and to enter into interstate and Federal compacts; requiring persons who weigh, measure, sample or test milk to procure permits or certificates, to take examinations, to pay fees therefor, to furnish certain notices, records and statements, and to use certain methods of weighing, measuring, sampling and testing; authorizing the commission to examine the business, papers and premises of milk dealers and producers, requiring the keeping of records and the filing of reports by milk dealers, and permitting with limitations, the use of information obtained thereby; authorizing the commission to fix prices for milk and certain milk products subject to the approval of the Governor, and conferring certain powers upon the Governor with respect thereto; providing for appeals to the courts from decisions of the commission, and for the burden of proof upon such appeals; prescribing penalties, fines and imprisonment for violations of this act and rules, regulations and orders of the commission; defining perjury; defining remedies; repealing legislation supplied and superseded by this act, and saving rights, duties and proceedings thereunder; and making appropriations," by providing that milk delivered or made available or handled or received on consignment or otherwise shall be subject to all the provisions of said act including price-fixing and bonding; enabling the ratification of the act or order of one commissioner by another member of the commission; authorizing special agents or examiners to conduct hearings on behalf of the commission; requiring witnesses to testify fully at hearings; enabling certain officers, employes and agents to administer oaths; enabling commissioners to issue appropriate process beyond the Commonwealth, providing the method and effect of service of certain orders and the posting of rules, regulations and certain orders; enabling employes of the commission to mark or stamp for identification books and papers that they have inspected; providing for action with milk control agencies of other states and of the United States in holding hearings and promulgating and enforcing orders; requiring milk dealers to be licensed; stating grounds for refusal, sus-

pension, revocation or refusal or transfer of licenses; stating the effect of service by registered mail when the addressee refuses to accept or receive such mail; enlarging requirements of milk dealers to file bonds to secure payment to producers and certain milk dealers; prescribing the effective date and term of such bonds and providing for their release; providing for the increase or decrease of the amounts of bonds; prescribing the effect of orders of the commission relating to licenses in suits on bonds; providing for payment to those entitled thereto of moneys in the hands of the commission owing to milk dealers or producers; increasing the scope of regulation of subdealers; clarifying the requisites of orders fixing prices for milk providing that all provisions of price-fixing orders shall be presumed valid and placing the burden of proving invalidity on those asserting the same; prescribing the result of partial invalidity of any order; providing for the classification of prices to be paid producers for milk; authorizing the establishment of equalization pools for the equalizing, averaging or blending of minimum prices to be paid producers; requiring reports from dealers and producers for establishing equalized prices; providing for a reasonable check-off to cover the expense of administering equalization pools, for the establishing of basic averages, and providing a reserve to cover amounts owing by defaulting milk dealers; establishing "The Milk Equalization Fund;" prescribing the method of establishing equalization pools; providing for certain differentials from equalized prices; defining violations of orders of the commission fixing prices; making milk dealers responsible for acts of directors, officers, agents or other persons acting for or on behalf of them; prescribing procedure on appeal from orders of the commission; prescribing the method of handling moneys in the Milk Control Fund; further regulating milk dealers and cooperative agricultural associations; further defining and prescribing penalties, defenses and remedies; and authorizing the commission to establish a base-rating price system, a system of classified prices, a system of equalizing or pooling minimum prices to be paid producers or any combination thereof.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. That Section 103 of the Act approved the twenty-eighth day of April, one thousand nine hundred thirty-seven (P. L. 417), entitled "An Act Relating to milk and the products thereof; creating a Milk Control Commission; establishing its jurisdiction, powers and duties, regulating the production, transportation, manufacturing, processing, storage, distribution, delivery and sale of milk and certain products thereof; providing for the licensing of milk dealers and the payment of fees therefor; requiring milk dealers to file bonds to secure payment for milk to producers and certain milk dealers; authorizing the holding of hearings and the issuance of subpoenas by the commission; conferring jurisdiction upon courts to punish contempts and to prohibit violations of this act and of rules, regulations and orders of the commission; authorizing the commission to adopt rules, regulations and orders, and to enter into interstate and Federal compacts; requiring persons who weigh, measure, sample or test milk to procure permits or certificates, to take examinations, to pay fees therefor, to furnish certain notices, records and statements, and to use certain methods of weighing, measuring, sampling and testing; authorizing the commission to examine the business, papers and premises of milk dealers and producers, requiring the keeping of records and the filing of reports by milk dealers, and permitting, with limitations, the use of information obtained thereby; authorizing the commission to fix prices for milk and certain milk products subject to the approval of the Governor, and conferring certain powers upon the Governor with respect thereto; providing for appeals to the courts from decisions of the commission, and for the burden of proof upon such appeals; prescribing penalties, fines and imprisonment for violations of this act and rules, regulations and orders of the commission; defining perjury; defining remedies; repealing legislation supplied and superseded by this act, and saving rights, duties and proceedings thereunder; and making appropriations," is hereby amended to read as follows:

Section 103. Definitions; Construction.—The following terms shall be construed in this act to have the following meanings, except in those instances where the context clearly indicates otherwise:

"Books and records," "books" or "records" shall include all pertinent books, ledgers, journals, records, papers, memoranda, correspondence, vouchers, bills, receipts, cancelled checks, accounts, exhibits, photographs and other documents.

"Commission" means the State agency created by this act, to be known as the "Milk Control Commission."

"Consumer" means any person, including the United States of America and any instrumentality, agency, institution or representative thereof, and the Commonwealth of Pennsylvania and any county, city, borough, incorporated town or township therein and any subdivision, agency, institution or representative thereof [other than a milk dealer] who purchases, acquires or receives milk for consumption or use by himself or others otherwise than as a milk dealer.

"Cooperative" means a cooperative agricultural association or corporation of producers organized under the laws of this Commonwealth or of any other state and engaged in making collective sales or in the marketing of milk for producers under contract with it.

"Licensee" means a licensed milk dealer.

"Market" includes any county, city, borough, incorporated town, or township in the Commonwealth, or any two or more such counties, cities, boroughs, incorporated towns, or townships, or any portions thereof or any other land within the territorial limits of the Commonwealth designated by the commission as a marketing area.

"Milk" includes fluid milk and cream, fresh, sour or storage, skimmed milk, flavored milk or milk drink, buttermilk, ice cream mix, and condensed or concentrated whole or skimmed milk, except when contained in hermetically sealed cans.

"Milk dealer" means any person, including any store or subdealer, as hereinafter defined, who purchases or receives or handles on consignment or otherwise, milk within the Commonwealth, for sale, shipment, storage, processing or manufacture, within or without the Commonwealth, whether on behalf of himself or others or both. A producer who delivers milk to a milk dealer only shall not be deemed a milk dealer. A cooperative [agricultural association or corporation of producers of milk, organized under the laws of this Commonwealth or of any other state, and engaged in making collective sales of milk for producers under contract with it] shall not be deemed a milk dealer, but shall be deemed a producer: Provided, however, That if such [association or corporation] cooperative distributes milk within this Commonwealth to stores, as defined in this act, or to consumers, as defined in this act, it shall be deemed to be a milk dealer as to that part of its business, and shall be governed by the provisions of this act applicable thereto: And provided further, That such cooperative [agricultural association or corporation] shall be governed by the applicable provisions of this act as to the prices at which it sells, markets, or bargains to sell milk within this Commonwealth to milk dealers and others.

"Person" includes an individual, corporation, association, partnership, limited partnership, or other unincorporated enterprise owned or conducted by or on behalf of two or more individuals, or other persons, the Commonwealth of Pennsylvania, and any county, city, borough, incorporated town or township therein and any subdivision, agency, institution or representative thereof. Except as a consumer the United States of America or any instrumentality, agency, institution or representative thereof shall be considered a person only when engaged in private business and not when engaged in

carrying out any constitutional function of the government of the United States.

"Producer" means a person producing milk.

"Price" includes the amount paid or to be paid and the proceeds returned or to be returned, whether the transaction be one of purchase, sale, consignment, sale or return, accounting or otherwise.

"Store" includes a grocery store, hotel, restaurant, soda fountain, dairy products, store, or any similar mercantile establishment which sells or distributes milk.

"Subdealer" means any milk dealer handling milk within the Commonwealth, who sells all such milk to consumers or stores in the same containers as those in which he purchased it from other milk dealers.

Any reference in this act to quantity of milk shall be construed to include its whole milk equivalent.

Article or Section headings shall not be construed to affect in any manner the scope or meaning of any article or section of this act.

The singular shall be construed to include the plural. The masculine shall be construed to include the feminine, and the neuter, and conversely, the neuter shall be construed to include the masculine and the feminine.

Section 2. Section 201 of the said act is hereby amended to read as follows:

Section 201. Appointment and Terms of Members; Quorum.—There is hereby created an independent administrative commission to be known as the Milk Control Commission. The commission shall consist of three members nominated and appointed by the Governor, by and with the advice and consent of two-thirds of all the members of the Senate, for terms of six (6) years each, and until their successors shall have been appointed and qualified; except that the terms of the members first taking office shall expire May first, one thousand nine hundred thirty-nine, May first, one thousand nine hundred forty-one, and May first, one thousand nine hundred forty-three, respectively, as designated by the Governor at the time of appointment, and until their successors shall have been appointed and qualified.

The Governor shall designate one of the members of the commission as chairman. The chairman shall, when present, preside at all meetings, and in his absence a member designated by the chairman shall preside.

Two members of the commission shall constitute a quorum, and any action or order of the commission shall require the approval of at least two members; Provided, however, That nothing herein contained shall be construed to prevent the ratification by another commissioner or other commissioners of any action taken or order made on behalf of the commission by one of its members.

The Governor may remove any commissioner for inefficiency, neglect of duty or misconduct in office; Provided, That he is given a copy of the charges against him and an opportunity to be publicly heard in person or by counsel in his own defense upon not less than ten days' notice, and that the Governor file with the Department of State a complete statement of all charges made against such commissioner.

Section 3. Section 301 of the said act is hereby amended to read as follows:

Section 301. Regulation of Milk Industry.—The commission is hereby declared to be the instrumentality of the Commonwealth for the purpose of administering the provisions of this act and to execute the legislative intent herein expressed, and it is hereby vested with power to supervise, investigate and regulate the entire milk industry of this Commonwealth, including the production, transportation, disposal, manufacture of food products made from or with milk, processing, storage, distribution, delivery, handling, bailment, brokerage, consignment, purchase and sale of milk and milk products in this Commonwealth, and including the establishment of reasonable trade practices, systems of production control and marketing area committees in connection therewith: Provided, however, That nothing contained in this act shall be construed to alter, amend or repeal any of the laws of this Commonwealth relating to the regulations of public utilities, or to the public health or to the prevention of fraud and deception, except as herein otherwise specifically provided.

Section 4. Section 304 of the said act is hereby amended to read as follows:

Section 304. Hearings; Witness Fees; Privilege and Immunity.—The commission [or] any member thereof, or any special agent or examiner designated by the commission [may] shall hold such hearings, at the Capitol or elsewhere, as [it] the commission deems necessary or appropriate to carry out the provisions of this act; Provided, however, That all hearings for the fixing of prices for milk shall be held before one or more members of the commission. Each witness required to attend before the commission [or] any member thereof or any such special agent or examiner, under the provisions of this section, shall be entitled to the fees and mileage customarily paid to witnesses in the courts of Dauphin County. All such hearings [of the commission] shall be governed by such rules, regulations and orders as shall be adopted and prescribed by the commission.

No person shall be excused from testifying or from producing any books and records at any hearing before the commission, a commissioner or any special agent or examiner designated by the commission, when ordered to do so, upon the ground that the testimony or evidence, books or records required may tend to incriminate him or subject him to penalty or forfeiture; but no person shall be prosecuted, punished, or subjected to any forfeiture or penalty for or on account of any act, transaction, matter or thing concerning which he shall have been compelled, under objection, to testify or produce documentary evidence; Provided, That no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Section 5. Section 305 of the said act is hereby amended to read as follows:

Section 305. Subpoenas; Oaths.—In order to enable the commission to carry out the provisions of this act, it shall have the power to issue subpoenas requiring the attendance and testimony of, or the production of pertinent books and papers by milk dealers or their employes, producers or their employes, persons having business dealings with milk dealers or producers, or other persons whom the commission believes to have information, books or papers of importance to it in carrying out the purposes and intent of this act. [The commission] Each member of the commission and such officers, employes or others employed in the work of the commission designated by the Chairman of the commission also shall have the power to administer oaths and affirmations, to question witnesses thereunder, and to examine such books and papers. [The commission] Any commissioner may issue commissions, letters rogatory, or other appropriate processes outside the Commonwealth.

Section 6. Section 307 of the said act is hereby amended to read as follows:

Section 307. Adoption of Rules, Regulations and Orders.—Subject to the approval of the Governor, where such approval is hereinafter expressly required, the commission [may] shall adopt and enforce all rules, regulations and orders necessary or [desirable] appropriate to carry out the provisions of this act and not inconsistent with law.

Section 7. Section 308 of the said act is hereby amended to read as follows:

Section 308. Posting and Service of Rules, Regulations and Orders.—Every general rule, regulation or order of the commission shall be posted for public inspection in the main office of the commission at least six days before it shall become effective, where it shall remain conspicuously posted until twenty days after its effective date, and shall be given such further publicity, by advertisement or announcement, in a newspaper or otherwise, as the commission shall deem advisable. At least three days before it shall become effective copies of such

general rule, regulation or order shall be mailed to all licensees affected thereby: Provided, however, That such mailing shall not be construed as a condition upon which the validity of any such rule, regulation or order depends. A certified copy of an order applying only to the particular person or persons named therein shall be served on the person or persons affected.

An order, herein required to be served, shall be (1) served in the manner now or hereafter established by law for the service of writs of summons, except that such service need not be made by the sheriff; or (2) mailed, registered and charges prepaid, (a) in the case of an individual, to his last known residence or place of business, (b) in the case of an unincorporated association or a corporation formed under the laws of the Commonwealth, to its principal office, and (c) in the case of a corporation formed under the laws of any other state, to the office of its duly authorized agent in Pennsylvania, or, if there be no duly authorized agent in Pennsylvania, to its home office in the state of incorporation or in any other state.

The posting in the main office of the commission of any rule, regulation or order not herein required to be served, and the giving of such further publicity thereto as the commission deems advisable, or the proper service of any rule, regulation or order required to be served, shall constitute due and sufficient notice to all persons affected by such rule, regulation or order. A rule, regulation or order of the commission, when duly posted, and so publicized, or when properly served, as provided in this section, shall have the force and effect of law. The commission shall, upon request, mail to any person a copy of any general rule, regulation or order of the commission.

The mailing, or service by mail, herein required, shall be by deposit in a United States Post Office, or in any receptacle thereof. Service by registered mail as provided in this section shall be effective notwithstanding the refusal of the addressee to accept or receive an order so served.

Section 8. Section 310 of the said act is hereby amended to read as follows:

Section 310. Entry and Inspection.—Pursuant to the purposes of this act, any member of the commission, or any employe designated for the purpose, shall have access to, and may enter and inspect, at all reasonable hours, all places and equipment where milk or any product thereof is being produced, stored, bottled, processed, manufactured, sold, weighed, tested or otherwise handled. Any member of the commission or any designated employe thereof, also shall have power, at all reasonable hours, to inspect, mark or stamp for identification, audit and copy all books, papers, records or documents in any place within the Commonwealth, for the purpose of ascertaining facts to enable the commission to administer this act. The information obtained regarding any person by any such inspection auditing or copying, or by reports or statements required or authorized by this act, shall be for the confidential use of the commission and the various administrative departments, boards and commissions of the State government, and shall not be disclosed by any person except as may be required in the enforcement of law or by order of court; and any member or employe of the commission, or other person, disclosing such information, except as herein required, shall be subject to the penalties herein provided for a violation of this act. Nothing contained in this act shall prevent the use of any information by the commission in the compiling and dissemination by the commission of general statistical data.

Section 9. Section 311 of the said act is hereby amended to read as follows:

Section 311. Interstate and Federal Compacts.—The commission is hereby vested with authority to confer with legally constituted authorities of other states and of the United States with respect to uniform milk control within the states and as between states and with the United States in its control of prices of milk and the handling of milk that moves in interstate commerce. The commission is authorized to join with such authorities of other states and of the United States to conduct joint investigations, to exchange information, hold joint hearings and issue joint, complementary or concurrent orders [and] to enter into a compact or compacts for such uniform milk control, and to designate a joint or common agency or joint or common agencies to carry out and enforce such joint, complementary or concurrent orders [subject to such Federal approval as may be authorized or required by law].

Section 10. Section 401 of the said act is hereby amended to read as follows:

Section 401. Milk Dealers Required to be Licensed.—Except as herein otherwise specifically provided a milk dealer as defined in this act shall not buy or receive or handle on consignment or otherwise, milk [from producers or others] within this Commonwealth from producers or others regardless of where situated, for storage, manufacture, processing, distribution, handling or sale, whether on consignment or otherwise, within or without this Commonwealth, or store, manufacture, process, handle, sellor distribute milk within this Commonwealth, or advertise, represent or hold himself out to any other person to be a milk dealer, unless such dealer be duly licensed as herein provided; and it shall be unlawful for a milk dealer to buy, purchase, or receive or handle on consignment or otherwise, milk from, or sell, or deliver or make available, on consignment or otherwise, milk to a milk dealer who is not either licensed or exempted as herein provided, or, in any way, to receive deal in, distribute or handle, on consignment or otherwise, milk which he has reason to believe has previously been received, dealt in, distributed or handled in violation of the provisions of this act.

Section 11. Section 402 of the said act is hereby amended to read as follows:

Section 402. Milk Dealers Subject to Exemption.—The commission may, by official order, exempt from the license requirements provided by this act milk dealers who purchase or receive or handle, on consignment or otherwise, milk in a total quantity not exceeding one thousand five hundred pounds in any month, and milk dealers selling or delivering or making available, on consignment or otherwise, milk in any quantity only in markets of a population of one thousand, or less, for local consumption. The commission may, by official order, exempt stores, or any class thereof, from the license requirements provided by this act, and shall exempt stores selling milk, all of which has been purchased or received, on consignment or otherwise, from a licensed milk dealer. However, milk dealers exempted by this section from the license requirements of this act shall continue to be subject to all the other provisions of this act relating to milk dealers.

Section 12. Section 404 of the said act is hereby amended to read as follows:

Section 404. Grounds for refusal, Suspension or Revocation.—The commission shall grant a license to an applicant complying with the provisions of this act and the rules, regulations and orders issued by the commission pursuant thereto. The commission may decline to grant a license to an applicant or may suspend or revoke the right of a licensee or former licensee to apply for a license for a new license period, or may suspend. revoke or refuse to transfer a license already granted to a milk dealer, or may prohibit a milk dealer exempted from the license requirements of this act from continuing to operate as a milk dealer, after determination by the commission that the dealer:

(1) Has rejected, without reasonable cause, any milk purchased from a producer, or has rejected, without either reasonable cause or reasonable advance notice, milk delivered or made available by or on behalf of a producer in ordinary continuance of a previous course of dealing, except where the contract has been lawfully terminated: Provided, however, That in the absence of an express or

implied fixing of a longer period in the contract, "reasonable advance notice" shall not be construed by the commission or any court to mean notice of less than one [week] month nor more than [two weeks] three months;

(2) Has [without reasonable cause, failed to account and make payment for any milk purchased from a producer;] if a milk dealer other than a subdealer, failed to account and make payment for any milk purchased or received, on consignment or otherwise, from a producer or producers; or has, if a subdealer, failed to account and make payment for any milk purchased or received, on consignment or otherwise, from a milk dealer: Provided, however, That if it be shown that there was reasonable cause for any such failure to account and make payment and that such accounting and payment can and will be made promptly in addition to currently accounting and paying for milk purchased or received as aforesaid, the commission shall not refuse to grant or suspend, revoke or refuse to transfer a license solely for such failure to account and make payment until a reasonable opportunity has been afforded to make such accounting and payment;

(3) Has committed any act injurious to the public health or public welfare or has committed any act injurious to trade or commerce in demoralization of the price structure of milk to such an extent as to interfere with an ample supply thereof for the inhabitants of the Commonwealth affected by this act. It is hereby declared that such demoralization is injurious to the public health, public welfare, and to trade and commerce, and that evidence thereof shall include any course of conduct on the part of the milk dealer in violation of the terms of this act or any valid rules, regulations and orders of the commission;

(4) Has made a general assignment for the benefit of creditors, or has been adjudged a bankrupt, or there has been entered against him a judgment upon which an execution remains wholly or partly unsatisfied;

(5) Has been a party to a combination to fix prices contrary to law. A cooperative agricultural association organized under the laws of this Commonwealth, or a similar association or corporation organized under the laws of this or any other state, and engaged in making collective sales or marketing for its members or shareholders, shall not be deemed or construed to be a conspiracy or combination in restraint of trade or an illegal monopoly; nor shall the contracts, agreements, arrangements or combinations heretofore or hereafter made by such association or corporation, or the members, officers or directors thereof, in making such collective sales and marketing, and prescribing the terms and conditions thereof, be deemed or construed to be conspiracies or to be injurious to public welfare, trade or commerce;

(6) Has continued in a course of dealing of such nature as to [satisfy the commission of] show an intent of the milk dealer to deceive or defraud producers or consumers;

(7) Has failed either to keep records or to furnish accurately the statements or information required by the commission to be supplied to it or to producers or consumers;

(8) Has made any statement upon which the license was issued, which statement is found to have been false or misleading in any material particular;

(9) Is a partnership, association or corporation, and any individual holding any position, owning any substantial interest, or having any power of control therein, has previously been responsible, in whole or in part, for any act on account of which a license may be denied, suspended or revoked pursuant to the provisions of this act;

(10) Has violated any of the provisions of this act, or any of the rules, regulations or orders of the commission, or any stipulation entered into between the said dealer and the commission in the course of any proceeding before the commission;

(11) Has violated any provisions of acts repealed hereby, or of rules, regulations or orders issued thereunder;

(12) Has previously been refused a license or has previously held a license that the commission revoked or that the commission suspended and the event upon which the suspension of the license would terminate under the order has not occurred.

(13) Has rejected milk sold or delivered or made available on consignment or otherwise by or on behalf of a producer in ordinary continuance of a previous course of dealing because the producer or his employe, agent or representative testified in any proceeding before the commission or in any civil or criminal case in any court, whether or not of record, in which any provision of this act or any order of the commission was concerned; and it shall be no defense that reasonable advance notice was afforded the producer before the milk was rejected.

The burden of proving reasonable cause under any provisions of this section shall be upon the milk dealer.

The issuance or renewal by the commission of a license hereunder shall not preclude the commission from suspending or revoking such license for a violation committed by the licensee prior to the license period, [unless] except where the commission or its predecessor board had proceeded against the licensee for such violation, and any valid order thereon has been complied with by the licensee.

Section 13. Section 405 of the said act is hereby amended to read as follows:

Section 405. Hearings and Orders.—Before refusing to grant or to reissue, or before suspending, revoking, or refusing to transfer a license, the commission shall afford the applicant or the licensee, respectively, an opportunity to be heard. It shall direct a citation to such applicant or licensee by registered mail, sent to his last known address, giving therein at least five days' notice of such hearing, and a statement of the matters complained of. The direction of such citation by registered mail as aforesaid shall be sufficient notice of such hearing notwithstanding any refusal of the addressee to accept or receive said citation. The five days' notice shall be computed as from the time that the addressee accepts or receives or refuses to accept or receive said citation.

After such hearing, and upon entry of any order thereon, the commission shall serve a certified copy of such order upon the applicant or licensee, filing at its office the original and a statement in writing of the findings of fact in support thereof.

Section 14. Section 410 of the said act is hereby amended to read as follows:

Sction 410. Computation of License Fees.—Milk sold and distributed outside of this Commonwealth in any state which charges milk dealers a license fee may be deducted in the determination of the amount of the license fee required by this act: Provided, That such quantity of milk is actually computed in determining the amount of such license fee in such other state. In computing the license fee to be charged by the commission, the fluid milk equivalent of milk other than fluid milk shall be ascertained and fixed in such manner as the commission shall prescribe, except in the case of farm-separated sour cream used exclusively in making butter, in which case the daily average total quantity of such milk shall be computed according to pounds of sour cream rather than the fluid milk equivalent thereof. Nothing herein is to be construed as requiring, in the computation of the license fee, the inclusion of milk which is received by the applicant milk dealer from another milk dealer, subject to license hereunder, which milk has been included in the computation of such other dealer's fee; or milk which is produced by the applicant dealer and not sold by him to stores or consumers. Applicant milk dealers, other than subdealers, receiving their entire supply from milk dealers who have paid a license fee thereon to this commission, shall pay the license fee of ten dollars ($10.00).

Section 15. Section 501 of the said act is hereby amended to read as follows:

Section 501. Milk Dealers Required to File Bonds.—It

shall be unlawful for a milk dealer to purchase or receive or handle, on consignment or otherwise, milk from producers unless the milk dealer shall file with the commission a corporate surety, individual surety, or collateral bond, approved by the commission. Except as otherwise herein provided, the bond shall be in a sum equal to the value of the highest aggregate amount of milk purchased or received or handled, on consignment or otherwise, by the dealer from producers in any one month during the preceding calendar year, which value shall be computed according to lawful prices, and shall not in any event exceed one hundred thousand dollars ($100,000.00). The bond shall be upon a form prescribed by the commission, conditioned for the payment by the milk dealer of all amounts due, including amounts due under this act and the orders of the commission, for milk [sold by such producers to the milk dealer] purchased or received or handled, on consignment or otherwise, by the milk dealer from producers, during the license year, upon such terms and conditions as the commission may prescribe.

In the case of a milk dealer who pays producers in full each week for milk purchased or received or handled, on consignment or otherwise, by him from such producers, the bond shall be in a sum equal to fifty per centum of the value of the highest aggregate amount of milk purchased or received or handled, on consignment or otherwise, by the dealer from producers in any one month during the preceding calendar year, which value shall be computed according to lawful prices, and shall not in any event exceed fifty thousand dollars ($50,000.00).

Section 16. Section 502 of the said act is hereby amended to read as follows:

Section 502. Computation of Amount of Certain Bonds.—Milk purchased or received or handled, on consignment or otherwise, by a milk dealer from producers outside the Commonwealth, and sold or distributed by such dealers as fluid milk within the Commonwealth, shall be included in computing the amount of such dealer's bond, except where such dealer has filed a bond for the protection of such producers with the state wherein the milk is purchased or received, on consignment or otherwise, or with such producers. In such computation, the amount due for such milk shall be determined according to any applicable official prices or any lawful contract price.

A milk dealer purchasing or receiving or handling, on consignment or otherwise, or any person intending to purchase or receive or handle on consignment or otherwise, milk from producers, but not so engaged during any month of the preceding calendar year, shall file a bond in a reasonable sum to be fixed by the commission, and within the time for filing his application such dealer or person shall request the commission to fix such sum.

Section 17. Section 503 of the said act is hereby amended to read as follows:

Section 503. Time of Filing; Effective Period of Bond.—The bond herein required shall be filed with the dealer's application for a license and shall be filed within the time for filing such application. The bond shall become effective upon its being filed with the commission for the entire license year or for that part of the license year in which the milk dealer became engaged in the milk business. Any bond filed with the commission shall become effective upon being filed whether or not it is approved by the commission and shall no longer be of effect during the license year only when it has been replaced by a bond approved by the commission to be substituted therefor. The bond herein required shall be an obligation independent of the granting of a license and shall remain in full force and effect for and during the license year designated as long as the dealer purchases or receives milk from producers or is indebted to pay producers for any milk delivered during said license year, whether or not a license is granted the milk dealer or a license granted the milk dealer remains in force. The commission shall determine within a reasonable time after the close of a license year which milk dealers have paid all amounts protected by their bonds filed with the commission, and if the commission finds that all amounts protected by the bond of a milk dealer have been paid it shall thereafter return the bond for said past license year to each such milk dealer.

Section 18. Section 505 of the said act is hereby amended to read as follows:

Section 505. Financial Statement. A milk dealer shall, from time to time, when required by the commission, make and file with the commission a verified statement of his disbursements, or of any other facts in connection with his business, during a period to be prescribed by the commission, which financial statement shall contain the names of the producers from whom milk was purchased or received or handled, on consignment or otherwise, the amount due or paid to the producers, and any other relevant facts required by the commission pertinent to the dealer or the dealer's surety or sureties.

Section 19. Section 506 of the said act is hereby amended to read as follows:

Section 506. Increase or Decrease of Bond.—If it shall appear from the dealer's financial statement or from facts otherwise ascertained by the commission, that the bond afforded to producers selling, furnishing, delivering or making available, on consignment or otherwise, milk to such milk dealer does not adequately protect such producers, the commission may require such milk dealer to procure an additional surety, or to give an additional bond or additional security for the collateral bond, in a sum to be determined by the commission, which (1) shall not exceed more than fifty per centum of the value of the highest aggregate amount of milk purchased or received, or handled, on consignment or otherwise, by the dealer from producers in any one month during the preceding or current year, which value shall be computed according to the prices applicable, or which (2) shall be a sum not exceeding by more than fifty per centum the amount found to be due and owing producers by such dealer on a particular date determined by the commission, whichever sum is greater [and] but the total increase shall not in any event exceed fifty thousand dollars ($50,000.00). In the case of a milk dealer who pays producers in full each week for milk purchased or received or handled, on consignment or otherwise, by him from such producers, any increase required hereunder shall not exceed more than twenty-five percentum of such value or amount, [and] but the total increase in any event shall not exceed twenty-five thousand dollars ($25,000.00).

The commission may grant a reduction of the bond or the collateral, or release an additional surety, if it shall appear that owing to a decrease in the [milk] purchases or receipts of milk on consignment or otherwise of the milk dealer, or to other causes, a bond in a lesser amount or with fewer sureties will protect producers selling milk to such milk dealer.

Section 20. Section 508 of the said act is hereby amended to read as follows:

Section 508. Interest or Dividends upon Securities.—The milk dealer shall be entitled to all moneys received by the State Treasurer as interest or dividends upon any security or securities deposited by such milk dealer with the commission and transmitted by the commission to the State Treasurer for safekeeping, in accordance with the provisions of this act: Provided, however, That the milk dealer shall not be entitled to interest or dividends if there is on file with the commission a valid unpaid claim of a producer against the milk dealer, based on milk sold or delivered or made available, on consignment or otherwise, by such producer to the milk dealer.

Section 21. Section 510 of the said act is hereby amended to read as follows:

Section 510. Effect of Order by Commission.—If, by valid formal order refusing suspending or revoking a license, after hearing with due notice to all those liable

on the bond, the commission has found a milk dealer to be indebted thereunder, such order and the findings of fact in support thereof shall be conclusive evidence of the amount due under such bond in a suit thereon by the commission, unless an appeal therefrom is pending and a supersedeas granted.

Section 22. Section 511 of the said act is hereby amended to read as follows:

Section 511. Procedure for Disbursing proceeds.—The commission [may] shall prescribe the procedure for the payment of the amounts found due to the persons entitled thereto out of the proceeds of any bond or collateral required by this Article or out of the proceeds of any underpayment, delinquent payment or out of any other amount paid by or on behalf of a milk dealer to the commission as owing to any producer or producers or dealer or dealers [of the amounts found due to producers, based on sales of milk by them to a milk dealer who has posted a bond or collateral]: Provided, however, That if the proceeds of a bond or of collateral which has been posted by a milk dealer or other amount paid to the commisison shall be insufficient to pay in full the amounts due to producers or dealers who have sold or delivered, or made available, on consignment or otherwise, milk to such milk dealer, the moneys available shall be divided pro rata among such producers or dealers.

Section 23. Section 513 of the said act is hereby amended to read as follows:

Section 513. Subdealers' Bonds.—It shall be unlawful for a subdealer to buy or acquire, receive, or handle, on consignment or otherwise, milk from a milk dealer who purchases or acquires, receives, or handles, on consignment or otherwise, milk from producers, unless the subdealer shall file with the commission a corporate surety, individual surety, or collateral bond, approved by the commission. Such bond shall be executed to the Commonwealth in a sum equal to three hundred dollars ($300.00) for each route owned or operated by the subdealer, and shall be conditioned for the payment by the subdealer of all amounts due under this act and the orders of the commission for milk purchased or acquired, received or handled, on consignment or otherwise, from such milk dealer or dealers during the license year; subject, however, to the further condition that if at time of default, such milk dealer or dealers are indebted or in arrears in their payments to producers, the proceeds thereof shall be held on the account of such dealer or dealers for the benefit of such producers. Such bond shall be filed annually with the subdealer's application for a license, and shall, in all applicable particulars not herein specifically mentioned, be subject to terms and conditions such as provided in the other sections of this article for the bonds of other milk dealers and for suits thereon, except where the protection of such milk dealers selling or delivering or making available, on consignment or otherwise, to the subdealer, or of producers selling or delivering or making available, on consignment, or otherwise, to such milk dealers, requires the substitution of such dealers and producers in applying such terms and conditions to the bonds of subdealers.

Section 24. Section 703 of the said act is hereby amended to read as follows:

Section 703. Dissemination of Information; Conferences.—Licensees under this act, and associations or corporations thereof, producers of milk, and cooperative agricultural associations or corporations engaged in collectively processing, preparing for market, handling or marketing milk, may acquire, exchange, interpret and disseminate past, present and future market, statistical, economic and educational information pertaining to milk by direct exchange between such persons or such associations or corporations, or by and through a common agent created or selected by them, which agent may be the commission if it consents to be such. Any such licensees, producers and associations or corporations may confer and discuss the cost of production, marketing, market conditions and prices [for the sale] of milk.

Section 25. Section 801 of the said act is hereby amended to read as follows:

Section 801. Requisites of Orders Fixing Price of Milk.—The commission shall ascertain, after a hearing in which all interested [parties] persons shall be given reasonable opportunity to be heard, the logical and reasonable milk marketing areas within the Commonwealth, shall describe the territorial extent thereof, shall designate such areas by name or number, and shall ascertain and maintain such prices for milk in the respective milk marketing areas as will be most beneficial to the public interest, best protect the milk industry of the Commonwealth and insure a sufficient quantity of pure and wholesome milk to inhabitants of the Commonwealth, having special regard to the health and welfare of children residing therein.

The commission shall base all prices upon all conditions affecting the milk industry in each milk marketing area, including the amount necessary to yield a reasonable return to the producer and to the milk dealer.

The commission shall file at its office, with each order issued, a general statement in writing of the findings of fact in support of, and the reasons for, such order.

The commission may, upon its own motion or upon application in writing, from time to time, alter, revise or amend an official order defining milk marketing areas or fixing prices to be charged or paid for milk. Before making, revising or amending any order defining milk marketing areas or fixing prices to be charged or paid for milk, the commission shall hold a hearing, after giving reasonable [notice thereof] opportunity to be heard to interested persons, of whom the commission has notice, and, in the case of any order affecting the public, after giving reasonable notice thereof to the public in such newspaper or newspapers as, in the judgment of the commission, shall afford sufficient notice and publicity; Provided, however, That upon application in writing from a person aggrieved by an order of the commission hereunder, filed within fifteen (15) days after the issuance of the order complained of, or upon its own motion, the commission may, within twenty (20) days after the effective date of such order, issue an order revising or amending such order without a further hearing, if such revision or amendment is based on the record of the hearing held prior to the issuance of such order.

"Interested persons," as used in this section, means all persons who may be affected by an order of the commission fixing prices and who have signified to the commission in writing their desire to be notified of such hearings concerning a particular milk marketing area or areas within the Commonwealth. "Reasonable opportunity to be heard" may be afforded by written notice addressed to the last known address of an interested party by mail, postage prepaid, by deposit in a United States Post Office or any receptacle thereof. Nothing contained in this section shall be construed to limit or modify the provisions of section 308 of this act relating to the posting and publicizing of orders of the commission, including orders made under this Article, and the force and effect thereof.

At any hearing provided for herein, the commission may receive as evidence on any subject material and relevant to fixing any price or prices under this Article, any printed, typewritten, duplicated, mimeographed or other written treatise, report or statistical data by an expert not present as a witness if, and to the extent that, the treatise, report or statistical data is approved and read aloud or the contents thereof made known by an expert witness at the hearing.

All provisions of all price-fixing orders of the commission shall be presumed to be valid, and the burden of proving any invalidity of any provision thereof shall be upon the person asserting the same. Any determination by the commission or a court to which an appeal has been taken that the wholesale or retail prices provided are invalid shall not prevent the enforcement of prices to producers, but any determination that prices to producers are unreasonable shall require the redetermination by the commission of wholesale and retail prices as well as prices to producers.

Every order made pursuant to this article, and any revision or amendment thereof, in which the commission

fixes or changes the price of milk to producers or to consumers, or both, shall be subject to the approval of the Governor.

Section 26. Section 802 of the said act is hereby amended to read as follows:

Section 802. Wholesale and Retail Prices.—The commission shall fix, by official order (except as hereinafter provided in this section) the minimum wholesale and retail prices, and may fix, by official order, the maximum wholesale and retail prices, to be charged or received for milk sold or delivered or made available on consignment or otherwise, within any milk marketing area of the Commonwealth, wheresoever produced, including milk sold, or delivered or made available on consignment or otherwise, by:

(1) Milk dealers to other milk dealers;

(2) Milk dealers to consumers;

(3) Milk dealers to stores, either for consumption [on] at the [premises] store or sale [resale] to consumers:

(4) Stores to consumers, except for consumption [on] at the [premises] store where sold.

Nothing herein contained shall be construed to empower the commission to fix the price at which milk may be sold by any milk dealer or producer to consumers for consumption on the premises of such milk dealer or producer.

The fixing of minimum wholesale or retail prices for skimmed milk, condensed or concentrated whole or skimmed milk, bulk cream handled between milk dealers other than stores, and ice cream mix, shall be discretionary with the commission.

Section 27. Section 803 of the said act is hereby amended to read as follows:

Section 803. Prices to Producers.—The commission shall fix, by official order, the minimum prices to be paid by milk dealers to producers for milk sold or delivered or made available, on consignment or otherwise, by producers to milk dealers. [Provided, however, That the fixing of prices to be paid by milk dealers to producers for milk to be used solely in manufacturing shall be discretionary with the commission.]

In any order of the commission fixing minimum prices to be paid producers, or by separate order, the commission may establish a base-rating price system, a system of classified prices, a system of equalizing or pooling minimum prices to be paid producers or any combination thereof for any market where the commission finds the same appropriate to accomplish the purposes of this act.

Section 28. Section 804 of the said act is hereby amended to read as follows:

Section 804. Classification; Equalization of Prices.—A When pursuant to any statute or regulations or orders adopted thereunder or any ordinance or reasonable trade practice various grades of milk are specified orders of the commission fixing minimum or maximum prices may be applicable to each grade. Orders of the commission fixing minimum or maximum prices may vary in different markets and shall designate the markets to which applicable. Such orders may likewise classify milk and milk dealers in any reasonable manner which the commission deems advisable and may vary according to the classes to which they are applicable. The orders of the commission with respect to the minimum prices to be paid to producers and others shall apply to the area in which the milk is produced or to the area in which the milk so produced is sold, or distributed by milk dealers in the form of milk, other than ice cream mix, and to the area in which food products, including ice cream mix, made from or with milk are manufactured or are sold or distributed by milk dealers, and may vary in different areas according to varying uses, grade and condition. Each such order may classify such milk by forms, classes, grade or uses as the commission may deem advisable and may specify the minimum prices therefor. Other reasonable methods of classification may be prescribed by the commission.

B. The commission may, in any order fixing minimum prices to be paid producers for milk, or any amendment thereto, provide for the equalization (averaging or blending) of minimum prices to be paid producers of a production area or producers furnishing, supplying or making available milk required for ultimate sale or delivery as fluid or household milk or cream to consumers in a marketing area, so that each such producer shall receive the same average, blended or equalized minimum price for all the milk delivered or made available to milk dealers by such producers or sold, used or distributed by the producer as a milk dealer. Any such equalized minimum price may be made subject to any reasonable differentials for quality, location, volume, market and uniformity of production or average supply of milk for human consumption in fluid form.

C. In order to effect such equalization of prices to producers the commission shall require a monthly report from each milk dealer receiving milk from producers for such market and from each producer handling milk as a milk dealer in such market, showing the disposition of all milk handled by the reporting dealer or producer in such market. The commission shall thereafter require payment by each such dealer to the commission of any amount by which the sum otherwise due by such dealer to a producer or producers in accordance with the prices fixed by such order exceeds the equalized minimum price as determined and announced by the commission from such reports. The commission shall direct that the amounts so paid to it shall be paid to those dealers whose reports show that the minimum prices they will pay their producers in accordance with such order are less than the equalized minimum price as so determined by the commission, for repayment in turn by such dealers to their producers so as to bring all lower rates of payment up to the equalized minimum price. In the case of a producer who handles milk as a milk dealer the commission shall require payment by such producer to it of any amount by which the sum that would be due by such producer-dealer to producers if all the milk so handled by him were obtained from producers would exceed the equalized minimum price determined by the commission.

D. If it shall appear that the purposes of this act will not be accomplished by requiring milk dealers who produce part or all of the milk handled by them to be subject to such equalization plan, the commission shall exclude any such group or groups of producers from the equalization of minimum prices.

E. In order to determine differentials to be allowed for uniformity or production or average supply of milk for human consumption in fluid form the commission may require of producers and dealers reports covering a stated period of time showing quantities of milk produced, quantities of milk handled by dealers and the quantities of milk distributed to consumers as fluid or household milk or cream by dealers and producers.

F. In the equalization of minimum prices to be paid producers the commission may also provide for the payment by milk dealers of a reasonable check-off not exceeding two (2) cents per hundredweight of milk to the commission to cover the expenses of administering the equalization pool, for the establishment of averages or for a combination of these methods as well as to provide a reserve to cover amounts owing to said fund by defaulting dealers.

G. The commission shall appoint an employe or other person engaged in the work of the commission to administer the provisions of any order providing for the equalization of minimum prices to be paid producers.

H. For the purpose of carrying out the provisions for equalizing minimum prices to be paid producers for milk there is hereby created a fund to be known as 'The Milk Equalization Fund'. Such fund shall be applicable to the payment of amounts owing producers whose classified prices would otherwise be lower than the average or blended minimum price. Expenses of administration also shall be paid from the fund as herein provided. Such

fund shall consist of all amounts received and paid into the fund by milk dealers under any order for the equalization of minimum prices to be paid producers. The fund shall be administered by the commission in accordance with the provisions of this act.

I. Of said fund only the moneys reserved to cover amounts owing by defaulting milk dealers may be invested by the commission and shall be invested exclusively in bonds and securities which are the direct obligations of or which are guaranteed as to principal and interest by the United States or this Commonwealth. The commission may sell any of the securities in which the fund is invested if advisable for its proper administration or in the best interests of such fund, and all earnings from investment of such securities shall be credited to such fund. Amounts determined by the administrator of any equalization pool to be due any producer or producers shall be paid from this fund in the manner prescribed by the commission. Payments to producers from this fund in accordance with the provisions of this act need not be certified to the State Treasurer.

J. The commission shall be entitled to recover the sum of all liabilities of a solvent or an insolvent or bankrupt milk handler, or his receiver, liquidator, rehabilitator, conservator or trustee in bankruptcy to the fund and may prescribe any action or other proceeding therefor.

K. The expenses of administering the fund shall be reimbursed to the commission out of the check-offs received in said fund for that purpose. The compensation of persons employed by the commission for the carrying out of any such plan of equalization and auditing, investigating and other services incidental thereto shall be deemed administration expenses payable out of said check-offs.

L. The milk equalization fund shall be deposited in and paid from such depositary or depositaries as the commission shall designate.

Section 29. Section 807 of the said act is hereby amended to read as follows:

Section 807. Violations.—After the commission shall have fixed prices to be charged or paid for milk, whether by class, grade, use or otherwise, it shall be unlawful for a milk dealer or producer knowingly or unknowingly or any other person knowingly, by himself or through another, to sell or deliver or make available, on consignment or otherwise, or buy, or receive or handle, on consignment or otherwise or offer to sell or deliver or make available, on consignment or otherwise, or buy or receive or handle, on consignment or otherwise, or advertise for sale, delivery, purchase or recipt, or hold oneself out as willing to sell, deliver, buy or receive milk at any price below the minimum price or above the maximum price applicable to the particular transaction.

No method or device shall be lawful whereby milk is bought, or received or handled, on consignment or otherwise or sold or delivered or made available, on consignment or otherwise, or offered to be bought or received or handled, on consignment or otherwise, or sold, or delivered or made available, on consignment or otherwise, at a price less than the minimum price applicable to the particular transaction, whether by any discount, premium, rebate, free service, trading stamps, advertising allowance, or extension of credit, or by a combined price for such milk, together with another commodity or a service which is less, or is represented to be less, than the aggregate of the price of milk and the price or value of such commodity or service when bought, or received or handled, on consignment or otherwise, or sold or delievered or made available, on consignment or otherwise, or offered for sale, delivery, purchase, handling, or receiving, separately or otherwise.

It shall be unlawful for any milk dealer to store, manufacture, process, sell or deliver or make available, on consignment or otherwise, any milk for which he has paid, or agreed to pay, a price lower than that fixed by the commission for milk of that class or grade.

It shall be unlawful for a milk dealer knowingly or unknowingly or any other person knowingly, by himself or through another, to store, manufacture, process, sell or deliver or make available on consignment or otherwise, or buy, or receive or handle, on consignment or otherwise, or offer to sell, or deliver or make available, on consignment or otherwise, or buy or receive or handle, on consignment or otherwise, milk at a price computed upon false or erroneous weight, butterfat test, grade or classification; or at a price from which have been made deductions not authorized by law or in excess of any deductions so authorized, whether such illegal deductions be in the form of excessive transportation charges or otherwise.

The act of a director, officer, agent or other person acting for or employed by a milk dealer shall be deemed the act of such milk dealer.

Section 30. Section 808 of said act is hereby amended to read as follows:

Section 808. Prices of Certain Milk.—It is hereby declared to be the legislative intent that the instant (whenever that may be) that the handling by a milk dealer of milk produced outside of the Commonwealth becomes a subject of regulation by the Commonwealth in the exercise of its police powers, the restrictions set forth in this act respecting such milk so produced shall apply, and the powers conferred on the commission by this act, and particularly by this article, shall attach; but such restrictions shall not apply to condensed or concentrated whole milk contained in hermetically sealed cans.

It is also hereby declared to be the legislative intent that the prices prescribed by the commission for milk produced in this Commonwealth and sold or delivered or made available, on consignment or otherwise, in this Commonwealth for shipment into and ultimate sale in another state shall not be destructive of the price structure of producers in such other state.

Section 31. Section 309 of the said act is hereby amended to read as follows:

Section 809. Cooperatives.—It is hereby declared to be the legislative intent that no provision of this act shall prevent, and no provision contained herein shall be deemed or construed to prevent, any cooperative [agricultural association or corporation organized under the laws of this Commonwealth, or a similar association or corporation organized under the laws of this or any other state, and engaged in making collective sales or in the marketing of milk for the producers thereof] from blending the net proceeds of its sales or deliveries in all its markets or of its sales or deliveries within any particular market in various classes and whether in fluid form or as manufactured products, both within and without the Commonwealth, and paying its producers such blended price, with such deductions and differentials as may be authorized under contract between such [association or corporation] cooperative and its producers, or from making collective sales or deliveries of the milk of its members and other producers represented by it, or from making such sales or deliveries at a blended price based upon sales or deliveries thereof in the various classes, and whether in fluid form or as manufactured products, both within and without the Commonwealth, which price is to be paid either directly to the producers or to the cooperative [agricultural association or corporation.] Nothing herein contained shall prevent any milk dealer from contracting for his milk with such cooperative [agricultural association or corporation,] upon such basis; but all such contracts shall be upon the basis of the prices fixed by the commission, with the result that the net price received for milk by such cooperative [association or corporation] shall be commensurate with such prices. No milk dealers, or agents thereof, shall receive from any producer or from such cooperative [association or corporation,] directly or indirectly, any discounts, rebates, free service, or compensation through rentals, extension of credit, or otherwise for the purpose, or with the effect of reducing the net cost to the dealer for milk purchased by or through such cooperative [association or corporation.]

No provision of this act shall be deemed or construed to affect the contracts of such cooperative [agricultural association or corporation] with its produers, except as hereinafter specifically provided, nor to affect or abridge the rights and powers of such [an association] cooperative or any of its operations: Provided, however, That the powers of subpoena, entry, and inspection, vested in the commission under this act, shall apply for the purpose of examining and auditing books and records of any such cooperative [agricultural association or corporation] at reasonable intervals, for the purpose of administering this act. This section shall not, however, be construed to exempt such [association or corporation] cooperative from the jurisdiction of the commission over the prices at which it may sell milk to milk dealers, stores or consumers.

Any cooperative [agricultural association or corporation] organized after [the effective date of this act] April 28, 1937, or within ninety (90) days prior [to the effective date hereof] thereto, or which, if organized over ninety (90) days prior [to the effective date of this act] thereto, was not marketing milk for producers upon [the effective date of this act] April 28, 1937 or ninety (90) consecutive days prior thereto, shall not be entitled to avail itself of the benefits of this section if it pays or distributes to its producers a price which is more than one and one-half per centum (1½%) lower than the prices prescribed by the commission, unless such [association or corporation] cooperative shall furnish reasonable proof to the commission that such one and one-half per centum (1½%) is insufficient to pay such lawful expenses and charges for its operations and maintenance as may be authorized under the contracts between the [association or corporation] cooperative and its producers

Every cooperative [agricultural association or corporation] operating under the provisions of this section shall file with the commission a copy of its certificate of incorporation and by-laws, and a copy of each form of contract employed in its relations with producers, within sixty (60) days after the effective date of this act.

Where by written contract or agreement between a cooperative and a producer or producers the cooperative is authorized to collect the price of milk handled for the cooperative or purchased from it or is authorized to have the milk dealer make a deduction from such price for the cooperative and pay the same to it, the cooperative may, after notice of such contract or agreements to the milk dealer, demand on the dealer for payment and refusal thereof, maintain an action, suit or claim for such price or deduction or both, in its own name, and payment to such producer after such action or suit has been commenced or such claim presented shall not be a defense to such action, suit or claim. A cooperative may join in a single suit, action or claim any number of claims for such payment that it has against a particular milk dealer.

It shall be unlawful for a milk dealer to dominate control or influence the operation or administration of a cooperative or to discourage, hinder, obstruct or prevent producers from becoming members of or shareholders in a cooperative or from entering into contractural relations with a cooperative. It shall be unlawful for a milk dealer to refuse or threaten to refuse to purchase or handle or receive, on consignment or otherwise, milk from a producer because of his being or intending to become a member or shareholder in a cooperative or active in the operation or administration of a cooperative or in contractual relationship with a cooperative.

Section 32. Section 904 of the said act is hereby amended to read as follows:

Section 904. Pleading and Service.—The appeal provided by this article from action of the commission shall be by petition against the commission, officially as defendant, alleging therein in brief detail the action and decision complained of, and praying for a reversal thereof. Such petition shall specify the petitioner's objections to the action and decision of the commission, and shall state facts in support of such objections sufficient to constitute a prima facie case; and any objection not so specified and supported by facts shall not be considered by the court. Every such petition reciting facts shall be supported by oath or affirmation; and the petition shall include as part thereof, under oath or affirmation, an averment that the appeal is not filed merely for purposes of delay.

Upon service of a summons upon the commission, returnable at least ten (10) days from the date of service, the commission may, on or before the return day, file a motion to dismiss the appeal, raising questions of law or attacking the form or sufficiency of the petition. If such motion is not sustained, the commission shall be given leave to file an answer within not less than ten (10) days after the order of the court overruling the motion.

On or before the return day of such summons served upon the commission, or within the time allowed in an order of the court denying a motion to dismiss an appeal, the commission [shall] may file an answer which shall deny or admit the allegations of fact in the petition, and which may also allege by way of defense the grounds for its action or decision. If no answer is filed by the commission the case shall be at issue without further pleading as though an answer had been filed denying all the allegations of fact in the petition.

Upon the filing of an answer by the commission, or no answer is filed, then on the return day, or at the expiration of the time allowed for answer by an order of court, the case shall be at issue without further pleadings, and upon application of either party the case [shall] may be advanced and heard without further delay.

Section 33. Section 1101 of the said act is hereby amended to read as follows:

Section 1101. Milk Control Fund.—All moneys collected or received by the commission, arising from license fees, penalties, permits or any other source, except moneys collected or received under the provisions of section 804 of this act, shall be paid by the commission into the State Treasury through the Department of Revenue, and shall, by the State Treasurer be placed in a separate fund to be known as the "Milk Control Fund". Fines imposed under this act shall be payable to, and collected by, the commission, and similarly placed in the Milk Control Fund. Moneys collected or received by the commission that are not funds of the Commonwealth but are due to producers or dealers for or on account of milk purchased or received by dealers from producers or other milk dealers and placed in the Milk Control Fund shall be paid to the persons entitled thereto by the State Treasurer as directed by the Milk Control Commission.

Section 34. Said act is hereby amended by adding thereto, after section one thousand and six, three new sections to read as follows:

Section 1007. Defense to Action for Retail or Wholesale Price of Milk.—In any action or suit brought or claim presented by, through or under a milk dealer in any court of this Commonwealth for any amount claimed to be due from a consumer for milk sold, delivered or made available to the consumer, the person against whom the suit or action is brought or claim presented may allege as a partial defense to such action, suit or claim that said milk dealer, at the time of the transaction concerned, did not hold a license from the commission, although required by law to do so, or sold, delivered or made available such milk to the consumer at a price or prices in violation of this Act or any order of the commission fixing prices, or both, as the case may be, and upon proof of any such fact, the recovery of said milk dealer shall be limited to the amount shown by the milk dealer actually to have been paid to producers for the milk so sold, delivered or made available.

Section 1008. Civil Penalties.—If any milk dealer shall knowingly or unknowingly violate any of the provisions of this Act or any order of the commission, such milk dealer for such violation, shall forfeit and pay to the

Commonwealth of Pennsylvania the sum of twenty-five ($25) dollars, to be recovered by an action of assumpsit instituted in the name of the Commonwealth of Pennsylvania, in the court of common pleas of Dauphin County, which court is hereby clothed with jurisdiction throughout the Commonwealth to hear and determine any such action, or the court of common pleas of the county or judicial district in which the milk dealer has his residence or principal place of business.

Each and every day's continuance in the violation of this Act or any order of the commission, shall be a separate and distinct offense: Provided, however, That if any interlocutory order of supersedeas or preliminary injunction be granted, no penalties shall be incurred or collected for or on account of any act, matter or thing done in violation of such order so superseded or enjoined for the period of time such order of supersedeas or injunction remains in force.

Section 1009. Remedies and Penalties to be Cumulative..—All proceedings before the commission, suits, actions. prosecutions, penalties and forfeitures provided for or accruing under this Act shall be cumulative.

Section 35. This act shall become effective immediately upon final enactment.

Commonwealth of Pennsylvania

SECOND REPORT OF THE LOCAL GOVERNMENT COMMISSION TO THE GENERAL ASSEMBLY OF 1941

By authority of the Act of May 29, 1935

HARRISBURG 1941

LOCAL GOVERNMENT COMMISSION

CHARLES R. MALLERY, Chairman
GEORGE B. STEVENSON, Vice-Chairman

Members on the part of the Senate:

CHARLES R. MALLERY, Blair
GEORGE B. STEVENSON, Clinton
EDWARD J. COLEMAN, Lackawanna
HENRY E. LANIUS, York
HAROLD A. THOMSON, Delaware

Members on the part of the House:

DON E. WILKINSON, Luzerne
FRANKLIN H. LICHTENWALTER, Lehigh
REUBEN A. NAGEL, Beaver
PAUL C. MOOMAW, Franklin
WALTER E. GREENWOOD, Chester

A. BOYD HAMILTON, Secretary
JOHN H. FERTIG, Counsel

SECOND REPORT OF LOCAL GOVERNMENT COMMISSION

The Local Government Commission herewith submits to the General Assembly the following as its second report.

The Local Government Commission thus created as a continuing commission by act of assembly in 1935 (P. L. 244) has been active since its first meeting on January 14, 1936. The Commission's duties as set forth in the act creating it are:

An Act creating a Local Government Commission to study and report on functions of local government; their allocation and elimination; the cost of local government and means of reducing it; and the consolidation of local government; and making an appropriation.

Whereas, Local government of small areas was developed in the past principally because of the lack of adequate means of transportation and communication; and

Whereas, The development of local government has not kept step with the development of transportation and communication, and functions of government have been added, from time to time, without proper study or knowledge of the correct allocation of such functions; and

Whereas, The support of local government has become a financial problem, and ways and means should be devised to lessen the existing and ever-increasing cost of local government which is now mainly a burden on real property, and of creating a more scientific and simplified system; therefore

Section 1. Be it enacted, &c., That a commission is hereby created which shall consist of ten members, five of whom shall be appointed by the President pro tempore of the Senate, and five shall be appointed by the Speaker of the House. The commission shall be known as the "Local Government Commission." The commission shall organize, at the call of the President, pro tempore of the Senate, by electing a chairman, vice-chairman, and a secertary. The secretary need not be a member of the commission. The members of the commission shall serve without compensation, but shall be reimbursed for all necessary expense incurred in the discharge of their duties.

Section 2. It shall be the duty of the commission to study and investigate (a) the functions of local government, their proper allocation, and the possibility of eliminating unnecessary functions, and the duplication and overlapping of functions, (b) the cost of local government, and ways and means of reducing this cost and lessening the burden on local taxpayers, (c) the advisability and feasibility of increasing the areas or changing the boundaries of local governments; of establishing larger units for administration by consolidation of units by cooperative arrangements between them for the performance of certain functions, or by other means; and generally ways and means of organizing a simple system of local government, and to exercise such other functions as may be deemed necessary to carry into effect the spirit and intent of this act.

Section 3. The commission shall have power to recommend tentative plans for the consolidation or reorganization of any units of local government or changes in the boundaries thereof. The commission, after holding public hearings, shall prepare and recommend for adoption a plan or plans of local government consolidation, or changes of political boundaries for any or all units of local government.

Section 4. The commission shall make a first report to the Legislature of the session of one thousand nine hundred and thirty-seven, not later than February first of that year, said report to contain a statement of the progress of its work and such drafts of legislation and constitutional amendments, if any, as it deems necessary to carry into effect the provisions and objectives of this act, and as will, if enacted, enable the commission to complete its work.

Section 5. The commission shall have power to employ and fix the compensation of such experts, stenographers, and assistants as may be deemed necessary to carry out the work of the commission, but due diligence shall be exercised by the commission to enlist such voluntary assistance as may be available from citizens, research organizations, and other agencies in Pennsylvania or elsewhere, generally recognized as qualified to aid the commission with information as to existing conditions or advice as to possibilities in governmental economies or reorganizatoin. The Legislative Reference Bureau, The Bureau of Statistics of the Department of Internal Affairs, and other agencies of the Commonwealth, as well as all local governments within the Commonwealth, shall give the commission, on request, such information and assistance as may be reasonably accessible.

Section 6. The term "local government," as used in this act, shall be construed to include counties, cities, boroughs, towns, townships, school districts, and poor districts, except counties of the first and second class, and cities of the first, second, and second class A.

APPOINTMENTS

On October 19, 1939, the President Pro Tempore of the Senate appointed Captain Harold A. Thomson, Delaware County, and Senator George B. Stevenson, Clinton County, and the Speaker of the House appointed Walter E. Greenwood, Chester County, and Representative Don E. Wilkinson, Luzerne County, to fill vacancies occasioned by the resignation at the close of the 1939 session of four of the original members of the commission. These appointments restored the commission to its full membership of ten members, five appointed by the President Pro Tempore of the Senate and five by the Speaker of the House. The membership of the commission has been:

On the part of the Senate
SENATOR CHARLES R. MALLERY
SENATOR HENRY J. PIERSON
SENATOR JOHN S. RICE
SENATOR GEORGE B. STEVENSON
HAROLD A. THOMSON

On the part of the House
ROY E. FURMAN
PAUL C. MOOMAW
THOMAS WEIDEMANN
DON E. WILKINSON
WALTER E. GREENWOOD

On November 15, 1939, the commission met and reorganized by electing the following officers:
Chairman—CHARLES R. MALLERY
Vice-Chairman—GEORGE B. STEVENSON
Secretary—A. BOYD HAMILTON
Financial Secretary—MISS M. OLIVE BARNETT
Counsel—JOHN H. FERTIG

At this meeting the commission adopted a tentative outline of the problems to be studied and accepted the offer of the Pennsylvania Economy League to continue to serve as the research agents of the commission.

Since the beginning of the 1941 session of the legislature, the following resignations of members have occurred: Senators Henry J. Pierson and John S. Rice; Messrs. Roy E. Furman and Thomas Weidemann. In their places the following appointments have been made by the President Pro Tempore of the Senate: Senators Edward J. Coleman, Lackawanna County, and Henry E. Lanius, York County, and by the Speaker of the House: Representatives Franklin H. Lichtenwalter, Lehigh County, and Reuben A. Nagel, Beaver County.

On the 1st of February Miss M. Olive Barnett resigned as financial secretary.

ACTIVITIES OF THE COMMISSION

Since the reorganization the full commission has held meetings as follows:

1939: December 12
1940: January 23, February 27, April 9, May 14, July 10, August 27. September 27, November 26, December 3, December 18
1941: January 6, January 13, January 22, January 28, February 11, February 25, March 4, March 19, March 26 and April 2

In addition to the regular meetings of the commission, two days—December 18 and 19, 1940—were devoted to public hearings on bills proposed to be submitted by the commission at the 1941 session of the general assembly. At these public hearings taxpayers associations, civic associations, local officials organizations, municipal associations and interested attorneys and citizens presented views to the commission. The number of persons attending and the wide range of organizations they represent is evidenced by the following partial list of those who spoke at the hearings:

Senator Mallery, as Chairman of the Commission.
Mr. E. Raymond Ambler, Chairman of the Pennsylvania Committee for the First Class Townships Association.
Mr. Fertig, as counsel of the Commission.
Mr. John A. MacGuffie, Chairman, Legislative Committee of the Pennsylvania State Association of County Commissioners.
Mr. Walter E. Greenwood, as a member of the Commission.
Senator George B. Stevenson, as a member of the Commission.
Mr. Frank Hunter, City Hall, Altoona, Pa.
Mr. Thomas Stewart, Court House, Hollidaysburg, Pa.
Mr. Howard E. Kennedy, City Solicitor, Wilkes-Barre, Pa.
Mr. C. V. Shoup, Taxpayers' Lobby, 335 Fifth Avenue, Pittsburgh, Pa.
Mr. Robert Lloyd, Luzerne County, County Commissioners Association.
Mr. H. L. Shank, Lancaster, Pa., Tax Justice League of Pennsylvania, Inc.
Mr. Eugene M. Reed, Pennsylvania Economy League, Harrisburg, Pa.
Mr. John R. Bentley, Assistant City Solicitor, Pittsburgh, Pa.
Mr. Caspar W. B. Townsend, Attorney, Philadelphia, Pa.
Mr. Hill Burgwin, Attorney, Pittsburgh, Pa.
Mr. Francis H. Bohlen, Jr., Attorney, Philadelphia, Pa.
Mr. T. F. Chrostwaite, President of the Pennsylvania State Association of Boroughs, Hanover, Pa.
A. Lee Edwards, Deputy Attorney General, Department of Internal Affairs, Harrisburg, Pa. (Bond Attorney)
Representative Don E. Wilkinson, as a member of the Commission.
Mr. Dan D. Kline, Solicitor, Williamsport, Pa.
Mr. Preston O. Van Ness, The Pennsylvania State School Directors Association, Harrisburg, Pa.
Mr. H. Walter Weaver, Court House, Media, Pa., Secretary of the Tax Collectors Association of Pennsylvania.
Mr. Alvin E. Maurer, County Commissioner, Schuylkill ounty, Pottsville, Pa.
Mr. Paul C. Moomaw, as a member of the Commission.
Mr. John N. O'Neil, County Commissioner of Washington County, Washington, Pa.
Mr. John E. Brown, Executive Committee of the Pennsylvania Association of Assessing Officers, McDonald, Pa.
Mr. Elmer W. Osenbach, Chairman, Legislative Committee of the Third Class Cities, Allentown, Pa.
Mr. Lewis C. Street, Jr., Secretary-Treasurer of the Pennsylvania Association of Assessing Officers, Upper Darby, Pa.

During the interim between meetings, members of the commission have not been idle. The major problems coming before the Commission have been assigned to committees for more intensive study. These committees together with the counsel and research agents of the commission have met frequently and labored long in preparing detailed suggestions for the consideration of the commission.

Both the commission and its committees have had the full cooperation of and have received a great deal of valuable advice and technical assistance from state and local officials and may private citizens.

A notable example of the service gratuitously afforded to the commission was the cooperation of the leading municipal bond attorneys, the Department of Internal Affairs and representatives of local government with the committee preparing the proposed "Municipal Borrowing Act." The Department of Internal Affairs lent the services of its bond attorney in addition to providing a place for many of the committee's meetings. Representatives of local government attended all meetings of the committee and contributed much information on the practical problems of local government in connection with borrowing. The municipal bond attorneys in addition to coming to Harrisburg at their own expense to meet with the committee on a number of occasions devoted much time to a series of conferences with a representative of the committee and to the preparation of detailed memoranda on the technical legal and financial problems involved in municipal borrowing.

The commission created a committee to study the proper allocation of motor user revenues to political subdivisions and has secured for this committee the cooperation of the highway department, local officials, motor clubs, taxpayers and others interested in the allocation of motor user revenues.

The commission has not seen fit to attempt to create a research staff of its own preferring rather to rely on the voluntary assistance of those interested in improving local government. In this connection the commission wishes to acknowledge the service rendered by the Pennsylvania Economy League which has made available to the commission its research staff and to thank all those agencies whose cooperation has made it possible for the commission to produce so much at such little cost.

The limited appropriation available to the commission has necessarily been expended for the expenses of members in attending meetings, legal fees, secretarial and office expenses.

In partial discharge of the duties imposed upon it and as a result of the many studies and investigations made by the commission, during the past two years, the commission has caused to be introduced into the general assembly the following bills:

LOCAL GOVERNMENT COMMISSION

Digests of bills introduced at instance of the Commission.

MUNICIPAL BORROWING

(H. B. 525 by O'Connor and Bretherick)

The legislation proposed by the commission includes a "Municipal Borrowing Law" which is an attempt—and we believe a successful one—to restate the existing law now found in the act of 1874 and its numerous supplements and innumerable court decisions in one place for the convenience of local officials. It does not confer on anyone the right to borrow any money nor does it take away the right to borrow. It rather sets up the procedure for borrowing where the power to borrow is conferred by the various municipal codes or other laws.

As might be expected, however, in a complete review and restatement of the law the commission found some provisions which had in the past been abused and others which had been unduly restrictive of the municipalities. The commission has, therefore, in its proposed bill made some changes which are listed here.

(1) All bonds are required to mature serially in annual installments starting in the second year after the date of issue except for small issues where the rule is relaxed to make bonds salable.

(2) All bonds shall mature within the period of usefulness of the property or improvement to be purchased with the proceeds but the municipal authorities are made the sole judge of the period of usefulness.

(3) All future issues of "assessment bonds" or bonds to be paid from the proceeds of assessments on abutting property are to be general obligations of the issuing municipality, but municipal claims filed for the improvement may be offset in calculating the debt limit.

(4) The publication of bond ordinances or resolutions is simplified for most municipalities and at the same time made uniform for all. The period of time during which publication must be made has been shortened in some municipalities and provided for others, and may run concurrently with notice of an election to secure the assent of the electors to an increase of the debt. This will substantially reduce the minimum elapsed time between the desire to borrow and its consummation without jeopardizing the rights of any interested group.

(5) Bonds may be made callable either at par or at a premium provided that the terms of the call feature are set forth in the original proceedings authorizing the bonds. At present there is grave doubt as to the power to make bonds callable at a premium and there is no specific statutory authorization (nor prohibition) of issuing callable bonds.

(6) The items to be included in the debt and the deductions permitted in determining borrowing capacity are specifically itemized. While these do not now appear in statutory law the items set forth are those specified in a wide range of court decisions.

(7) The troublesome question of approval by the Department of Internal Affairs of time payment purchase contracts is resolved by limiting such approval to proceedings for the issuance of bonds.

(8) Provision is made for the method of funding accumulated operating deficits for which no provision is now made in the law. It is required, however, as a safeguard that the funding be approved by the court of quarter sessions after public hearing.

(9) Provision is made for the issuance of bonds for the construction and acquisition of utilities implementing section 15 of Article X of the constitution which has never before been properly implemented for use. The provisions cover the manner of issuing such bonds, the manner of computing net revenues of the utility and the manner of deducting such bonds in the calculation of borrowing capacity.

(10) The non-debt revenue bond provisions of the present law are reenacted with minor amendments to meet the constitutional objections raised by the Supreme Court in the recent Abington Township case and thereby preserve this method of borrowing for the municipalities.

METHOD OF CHANGING FROM AUDITORS TO CONTROLLER IN SIXTH, SEVENTH AND EIGHTH CLASS COUNTIES

(H. B. 526 and 527 by Baugher and Hare)

The present law permits the creation of the office of Controller (and the abolition of Auditors) in sixth, seventh and eighth class counties, upon a petition of 25% of the number of persons voting at the last general or municipal election, including a majority of the County Commissioners, Clerk of Courts, Coroner, Treasurer, Prothonotary, Recorder of Deeds and Register of Wills. When such a petition has been presented the court proceeds, after a public hearing, to order the creation of the office of Controller if the court is convinced that it is in the best interest of the County.

In order to simplify this rather difficult proceeding the Local Government Commission proposes an amendment to the County Code which provides for the creation of the office of Controller upon a majority vote of the electors of the county. The question would be submitted at a regular general or municipal election upon the motion of the County Commissioners or upon the presentation of a petition signed by 500 registered electors of the county. This form of proceeding prevents the situation which has arisen in one or two cases, where after considerable labor and expense, the signatures of 25% of the number who voted at the last election have been obtained to a petition, only to fail of creating the office of Controller, because of the refusal of some one of the row officers listed above to sign the petition.

A companion bill (H. B. 527) fixes the salary of Controllers in seventh and eighth class counties. The law provides for the salary in sixth class counties.

SECOND CLASS TOWNSHIP TAX COLLECTORS' BOND

(H. B. 528 by Baugher and Gates)

Due to a purely technical error in drafting the Local Government Commission's bill, which was enacted at the 1939 Session (Act No. 126), has been inoperative in that at one point in the bill, the Tax Collector is referred to as Treasurer of the Township. The present bill is proposed to cure the technical error and make the Act already approved at the 1939 Session operative.

BOROUGH TAX COLLECTORS' BOND

(H. B. 529 by Baugher and Gates)

The bill suggested by the Local Government Commission would make the tax collectors bond in boroughs conform with that now provided by law in Third Class cities and all Townships. Under a substantially similar bond provision the cities have recently succeeded in reducing their bond premiums without reducing the actual protection of public funds handled by the tax collector. It is hoped that corresponding reductions in bond premiums will shortly be granted to townships. The Commission believes that the boroughs should also be permitted to share in the possible economy.

STATE REIMBURSEMENT TO COUNTIES OF ELECTION EXPENSE IN EVEN NUMBERED YEARS

(H. B. 530 by Readinger and Wood, Lloyd H.)

The bill proposed by the Local Government Commission to have the state pay to the counties a substantial part of the cost of conducting elections in even numbered years—when only state and national officers are chosen—would amend section 305 of the Election Code (1937 P. L. 1333) by adding a new paragraph c at the end of that section. The proposed new paragraph provides substantially that for conducting elections in the even numbered years the state shall pay to each county:

(1) Seventy-five dollars ($75.00) for each borough and township not divided into wards and a like amount for each city, borough or township divided into wards

(2) Seventy-five dollars ($75.00) for each one thousand registered electors or major fraction thereof after the first one thousand in each borough or township not divided into wards and in each ward of each city, borough or township divided into wards; and

(3) Ten cents (10c) for each registered elector in the county (determined from the district registers in November).

The proposed reimbursement would not pay all the election expenses actually incurred by the various counties throughout the state. It is rather designed to reimburse the counties as equitably as possible for an approximate perfection in the economical conduct of state elections. Under (1) the counties would receive an amount sufficient to meet the base pay of election officers (except in 1st and 2nd class counties where the base pay is higher but this is partially offset under (3) since such counties pay no additional compensation to election officers) and a modest rental of a polling place for one election district in each borough, township or ward no matter how small such election district may be. Under (2) the counties would receive a like amount for each of the minimum number of election districts into which any borough, township or ward might be divided under the rules laid down in the bill for redistricting election districts proposed by the commission. Under (3) the counties would receive an amount per registered voter equal to one-half the cost per registered voter in the county having the lowest cost per registered voter in 1936. This amount (3) is designed to cover the extra compensation of election officers ($1.00 for each one hundred votes or fraction thereof after the first one hundred) and to cover such other expenses as printing ballots, storage and transportation of ballot boxes or voting machines, tabulating and verifying returns, etc., which expenses either vary widely or are directly related to the number of registered voters rather than to the number of districts.

In other words, a county divided into the fewest number of election districts possible under the redistricting bill proposed by the commission and in which all elements of cost are held to a minimum could conduct the primary and general elections in each even numbered year for the amount of the proposed reimbursement. Home rule is at the same time preserved by permitting the individual counties to suit the election machinery to local convenience or politics so long as the extra expense is borne by the counties so doing.

ELECTION DISTRICTS

(H. B. 531 by Readinger and Wood, Lloyd H.)

The commission proposes to reintroduce with minor amendments its 1939 bill requiring the county commissioners in each county to redivide the county into election districts in accordance with the following principles which

would thereafter govern the creation or division of election districts.

(1) each borough and township, not divided into wards, and each ward of every city, borough and township, now existing or hereafter created, shall constitute a separate election district

(2) no borough or township and no ward or election district may hereafter be divided to form two or more election districts unless such borough, township, ward or election district shall contain more than one thousand registered electors

(3) any borough, township, ward or district having more than 1000 and less than 1800 registered electors may be divided into two election districts as nearly equal in number of electors as may be

(4) any borough, township, ward or district having over 1,800 registered electors shall be divided into not more than one district for each 600 registered electors or major fraction thereof and not less than one district for every 800 registered electors or major fraction thereof

(5) where by reason of topography, distance to be traveled or other sufficient cause the court finds that great inconvenience would result to the voters a borough, township or ward having less than 1,000 registered electors may be divided into two election districts.

The county commissioners as the board of election would be required to prepare maps showing the present election districts and the proposed new districts with the number of registered electors in each old and new district. These maps would be presented to the court of quarter sessions of the county which, after hearing any exceptions which may be filed, shall alter the proposed districts as to it seems proper and order them established. The new districts shall be effective after the municipal elections in 1941 and in time for the spring primary in 1942. Provision is of course made for the rearrangement of the district registers so that they will conform to the new districts without any inconvenience to the electors.

It is hoped that this legislation if adopted will do away with a large number of unnecessary election districts which have grown up over a long period of time. The size of districts to be established under the act such as to permit the most economical conduct of elections without increasing the number of electors per district to the point where they cannot be handled conveniently at the polls.

LIMITING THE TIME OF EMPLOYMENT OF AUDITORS IN BOROUGHS

(H. B. 532 by Baugher and Hare)

The bill proposed by the Local Government Commission would limit the number of days for which borough auditors may be paid. This legislation is proposed both to prevent overpayment of a few conscienceless auditors and to cause audit reports to be completed sooner after the close of the fiscal year. The limits proposed are twenty days in boroughs of less than three thousand; thirty days in boroughs of three to ten thousand and forty days in all boroughs of over ten thousand population.

COMMONWEALTH TO PAY COSTS OF PROSECUTION AND MAINTENANCE OF PRISONERS WHERE FINES IF ANY WOULD GO TO THE STATE

(H. B. 533 by McIntosh and Bretherick)

Under the bill proposed by the Local Government Commission, whenever costs in a prosecution are imposed on the county by the jury or by operation of law or whenever a prisoner is committed to a county institution, for an offense in connection with which fines or forfeited bail are payable into the state treasury the county shall reimburse itself for such costs and expense of maintaining such prisoners from the fines and forfeited bail actually recovered by the county from all similar offenders.

The bill provides for an annual audit of the accounts of each county by the auditor general to determine the balance due to the Commonwealth after deducting the reimbursement to which the county is entitled. There is provision for an appeal from the audit to the Board of Finance and Revenue if the county is dissatisfied with the determination of the Auditor General. Conversely the Auditor General is authorized to deduct from amounts due to any county from Liquid Fuels taxes the amount which the county may owe to the Commonwealth in fines and forfeitures.

CONSTITUTIONAL AMENDMENT, ARTICLE 9, SECTION 15

(H. B. 534 by Holland and Sollenberger)

There is at present a difference of opinion among the outstanding legal authorities as to the proper interpretation of Section 15, of Article 9 of the Constitution which authorizes the issuance of bonds for the construction or acquisition of waterworks, subways, undergound railways and street railways by municipalities without such bonds being charged against the debt limit set up in Section 8, of Article 9 of the Constitution. The proposed amendment to Section 15 is intended to clarify the language and permit the exclusion from the debt limit of bonds issued for the above purposes to the extent that the revenues of such utilities are sufficient to pay debt service charges on the bonds. In addition, the proposed amendment permits the issuance of such bonds for the enlargement or extension of works or facilities of the above type and a paragraph would be added to the Section, giving Constitutional status to so called "Non-debt Revenue Bonds" for sewers and sewage disposal works.

RETIREMENT OF MUNICIPAL EMPLOYES

(H. B. 535 by Bentzel and Cordier)

The commission in discharge of the duty imposed on it by the act appropriating funds for the present biennium has suggested a state-wide system of retirement for municipal employes. The proposed system is optional with the municipalities (counties, institution districts, cities, boroughs and townships) but once having joined there is no method of withdrawal. The system would be jointly supported by the municipalities and employes—each providing substantially one half the final retirement pay.

Basically the proposed system provides that any employe of a member municipality may retire at age 60 or after and receive a retirement allowance made up of two parts:

(1) a pension provided by the municipality of one one hundredth of final average pay (five years before retirement) for each year of service but not more than one half pay or $2,000 per annum.

(2) an annuity purchased for the employe with his own contributions and the interest earned on them, which is to be calculated to approximately equal the pension (if all service were subsequent to membership in the system). Employes retiring voluntarily before reaching age 60 receive only their own contributions with compound interest at 3%. Employes retiring involuntarily with less than ten years service also receive only their own contribution but those retiring after serving ten years or more receive both the municipal pension and their own contribution as an annuity which is of course reduced in amount because of the greater life expectancy where retirement occurs prior to age 60. Provision is also made for disability retirement allowances after five years of service equal to 30% of final average pay but the employe if he has ten or more years service may elect to retire involuntarily.

The employe on retirement may elect to take his retirement allowance as an annuity on his own life, or an annuity on two lives, his own and one other persons having an insurable interest in his life, or on two lives but with payments to his survivor at one half the rate which he himself received or may take the annuity on his own life with a guarantee that the value of the annuity at the time of retirement will be paid to his estate if he dies before receiving all of it as a retirement allowance. In any event, however, as in the case of life insurance, the value at the time of retirement of the amount to be paid is identical and the monthly payments to the employe are reduced to compensate for the added risk assumed by the fund under the various options.

The proposed system is to be operated by a board composed of three members of the State Employes Retirement Board—the Secretary of the Commonwealth, State Treasurer, and one representative of the public appointed by the Governor—plus two municipal employes appointed by the Governor from nominees of the organizations of local officials. It is contemplated that the staff administering the State retirement system will with a few additions also administer the municipal system. The system will be financed by employe contributions deducted from salary plus a municipal contribution based on the amount of payroll. The rate of contribution in both cases to be determined by the actuary. Each municipality will in addition have to pay into the fund over a period of years the amount which they should have paid into the fund for municipal pensions had the system been in operation during the whole period of service of their present employes at the time of joining the system.

FEES OF REGISTRARS OF VITAL STATISTICS TO BE PAID BY THE COMMONWEALTH
(H. B. 536 by McIntosh and James)

The state now pays for the registration of vital statistics in first and second class cities, and the counties pay in all other cases. The Local Government Commission, therefore, proposes that since the counties have no part in selecting registrars, the rule as to payment be made uniform by placing the whole cost of registration on the state.

ALLOCATION FROM THE MOTOR LICENSE FUND FOR CITIES, BOROUGHS AND TOWNSHIPS
(S. B. 297 & 298 by Mallery, Stevenson, McGinnis and Coleman)

As mentioned earlier in this report the commission has created a committee to study the problem of allocation of motor user revenues to political subdivisions. From the preliminary work of that committee it is apparent that present methods of allocation unjustly discriminate against the cities, boroughs and first class townships of the Commonwealth. The commission, therefore, recommends a modest allocation to these units pending the completion of more detailed studies and the recommendation of a general revision of all allocations. To accomplish this purpose the commission suggests two bills:

First, S. B. 297, placing a limit of $15,000,000 on the amount distributed biennially to the counties. This limit is higher than the amount distributed to the counties in any past biennium but is less than the amount which would be available for distribution in the coming biennium by approximately $1,500,000 according to the commission's own estimate of gasoline tax yields.

Second, S. B. 298, appropriating $15,000,000 for distribution to cities, boroughs and townships in the calendar years of 1942 and 1943. At present second class townships are receiving an appropriation of $8,500,000 so that the proposed increase is only $6,500,000 which is further offset by the proposed saving of $1,500,000 by placing an upper limit on the county distribution. The net cost to the motor fund is, therefore, only $5,000,000 which is considerably less than the anticipated increase in gas tax yield.

The $15,000,000 appropriated for cities, boroughs and townships is to be distributed 65% on a mileage basis and 35% on a population basis. Each political subdivision will, therefore, receive annually approximately twenty-six and one-half cents ($0.265) for each inhabitant and eighty one dollars and twenty-five cents ($81.25) for each mile of streets, alleys or roads.

Respectfully submitted,

CHARLES R. MALLERY, Chairman.

THE PROPOSED EXTENSION OF THE STATE CAPITOL GROUNDS AT HARRISBURG, PENNSYLVANIA

A Report of the Capitol Grounds Extension Planning Committee

A Sub-Committee of The Pennsylvania State Planning Board Department of Commerce

"It shall be the duty of the State Planning Board to . . . advise with the various State departments and bureaus and with local authorities and individuals with a view to the coordinating of all physical development plans . . . and to prepare . . . a long term development program of all major State improvement projects . . ."

(Excerpt from State Planning Board Law, Act No. 32, July 10, 1936)

An appropriation was made ". . . to the Department of Property and Supplies for the purpose of paying the expenses of making preliminary surveys . . . in connection with any proposed acquisition of real property . . ."

(Excerpt from Act No. 42, Extraordinary Session of 1938)

May, 1941

STATEMENT OF THE COMMITTEE

Extension of the State Capitol Grounds northward has

been widely advocated for many years, but prior to appointment of this Committee, very little has been done about turning words into action.

Any project of this nature requires a considerable amount of spade work. The Committee felt that a sound basis for legislative action would require a thorough assemblage and analysis of all the facts, followed by a plan for action. The accompanying report, based on such a premise, is intended to serve as a guide for acquiring and developing the Extension Area.

Grateful acknowledgment is made of the invaluable assistance of Malcolm H. Dill, Planning Consultant, who was largely responsible for the detailed work in connection with the preparation of this report. The Committee also wishes to express its appreciation of the assistance given by various agencies and individuals who worked with Mr. Dill and with members of the Committee.

CAPITOL GROUNDS EXTENSION PLANNING COMMITTEE

Organized December 12th, 1938 as a sub-committee of the Pennsylvania State Planning Board to study all aspects of the Capitol Grounds Extension project, and to take suitable steps to promote its accomplishment.

DR. J. HORACE McFARLAND Chairman	Chairman, Pennsylvania State Art Commission
F. A. PITKIN Secretary	Executive Director, Pennsylvania State Planning Board, Department of Commerce
HON. JOHN A. F. HALL	Mayor, City of Harrisburg (Until December 31, 1939)
EDWIN S. HERMAN	President, Harrisburg City Planning Commission
HON. GEORGE KUNKEL	State Senator, District XV, Dauphin County (Until November 30, 1940
HON. VANCE C. McCORMICK	Chairman, Harrisburg Area Regional Planning Committee
HON. HOWARD E. MILLIKEN	Mayor, City of Harrisburg (Since January 1, 1940)
HON. DAVID P. REESE, JR.	State Representative, District I, Dauphin County
FRANK A. ROBBINS, JR.	Chairman, State Board of Public Assistance
ROGER W. ROWLAND	Secretary, Department of Property and Supplies
THOMAS E. STEPHENSON	Chairman, Harrisburg Housing Authority
HON. M. HARVEY TAYLOR	State Senator, District XV, Dauphin County (Since December 1, 1940)
HON. RAY E. TAYLOR	State Representative, District I, Dauphin County

STUDY COMMITTEE

DR. McFARLAND MR. STEPHENSON MR. ROWLAND
MR. McCORMICK MR. ROBBINS MR. PITKIN
MALCOLM H. DILL, Planning Consultant

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FINDINGS IN BRIEF

1. The Commonwealth has a total investment in the Present Capitol grounds, buildings, and furnishings of more than $36,000,000.
2. Four main reasons urge the proposed extension of the Capitol Grounds:
   (1) Additional open space is needed north of Capitol Park, to provide an adequate setting for the Capitol and the two northern office buildings, and to permit completion of the main entrance to the North Office Building, including extensive grading.
   (2) A high percentage of substandard existing buildings in the Extension Area has a depreciating effect on the State's large investment in the Capitol Group.
   (3) Location of the Capitol Grounds in relation to Harrisburg's business district creates traffic problems that affect both State and City interests. Acquisition of the Extension area would facilitate action for improving traffic and parking conditions.
   (4) Extension of Capitol Park to Forster Street would provide sufficient land to permit future erection of additional State buildings if and when such might be required.
3. To the original 16 acres of Capitol Park the first extension (1912-1919) added 29.6 acres, of which 19 were purchased, the remainder comprising streets and alleys. The proposed extension of Capitol Park would add 23 acres, of which 15 are in properties to be acquired, and the remainder in streets and alleys.
4. In the proposed Extension Area 176 owners possess 334 properties; 13 per cent of the latter are held by financial institutions. (The first extension included 541 properties.)
5. The Extension Area is characterized by mingling of residential, commercial and industrial uses. Negro occupancy amounts to nearly 50 per cent.
6. A majority of the 295 dwelling units in the Area are in run-down or only fair condition; 27 per cent are obvious fire hazards; 30 per cent have outside toilets.
7. As of December, 1938, monthly residential rentals varied from $7, to $534. (The high figure was for a large apartment building.) Median residential rent was $25.
8. As of March, 1940, the Extension Area accounted for 2.3 per cent of delinquent county and school taxes within the City, while it comprised only 1.4 per cent and 1.5 per cent respectively, of the total assessed valuations.

9. Shortage of dwellings in Harrisburg has caused a higher percentage and quality of occupancy in the Extension Area than the average structure justifies. Easing of the shortage by new construction would tend to depreciate these properties further and faster.
10. City and County 1940 assessed valuations of the Extension Area are $1,549,694 and $1,378,820. Based on recent purchases of comparable properties, and considering the present, and probable future of the area, $2,750,000 is estimated as a likely purchase price for the tract, to which should be added an estimated 2½ per cent, or $68,750 for expenses of acquisition.
11. Possible methods of financing acquisition of the Extension Area include:
    (1) Legislative appropriation (preferably for complete purchase at one time; or a planned program of acquisition over a period of years).
    (2) An agreement by the State to repay the Harrisburg Housing Authority for its intermediary purchase of the Area with funds to be borrowed from the United States Housing Authority.
    (3) A similar State agreement to repay the Harrisburg Housing Authority for its purchase of the Area through sales of housing bonds.
12. Preliminary legal investigation indicates that existing legislation would permit adoption of any of the foregoing three methods of financing.
13. Although urgently needed to protect the Commonwealth's present and proposed investment, there are no existing restrictions as to the height, area, use, and character of buildings, or use of the land, on street frontage opposite the Capitol Grounds.

RECOMMENDATIONS

Concerning Purchase of the Extension Area, it is recommended:

1. That the 1941 session of the State Assembly take action to provide for acquisition of the Extension Area, and of the additional ground needed at the east approach to Memorial Bridge.
2. That in default of prompt purchase of the whole Area, the State take steps to acquire now-used or usable property in the Extension Area, such as the Oddfellows Building, and the north half of Block 10. (See Fig. 14.)

Concerning Streets in the Extension Area, it is recommended:

3. That North, Briggs, Capital, South, East, Cowden, and Seventh Streets, with intervening alleys, be eliminated.
4. That Commonwealth Avenue and Fisher Plaza be extended northward to Forster Street.
5. That the City of Harrisburg officially recognize as future construction projects, extensions of Commonwealth Avenue northward to Sixth and Boas Streets, and southward to Fourth and Chestnut Streets.
6. That widening of Forster and Third Streets be done as part of the Extension Area development, and of Sixth and Seventh Streets as related municipal projects.
7. That cooperation of the City be sought in improving the profile and gradient of Forster Street at the time of its widening by the State, and in making adjustments in adjacent streets affected by changes in the level of Forster Street.
8. That the entrance and exit drives northward and southward from the proposed Capitol Plaza garage provide for two-way traffic, in order to avoid concentration of all exiting cars at one point, thus involving an excessive number of left turns during peak-traffic hours.
9. That if street revisions cannot all be achieved at one time, the first phase include changes within the North-Briggs strip of blocks; the second phase to include the Briggs-Forster strip.

Concerning Blocks in the Extension Area, it is recommended:

10. That a distinction be recognized between a permanent park belt along the south half of the Area, and a strip of building sites along the north half, and east of Fisher Plaza.

Concerning Demolition of Buildings, it is recommended:

11. That all structures in the Park Belt except the Oddfellows Building, and all substandard structures in other portions of the Area, be demolished as soon as possible after acquisition by the State.
12. That whether or not the Harrisburg Housing Authority becomes financially involved in acquisition of the Extension Area, its assistance be sought in connection with the timing of demolition.

Concerning Underground Utility Lines, it s recommended:

13. That undertaking of changes be preceded by careful study of projected grading in connection with redesign of streets and blocks, so as to assure the minimum amount of alteration of utilities, and to avoid subsequent readjustments.

Concerning the Park Belt (See Fig. 19), it is recommended:

14. That it constitute a permanent park setting for the north side of the Brunner Plan group of buildings, now completed.
15. That it be planned as an extension of the informal character exemplified by the present grounds west and south of the Capitol group.
16. That it be planned as a unit by a landscape architect (the latter to be selected from a list furnished or approved by the Pennsylvania Chapter of the American Society of Landscape Architects), careful study being given to the relation between proposed grading of the Park Belt and of adjacent streets and building sites.

Concerning Interim Use of Building Sites A, B, C, and D (See Fig. 19), it is recommended:

17. That during the first interim period (prior to completion of all street alterations), having eliminated

undesirable buildings, the State utilize any remaining suitable structures. Probably included would be the Odd-fellows Building and the structures in the north half of Block 10. (See Fig. 14.)

18. That any other remaining structures be rented by the Commonwealth as lessor until their sites are needed for permanent State buildings. Probably included would be 43 dwellings in Blocks 3, 4, and 5, and the filling station, garage court, and cinder block buildings in the south half of Block 10.
19. That the State and City cooperate in selecting one or more areas for interim use as public playgrounds.
20. That space not otherwise needed be made suitably available for car parking, preferably with a moderate rental charge.

Concerning the Parking Problem, it is recommended:

21. That a comprehensive study be made of parking in relation to the Capitol Grounds, existing and proposed, and to city motor traffic and public transit, so as to determine the best permanent solution from the standpoint of all concerned.

Concerning Provision for Improvement of the Extension Area, it is recommended:

22. That in respect to such suitable activities as demolition of buildings, revision of streets, alteration of utility lines, and development of the Park Belt, future opportunities for alleviating unemployment and achieving economies through use of relief labor be investigated and planned for during the period of acquisition, so as to avoid subsequent delays in starting work.

Concerning Protective Regulations and Covenants for the Environs of Capitol Park, it is recommended:

23. That the City of Harrisburg have a zoning ordinance prepared as soon as possible.
24. That the City pass an ordinance requiring owners of frontage facing Capitol Park to submit proposed uses and structures for approval of the State Art Commission.
25. That the State seek passage of an Act covering the same item.
26. That efforts be made to organize a Capitol Park Association, formed of all, or as many as possible, of the owners of present or prospective frontage on Capitol Park and its Extension, for the purpose of promoting the optimum development of that frontage, and to confer with the State Art Commission toward that end.

THE PROPOSED EXTENSION OF THE STATE CAPITOL GROUNDS AT HARRISBURG, PENNSYLVANIA

I. INTRODUCTION

The original Capitol Park, comprising an area of 16 acres, was acquired at intervals prior to 1873. A four-acre tract donated by John Harris, the younger, founder of Harrisburg, formed the nucleus of the site. Ten acres were added by purchase from William Maclay, Harris' son-in-law, and one of Pennsylvania's first two United States Senators. A connecting strip, including several properties, rounded out the site. Cost of all acreage purchased was $36,430, or $3,028 per acre.

With completion of the present Capitol building in 1906, following the burning of the original structure in 1897, it became evident that construction of any additional buildings in Capitol Park would detract seriously from the dignity of the Capitol and its setting. By 1911 the need of more office space had become pressing. The first step in an expansion program was taken when, by Act of Assembly, approved June 16, 1911, Governor Tener appointed three citizens as members of the Capitol Park Extension Commission,

> ". . . to acquire title in the Commonwealth to all the land . . . within the following boundaries, namely, on the west, by the present eastern line of Capitol Park; on the north, by the southern line of North Street; on the east by the western line of the right-of-way of the Pennsylvania Railroad Company, and on the south, by the northern line of Walnut Street."

This tract, including streets and alleys, comprised 29.59 acres. The net area purchased contained 19.05 acres,* including 538 separate buildings, and 3 vacant lots. Acquisition extended from February, 1912, to March, 1919. Cost of all properties acquired was $2,276,070. Buildings on the site, except for a few that were used temporarily for State offices, were demolished following acquisition.

In 1916 Arnold W. Brunner, Architect, was employed to devise a plan of development for the new Capitol Park. Warren H. Manning was retained as Consulting Landscape Architect. The comprehensive scheme, since known as the "Brunner Plan," was the result of their joint efforts.

The first structure to be erected in accordance with the Brunner Plan was the South Office Building, completed in 1920. Space therein being inadequate for all needs, three smaller "Temporary Buildings" (still in current use after twenty years) were erected to the north of it, and east of the Capitol. Two more "Temporary Buildings" followed in 1925 and 1929. In the latter year the North Office Building was completed. The Education and Finance Buildings, occupied respectively in 1931 and 1939, filled in the last two spaces allotted for structures in the Capitol Park plan. Memorial Bridge, authorized in 1919, and essentially completed in 1930, centers on the east-west axis of the Capitol group, forming the eastern approach to Capitol Park from "The Hill" section of the City. The State's total investment in the Capitol area, including grounds, structures, and furnishings, amounts to more than $36,000,000 as shown by Table A.

TABLE A—INVESTMENT OF THE STATE IN THE PRESENT CAPITOL PARK AREA

	Cost	
Land		
Original 16-acre site, including gift of 4 acres	$ 36,430	
Extension of 1912-19 (29.59 acres)	2,276,070	
Total	$2,312,500	
Less .41 acre sold to Pennsylvania Railroad in 1928	45,100	
	$2,267,400	
Net total cost of present site		$2,267,400

* In 1928, .41 acre was sold to the Pennsylvania Railroad in connection with track relocation necessitated by construction of the State Memorial Bridge.

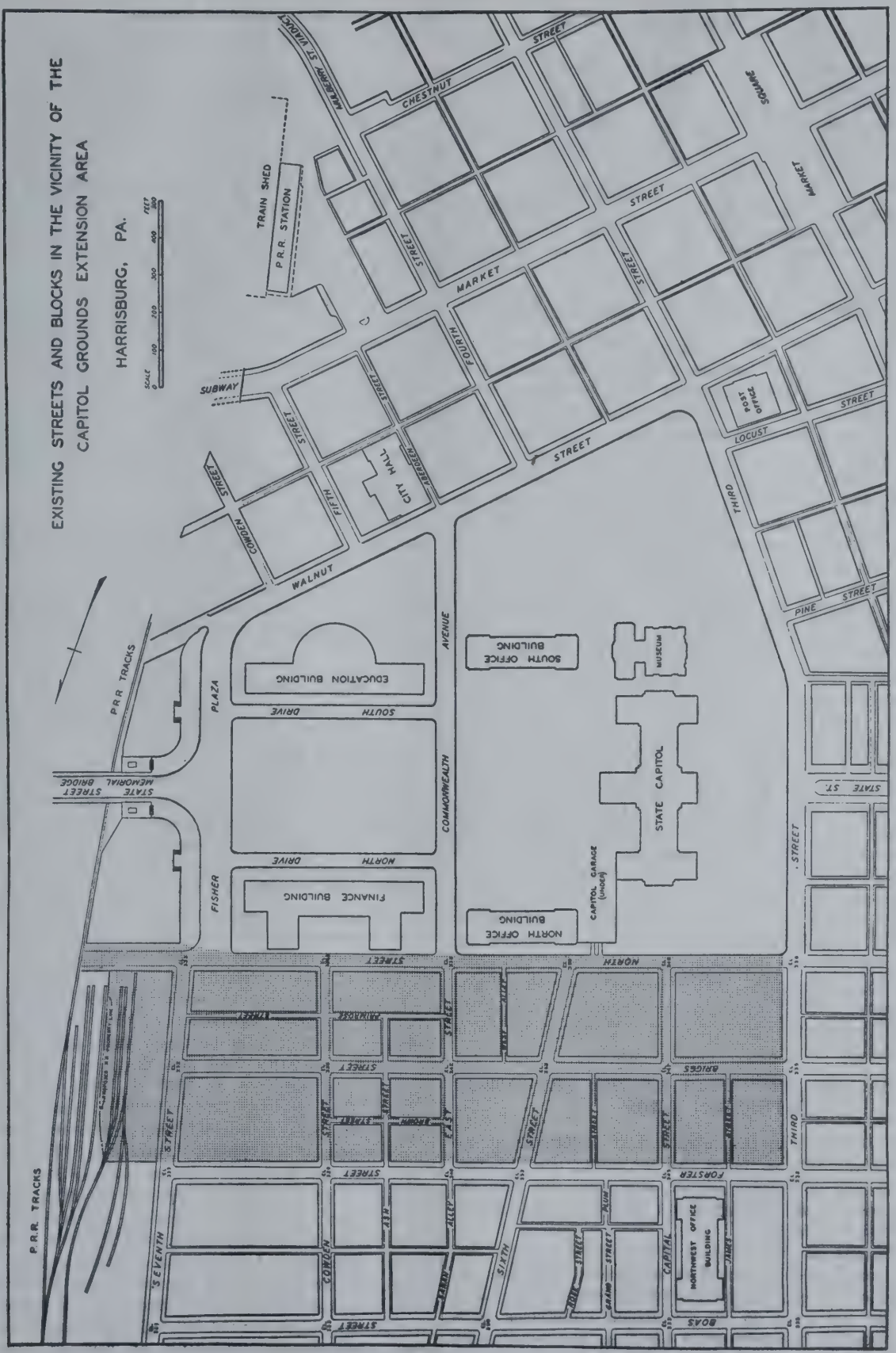

Fig. 3. The shaded portion indicates the proposed Extension Area.

	Completed	Cost	
Buildings			
Museum Building	1894	$ 500,000	
Capitol Building	1906	10,073,000	
South Office Building	1920	3,250,000	
North Office Building	1929	3,000,000	
Education Building	1931	5,500,000	
Finance Building	1939	5,200,000	
		$27,523,000	
Total cost of buildings			$27,523,000
Memorial Bridge—(Constructed 1919-30; not entirely completed)			4,000,000
Furnishing			2,500,000
Grand Total			$36,290,400

Mr. Brunner and his associates felt that additional land should be acquired beyond North Street, but because of the cost involved in its purchase, this extension was not pressed. North Street thus became the northern boundary of the tract, with the expectation that it would be lowered and regarded. As evidence that such action was anticipated, grading and the main entrance approach on the north side of the North Office Building have remained uncompleted for the past eleven years. (See Fig. 9.) North Street has not been lowered, on the one hand, because of the cost that would be involved in street reconstruction, in relocation of utilities, and in payment for heavy damages to adjacent private properties; and on the other hand, because of the weight of feeling that Capitol Park should eventually be extended northward, in which case North Street and these private holdings would be eliminated.

Generally speaking, properties in the northward vicinity of Capital Park have shown a tendency in recent years to deteriorate rather than to undergo improvement, but a recent considerable change in use of property at the corner of Third and North Streets serves as a reminder that at any time extensive development might occur which would add greatly to the cost of acquisition of land for extension of the Capitol Grounds.

The time therefore seems ripe for a thorough analysis of all factors involved in a second extension of Capitol Park. The purpose of this report will be to review the project—presenting all pertinent facts, making estimates of costs, where practicable, and recommending procedures, —as a basis for timely action by the elected and appointed representatives of the people of the Commonwealth of Pennsylvania.

II. SCOPE AND PURPOSES OF THE PROPOSED EXTENSION AREA

The area included in the proposed enlargement of the Capitol Grounds extends from and including North Street to the south side of Forster Street, and from the east line of Third Street to the Pennsylvania Railroad right-of-way east of Seventh Street.

The gross area of this tract is 23.0 acres—6.6 acres less than were contained in the first extension. Streets and alleys include 7.84 acres; service access ways total .22 of an acre; the net area to be purchased comprises 14.94 acres. Properties involved total 334,* as compared with 541 in the first extension project.

Several factors appear to justify the Extension Project:

(1) Additional open space is needed North of the Capitol, the Finance Building and the North Office Building.

The Park extends more than 600 feet southward from the Capitol Building to Walnut Street, but only 170 feet to the north. Both the North Office Building and the Finance Building are set within a few feet of the south line of North Street. The present sidewalk runs alongside the facade of the Finance Building, and a double ramp which gives access to the northeast wing takes up part of the sidewalk width.

When the North Office Building was erected the supposition was that either Capitol Park would be extended northward, or the hump in the profile of North Street at that point would be cut down. Accordingly the finished grade at the building line is 10 feet or so below the present street level. Since 1929 a makeshift wooden platform has given excess to the main entrance to this building. (Fig. 9.) Steep ramps connect North Street with the sub-terrace garage between the North Office Building and the Capitol.

Extension of the grounds northward, with suitable grading and planting, would provide an adequate, balanced setting for the front of the Capitol. It would also supply a much needed foreground for both the Finance and North Office Buildings in the latter case permitting unfinished grading and approaches to be properly completed.

(2) A high percentage of run-down and substandard buildings in the extension area has a depreciating effect on the states investment of $36,000,000 in capitol park.

In the blocks directly across from the new $5,200,000 Finance Building there are more than 50 structures that constitute obvious fire hazards. (See Fig. 16, page 19.) With some of these as near as 70 feet to the Finance Building, an extensive conflagration might seriously damage that structure, both outside and inside.

At least in the eastern half of the proposed Extension Area, properties have deteriorated to such an extent that there is no incentive for individual owners to take advantage of the proximity of Capitol Park by renovating existing structures or erecting new ones. The City's average assessed valuation of the 23 dwellings which front on North Street between East and Seventh Streets is $1,878, including land and buildings. Of these dwellings 15 are assessed at $850 or less; only four exceed $1,000. One, located on a $1,000 lot, is valued at $200! Such is the present outlook from the main entrance at the north Front of the Finance Building. (Fig. 11.)

Fortunately the north side of Forster Street is generally characterized by a better type of structure than those between North and Forster Streets, particularly in the section between East and Seventh Streets. Forster Street would therefore form a more satisfactory permanent boundary for the Capitol Grounds than North Street does now. Furthermore, with Capitol Park extended north two blocks there would be sufficient width so that even after considerable widening of Forster Street on the south side there would be ample room for any possible future State buildings to be set back from the street far

* This figure includes one residential property on Sixth Street obtained by the Commonwealth through a bequest, the legality of which has been upheld.

enough to eliminate fire risk from external sources, and to assure provision of satisfactory foreground on the Forster Street side.

(3) The location of the Capitol Grounds in relation to Harrisburg's business district creates traffic problems that affect both State and City interests.

Steps toward betterment of traffic conditions in the immediate vicinity of Capitol Park have included both marginal and interior street improvements. The former consisted of widening Third and Walnut Streets to 48 and 52-foot pavements respectively. Within the boundaries of Capitol Park have been located Commonwealth Avenue and Fisher Plaza,* with 52 and 80-foot roadways, and the one-way North and South Drives, each 36 feet wide. Construction of these new trafficways was in accordance with the Act of Assembly** which created the Capitol Park Extension Commission, and which specified

"that the said Commission shall lay out not less than two streets or public highways, running northwardly and southwardly through the said district, and one eastwardly and westwardly . . ."

Construction of Memorial Bridge on the line of State Street has provided an exceptionally fine eastern approach to the Capitol Grounds as well as to the business district of Harrisburg.

To the north of Capitol Park lies the unimproved portion of the street pattern. North Street, which forms the marginal thoroughfare, has only a 33-foot pavement. That it is highly inadequate to cope with traffic demands is demonstrated daily during the rush hour.

Into it from the south feeds Fisher Plaza, the northward outlet of State Street and Memorial Bridge. This street is dead-ended at North Street, and so traffic must turn westward thereon or make a sharp reverse turn into Seventh Street. (Fig. 12.) Also from the south comes Commonwealth Avenue, which likewise dead-ends in effect, inasmuch as its 52-foot roadway bottlenecks into the 22-foot width of East Street. (Fig. 13.)

All streets from the north between Third Street and the Railroad stop at North Street, if we except the previously-mentioned East Street, and the short jog at Seventh Street. Sixth Street, like Seventh, carries a large volume of traffic, which must turn right or left onto North Street.

As already noted, the entrance and exit to the Capitol-terrace garage, which stores some 70 cars, now involve steep ramps to and from North Street. During the late afternoon rush period, egress up to the street is difficult and dangerous for the numerous users of the garage.

Acquisition of the land as far as Forster Street would provide sufficient width to permit its being widened as an ample marginal thoroughfare; would permit satisfactory conections between Fisher Plaza and Seventh Street, and between Commonwealth Avenue and Sixth Street, and would facilitate safe and convenient issue of traffic from the Capitol garage.

It may be justifiably remarked that it is not up to the State to solve Harrisburg's traffic problems. In the instances mentioned above, however, interests of the State are clearly involved. Also, there are two good reasons why the State should cooperate with the City in working out improvements in traffic conditions in the vicinity of the Capitol Grounds. One is that occupancy by the latter of half the width of lower Harrisburg's restricted site—between river and railroad—adds greatly to the City's traffic difficulties. The second reason is that at the present time close to a thousand cars of State employees are parked daily in or near Capitol Park. Practically simultaneous mingling of this large group of vehicles with the City's traffic flow during rush hours is by far the largest single factor in what has become a complicated and difficult problem.

For the above reasons it seems logical to consider localized improvement of traffic conditions as one of the purposes for extending the Capitol Grounds.

(4) Extension of Capitol Park to Forster Street would provide sufficient land to permit erection of additional State buildings if such should be required in the future.

At the time of the first extension of Capitol Park it appeared that sufficient ground had been acquired to satisfy prospective needs for State building sites. Yet the large new Northwest Office Building at Capital and Forster Streets which houses the Liquor Control Board, has already been located outside of Capitol Park.

Contrasting with the recent period of building construction in and near the Capitol grounds, to house State departments, present administrative policy aims at the most effective use of present structures, and reduction of rented space to the minimum. It is difficult to foresee whether or not additional sites for State buildings may be required at some future time, but it seems wise not to limit the current Extension project to the very minimum of ground needed as a park setting for the present building group. Purchase of land to Forster Street would not only provide an adequate area for protection of the State's large investment in Capitol Park, but also permit any possible future structures to be grouped in convenient close relationship to each other, and to buildings of the present Capitol Group, without encroaching on needed open space.

III. PRESENT STATUS OF THE PROPOSED EXTENSION AREA

A brief inventory of present conditions in the area proposed for extension of the Capitol grounds will give a more complete understanding of several factors involved in its acquisition. Pertinent aspects include ownership, uses and physical condition of properties, and economic and social conditions.

(1) Summary of Property Ownership (March, 1940)

Separate groups of data were obtained at several different times, ranging from July, 1938 to March, 1940. Though some minor modifications have occurred since 1938, and one considerable change in use—in the Third and North Street block—all the data are still essentially valid. The date following each subheading indicates when the information was obtained.

Table B following shows that 43 properties, or 13 per cent of the 334 involved, have been taken over by banks, trust companies, or building and loan associations. These holdings are distributed throughout 11 of the 20 blocks in the Area, with more than half of Block 12 (bounded

* The not very generally known name of the broad north and south street at the west end of Memorial Bridge.
** June 16, 1911 (Penna. Laws, Page 1027).

by Briggs, Seventh, Primrose, and Cowden Streets), so owned. For all of Harrisburg, according to the City Assessor's Office, the percentage of properties held by financial institutions is only 5.3 per cent of all properties in the City.*

Of the 5 properties acquired for taxes, and now held by the City, 4 are in Block 7, on Forster and Brown Streets, and 1 is in Block 9, also on Brown Street. Two others on Sixth Street have recently been redeemed by former owners. The property at 707 Sixth Street was recently willed to the State.

Of the 10 properties owned by religious organizations only three are places of worship. Although the latter are not subject to condemnation by Pennsylvania municipalities, according to the Legislative Reference Bureau neither the Constitution of the Commonwealth nor any legislative act limits the rights of the State in respect to its acquisition of such properties.

(2) Summary of Property Uses (March, 1940)

The Map of Present Use and Development (Fig. 14) shows the location of buildings in accordance with the following classifications: Residential, Subsidiary Residential (generally private garages), Residential and Commercial, Commercial, Public and Semi-public, and Vacant Ground.

The whole area is characterized by intermixture of types of use. Only Block 10 and 11 are entirely commercial, and only Block 15, which is really only a quarter-block, is wholly residential. All of the others include one or more business or other non-residential occupancies intermingled with residences—a condition characteristic of unzoned communities, and an important factor in causing blight of real property values.

Classification of occupancies within the Area may be further simplified, as follows: RESIDENCE ONLY (dwellings with or without rental of rooms; apartments), 266, or 80 per cent: RESIDENCE COMBINED WITH BUSINESS (usually business on first floor, with residence above), 29, or 9 per cent; BUSINESS AND OTHER NON-RESIDENTIAL USES (churches, schools, filling stations, warehouses, etc.), 38, or 11 per cent. Total or partial residential use thus includes 295 properties, or 88 per cent of the total Negro occupancy occurs in slightly less than 50 per cent of the residential properties.

TABLE B—SUMMARY OF PROPERTY OWNERSHIP IN THE CAPITOL GROUNDS EXTENSION AREA

Classification	Number of Owners	Number of Properties
Individual Owners or Partnerships ..	155	257
Banks Trust Companies, Building and Loan Associations	8	43
City of Harrisburg	1	5
Harrisburg School District	1	3
Commonwealth of Pennsylvania	1	1
Religious Organizations	4	10
Secular Organizations Lodges, etc. ..	4	11
Large Corporations	3	5
Total	176	334

* Total number of properties listed is 24,624, including 477 taken over for taxes by the City, and 326 additional untaxable properties. Of this total, financial institutions own not less than 1300.

(3) SUMMARY OF PHYSICAL DEFICIENCIES OF PROPERTIES (July, 1938)

Conditions noted in Fig. 15 are as of July, 1938, but 17 dwellings (16 in Block 20, 1 in Block 7, all substandard), removed since that date, have been excluded from the figures which follow.

Of the 295 structures used for residence, 119 were in run-down condition, and 52 were in only fair shape; 106 had poor light and air, while 68 were only fair in that respect; 81 constituted serious fire hazards, and 39 were moderate menaces; 88 had outdoor toilets, but none inside; 33 had running water outside but not inside; and 3 had no running water inside or out.

There hase been no appreciable correction of deficiencies since the survey. Worst conditions are found in the 8th ward blocks east of Sixth Street, but there is not a residential block in the Area in which at least one type of substandard factor is not present to a marked degree.

(4) SUMMARY OF ECONOMIC CONDITIONS (Rentals —December, 1938: Tax Delinquencies—March, 1940)

In December, 1938, the area in question was covered by the Harrisburg Real Property Inventory. Residential rentals were among the data obtained. Figures given in TABLE C are based either on the actual rent reported as paid by the tenant or lessee, or in the case of owner occupancy, the amount which he gave as the probable figure that the property would bring if rented. In a number of cases, the occupant (renter or owner) derives considerable additional income from rental of rooms or apartments. Where first floors are used for business, only residential portions are included in rental figures.

In Table C, North Street is separated into two parts, because rentals westward from East Street are very much higher than they are eastward. No such variation is found on either of the other long streets—Briggs or Forster.

Due to Harrisburg's policy of selling properties for overdue taxes there is no delinquency of City taxes in the Area. However, the seven dwellings taken over by the City, as previously noted, are a reflection of formerly-unpaid City taxes.

School taxes are based on the City's rather than the County's assessed valuation, but delinquent School and County taxes in conformity with State law, are recorded together in the County Treasurer's office. In a few instances both these tax groups go at least as far back as 1931. For that year six properties within the Extension Area owe a modest total of $31.68 to the County, and three of the same ones owe $39.84 in School taxes. Most of the debts are being paid in small installments. For 1932, twenty properties owe the County $133.65, and the School District $317.15.* For the years following 1932 the amounts increase annually.

Table D indicates that the percentage of 1938 overdue taxes, both County and School, in the Extension Area, is somewhat higher than the Area's proportionate share of the total assessed valuation of Harrisburg's real property. It can hardly be said, however, that tax delinquency of

* All 1931 and 1932 Extension Area delinquencies were offered at tax sale in May, 1940. With very few offers made, most properties fell, with existing encumbrances, into conditional possession of the County Commissioners and the School Board.

Extension Area properties is excessive in comparison with that for the whole City.

TABLE C—MONTHLY RESIDENTIAL RENTALS IN THE CAPITOL GROUNDS EXTENSION AREA

Street Name	Number of Properties	Lowest Rent	Highest Rent	Median Rent	Remarks
BRIGGS	65	$11	$136.50	$30	Only 2 properties over $65
BROWN	16	7	17	12	
CAPITAL	22	10	98	42.50	
COWDEN	18	12	40	17	Only 2 properties over $25
EAST	19	12	75	20	Only 1 property over $25
FORSTER	24	10	40	25	
JAMES	15	14	22	20	
NORTH (Third to East) ...	13	35	534	60	Only 2 properties over $85
NORTH (East to Seventh)	23	10	40	17	
PRIMROSE ..	17	10	18	12	
SEVENTH	2	18.50	18.50	18.50	
SIXTH	47	22.50	205	60	Only 4 properties over $100; only 1 under $40
THIRD	12	35	130	50	Only 2 properties over $65
WEST ALLEY	2	25	25	25	

The above figures include several apartments, and boarding-houses containing multi-family units.

TABLE D—DELINQUENT COUNTY AND SCHOOL TAXES FOR 1938 (as of March, 1940); ASSESSED VALUATIONS, 1940, FOR COMPARISON

	County	School
Extension Area properties—1938 delinquent taxes	$365	$1,062
Total Harrisburg properties—1938 delinquent taxes	15,874	45,679
Extension Area's percentage of Harrisburg's Total—1938 delinquency	2.3%	2.3%
Extension Area: assessed valuation of taxed properties—1940	$ 1,186,370	$1,345,860
Total Harrisburg assessed valuation of taxed properties—1940	80,075,180	92,155,495
Extension Area's percentage of Harrisburg's Total assessed valuation of taxed properties ...	1.4%	1.5%

(5) SUMMARY OF SOCIAL CONDITIONS

Juvenile delinquency is not a serious problem in the Extension Area. Not more than five or six cases have occurred during the past two or three years. It is obvious, however, that physical conditions of properties such as have been previously noted are not conducive to desirable social and health conditions.

In many instances the character of present occupants of dwellings is superior to their environment because of the housing shortage in Harrisburg and vicinity. The recent Real Property Inventory showed that the City proper has a surplus of dwelling units only 2 per cent above actual requirements, as compared with a generally accepted normal minimum of 5 per cent. Of the 2 per cent, one-third were found to be substandard. Suburbs show an even narrower margin of surplus.

Such a shortage leads to overcrowding, and to forced acceptance of housing conditions that would not be tolerated where a reasonable margin of choice existed. If continued building of new dwellings should occur in Harrisburg and its suburban territory, so that a satisfactory surplus is created, the Extension Area will be one of the sections in which vacancies will tend to increase (unless renovation should keep pace with the increasing supply of dwelling units), thus further depreciating the less desirable properties in the section. Such depreciation would affect unfavorably the whole neighborhood, including Capitol Park.

IV. COST FACTORS IN ACQUISTION OF PROPERTIES IN THE EXTENSION AREA

Having considered reasons for purchase of the Extension Area, and its present status the next question concerns the probable cost of its acquisition.

Naturally only the actual process of purchasing can determine with complete accuracy what the cost will be, but consideration of pertinent data should make possible a reasonably close estimate. No single basis is sufficiently valid to stand alone, but several bases will furnish valuable indications of a likely figure.

Table E shows by blocks and totals both City and County assessed valuations of properties in the Extension Area. The City's total is approximately $1,549,694;* the County's $1,378,820. In the former instance, land values compose 42 per cent, and improvements, 58 per cent. County taxes do not separate these two items.

In the City's tax base, residential assessments are supposed to be 50 per cent of the true value. All other properties, including vacant lots, and mixed residential and commercial places, are presumably assessed at 66 2-3 per cent of true value. (An exception has been made in Table D as regards "Estimated True Values" by including church properties at twice, rather than two-thirds of their assessed valuations.) On the above basis, the total estimated true value of the City's tax base would be $2,742,880.

For the County's tax base, all assessments are supposed to represent from 50 to 55 per cent of true value. On this basis, the "true valuation" of the Extension Area would be between $2,506,945 and $2,757,640.

* This amount does not include a figure not yet available for improvements installed on the new parking lot at Third and North Streets. The old High School property (tax exempt), in accordance with the suggestion for the City Assessor's Office, is included here at $40,000 instead of the present book figures of $118,140 (City) and $150,000 (County). A strip of local tax exempt Pennsylvania Railroad property east of Seventh Street is prorated as part of the company's tentative valuation of $80,000 on its property proposed for acquisition.

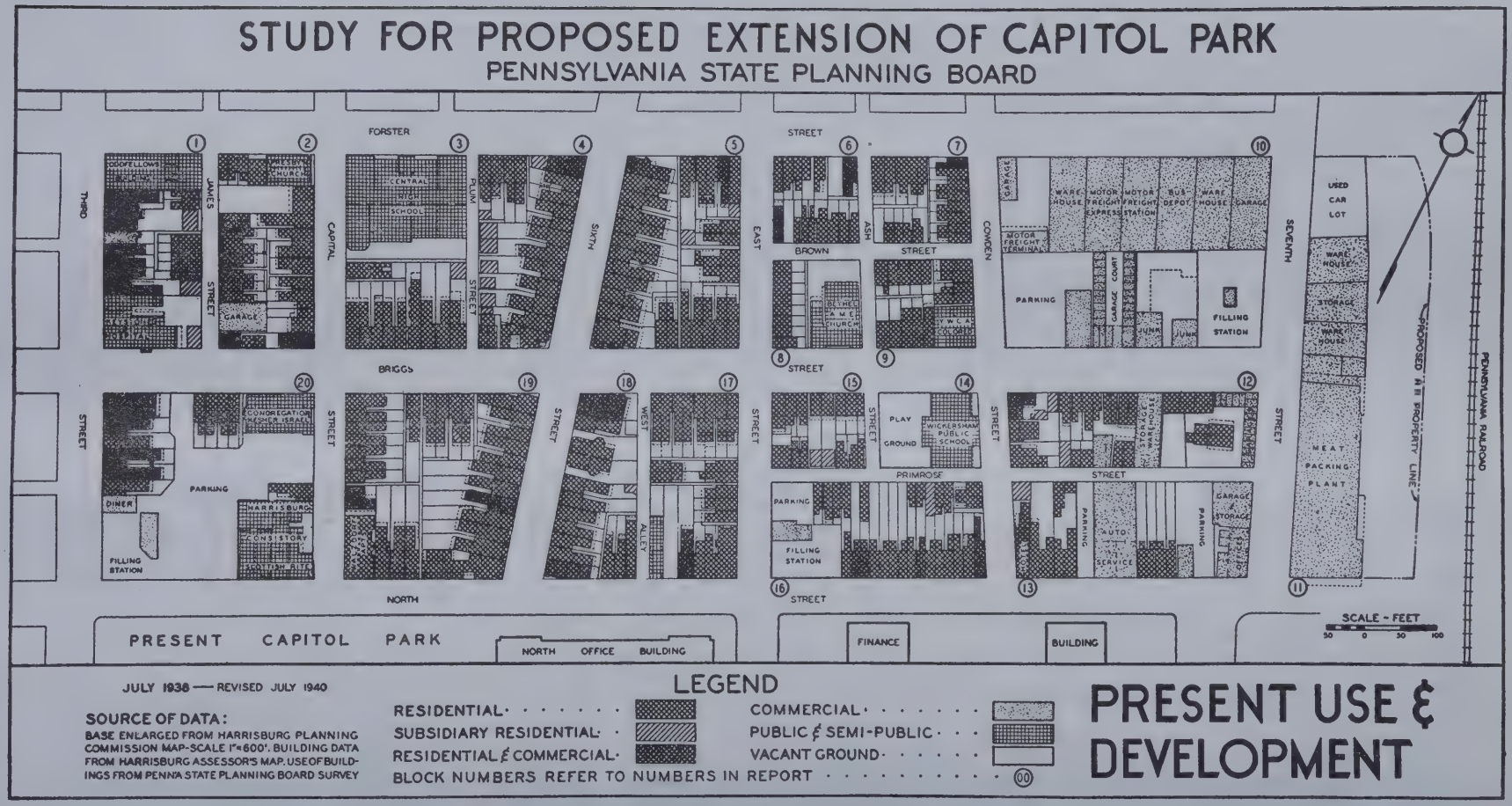

Fig. 14. Map of Uses.

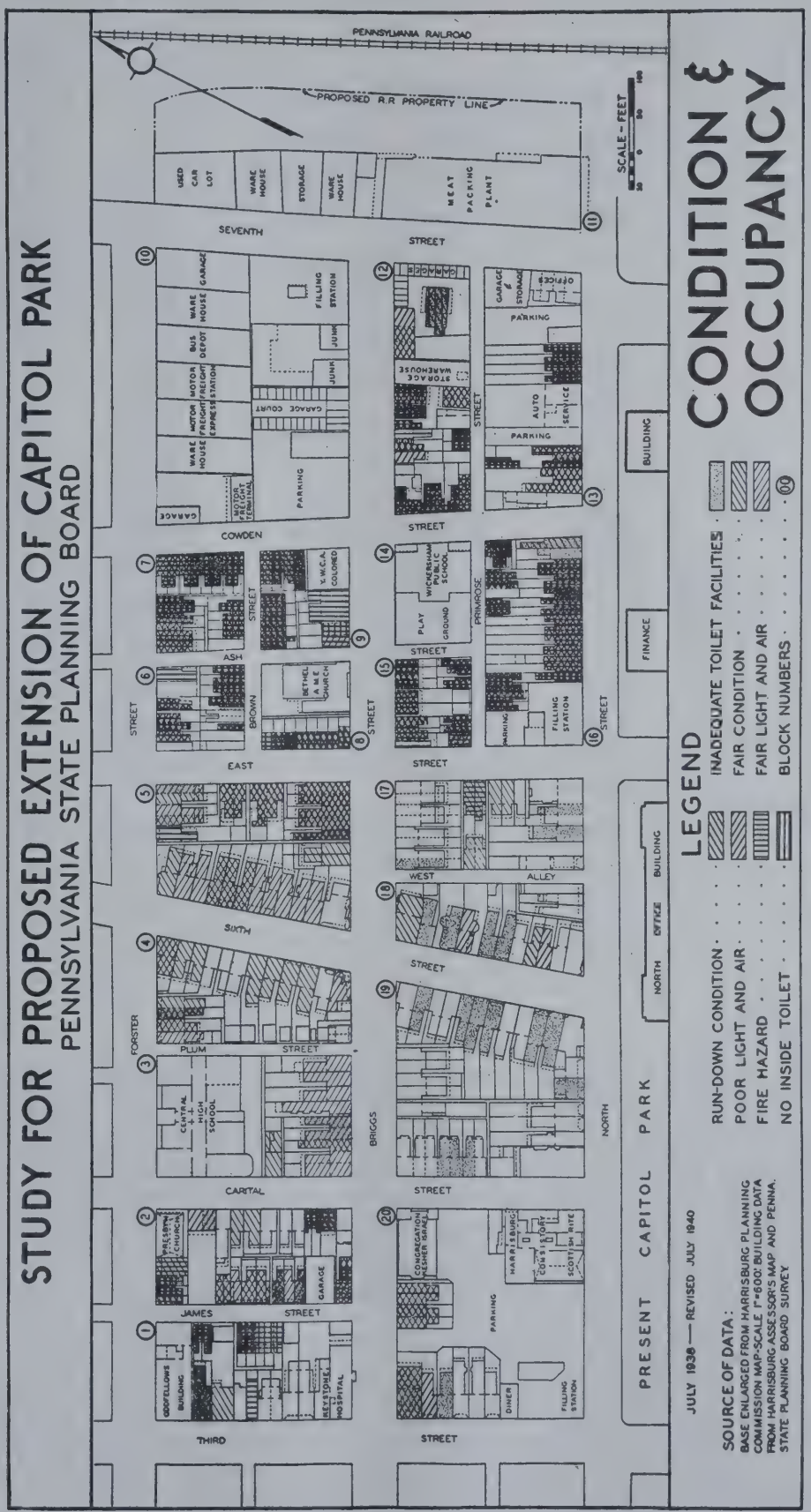

Fig. 15. Map of Conditions.

TABLE E—CITY AND COUNTY ASSESSED VALUATIONS IN THE EXTENSION AREA BY BLOCKS (1940)

Block	Boundary Streets	CITY ASSESSED VALUATION Land	Buildings	Total	COUNTY Est. True Value	Assessed Valuation Total	Est. True Value
1	Forster—James Briggs—Third	$50,300	$77,200	$127,500	$193,430	$120,500	
2	Forster—Capital Briggs—James	23,970	66,450	90,420	175,005	90,200	
3	Forster—Plum Briggs—Capital	37,640	48,060	85,700	151,400	88,000	
4	Forster—Sixth Briggs—Plum	34,040	48,650	82,690	161,180	93,100	
5	Forster—East Briggs—Sixth	39,090	78,850	114,940	225,595	99,650	(See total)
6	Forster—Ash Brown—East	8,660	9,450	18,110	33,180	16,445	
7	Foster—Cowden Brown—Ash	8,230	13,300	21,530	41,650	18,185	
8	Brown—Ash Briggs—East	8,490	33,800	42,290	84,630	38,520	
9	Brown—Cowden Briggs—Ash	10,230	19,500	29,730	52,710	24,925	
10	Forster—Seventh Briggs—Cowden	42,800	35,600	78,400	117,600	57,675	
11	Seventh (East Side)	59,834	58,500	118,334	177,500	81,475	
12	Briggs—Seventh Primrose—Cowden	19,760	26,650	46,410	87,670	37,400	
13	Primrose—Seventh North—Cowden	24,140	39,300	63,440	103,235	47,920	
14	Briggs—Cowden Primrose—Ash	8,200	25,000	33,200	49,800	25,000	
15	Briggs—Ash Primrose—East	8,420	7,100	15,520	31,040	13,715	
16	Primrose—Cowden North—East	31,080	21,250	52,330	91,760	40,450	(See total)
17	Briggs—East North—West Alley	22,050	45,700	67,750	127,760	57,400	
18	Briggs—West Alley North—Sixth	32,040	55,000	87,040	162,430	68,860	
19	Briggs—Sixth North—Capital	68,460	121,500	189,960	353,990	194,900	
20	Briggs—Capital North—Third	111,800	72,600	184,400	321,315	164,500	
	Totals	$649,234	$900,460	$1,549,694	$2,742,880	$1,378,820	$2,757,640 (high at 50%) or ($2,506,945 low at 55%) *

* See text, preceding page.

Assessed valuations and adjusted percentages thereof cannot, however, be accepted as infallible evidence of probable costs. There has been no general revision of City assessments since 1918. County figures are based on personal opinions of local ward and precinct officials, who may vary considerably in their standards of judgment.

Another partial clue may be found in comparison of assessed valuation, appraisal, and final cost of the first extension of Capitol Park. The City's assessment figure was $908,014, and the appraisal approximately $1,738,300,* which is 191 per cent of the assessed valuation. Actual cost was $2,276,070 or about 250 per cent of the City's assessment. In considering these facts in relation to the proposed Extension Area, it is necessary to remember that ideas of real estate values have changed considerably since the period of 1912-1919. Then it was generally assumed that an indefinitely-expanding population would continue to require expansion of business districts, so that deteriorated residential areas along the edges of the main shopping section (such as the first extension area) were regarded as potential commercial property, and values scaled accordingly. Today, with the imminent prospect of a stabilized population in practically all cities, exaggerated ideas of future expansion must be discounted. One man connected prominently with Harrisburg real estate has affirmed that there has been a general depreciation of Harrisburg real property to the extent of one-third of peak values in former years.

A tendency to bear out the above contentions is indicated by Table F, which shows valuations of the site being obtained for a new Dauphin County Courthouse. As shown therein, the purchase price is 211.6 per cent of the County's valuation, and 166.6 per cent of the City's assessment figure. Yet this property has frontage on Market and Front Streets, within a block of Market Square. The

* Appraisal figures are not available on all properties. Records disclose, however, that the appraisals on all but twelve tracts (which cost $35,300) amounted to $1,703,000. The total given above is the sum of the two figures quoted in this footnote.

City's valuation indicates front foot rates of from $300 to $550 on Market Street, and $225 to $300 on Front Street. The most highly valued frontage in the proposed Extension Area is on the east side of Third Street, between North and Briggs Streets—$200 per front foot, and on North Street between Third and Sixth Streets—$160 to $168 per foot.

Though it is unwise to try to draw from these statistics or any others definite conclusions or accurate estimates for the cost of the Extension tract, the apparent general trend toward deflation of peak values seems apparent.

One other area may be used for purposes of comparison. In 1939 the State acquired as the site for a new office building the block bounded by Forster, Capital, Boas, and James Streets. Inasmuch as this tract is directly across Forster Street from the proposed Extension Area, there is added significance in the amounts paid for properties there.

Table G shows purchase prices and assessed valuations for this block.

The brewery and the 8 dwellings that were sold with it for a lump sum of $95,000 went at an admittedly low price in relation to the assessment figures—in fact 8 per cent below the County's valuation. On the other hand, a relatively high price was paid for the church property. If obsolescence and run-down conditions were contributing factors in the low price of the brewery, the same factors should have a lowering effect on the costs of numerous properties in the Extension Area. Though some assessments there may prove to have been low, it is equally probable that some are high, particularly in the eastern portion, where neither City or County assessments have appreciably reflected the marked physical deterioration that has occurred in recent decades.

In the light of all the above facts a figure in round numbers may be hazarded, as representing neither too liberal nor too conservative an estimate. $2,750,000 would be 177½ per cent of the assessed valuation shown for the City in Table E, and 200 per cent of the corresponding County figure. Taking into due consideration the prevailing condition and prospects of properties in the Extension Area, it appears that such a sum would be sufficient to pay for the land and present improvements.

Another item that must be included in the ultimate cost of the Extension Area is the expenses incidental to such purchase. The Act which authorized the first extension project (Act of Assembly approved June 16, 1911, P. 1027) provided for expenses.

TABLE F—COMPARISON OF APPRAISALS WITH ASSESSED VALUATIONS SITE FOR NEW DAUPHIN COUNTY COURTHOUSE (1940)

(Market, Front, Blackberry, and River Streets)

Assessed Valuations	
County	$172,500
City	219,100
Appraisals	
Viewers for the County	
Aggregate low—	$324,337
Aggregate high—	368,585
Viewers for Owners	
Aggregate high—	$440,674
Actual Purchase Price—1940—	365,000—211.6% of County's assessed valuation —166.6% of City's assessed valuation

Above percentages applied to Capitol Grounds Extension Area:

211.6% of $1,418,620—$3,001,800 (County)
166.6% of 1,579,110— 2,631,010 (City)

TABLE G—COMPARISON OF PURCHASE PRICE WITH ASSESSED VALUATIONS NORTHWEST OFFICE BUILDING SITE (1939)

(Forster, Capital, Boas and James Streets)

Proeprty	Purchase Price	Assessed Valuation City	Purchase Price—Relation to Assessment	Assessed Valuation County	Purchase Price—Relation to Assessment
Fink Ice Co. Properties:					
Brewery—312 Forster St.		$70,270		$87,600	
8 Dwellings—900-918 Capital St.		16,770		15,320	
	$95,000	$87,040	109%	$102,920	92%
309 Boas St. (Church)	15,000	4,870	308%	6,380	235%
6 Dwellings—311-321 Boas St.	19,500	9,660	202%	8,540	228%
TOTALS	$129,500	$101,570	127%	$117,840	110%

Above percentages of TOTALS applied to present assessed valuations in the Extension Area would give as "True Values":

City (127% of $1,549,694)—$1,968,111
County (110% of $1,378,820)—$1,560,482

"Section 6. The said commission is also hereby authorized and empowered to appoint one person to be known as secretary of the Capitol Park Extension Commission, one clerk, one stenographer, and one real estate expert, all of whom shall do such work in the premises as the commission shall direct; and said commission shall fix the respective compensations of the persons so appointed, which compensation shall be paid by the State Treasurer as hereinafter provided. The Attorney General shall be the counselor and attorney of and for the commission."

"The prothonotary and sheriff of Dauphin County shall each receive for his services, as aforesaid, compensation on the same scale as that fixed by law for similar services; which compensation and costs shall also be paid by the State Treasurer, as hereinafter provided, except in cases in which the appellant shall pay the costs as hereinbefore provided."

The final report of the Capitol Park Extension Commission to Governor Brumbaugh, dated August 28, 1917, contained the following paragraph:

"In the appended financial statement, it may be seen that the actual expenses of the Commission, including salaries of those employed, abstracts of title, court costs and other necessary expenses, were less than three per centum (3%) of the money appropriated, the balance of ninety-seven per centum (97%) having been expended for the actual purchase of property or reserved for payment for those properties taken by condemnation proceedings, pending the decision of the Court."

Although the amount of money involved in the case of the proposed Extension Project is greater than in the first instance, the number of properties and owners is considerably less: 334 properties as compared with 541, and 175 owners, as compared with 251. The work involved, therefore, should be less. In view of these facts, a tentative allowance of 2½ per cent for expenses is suggested, as applied to the figure of $2,750,000 mentioned above. The approximate acquisition figure thus becomes $2,818,750.

A third item of cost should be included, namely, the expense of relocating present railroad sidings which lie between the through tracks and the properties that front on Seventh Street. Several properties north of Forster Street, and east of Seventh, are now served by switchbacks, at least some of which would have to be eliminated or revised if this area were to be acquired and used by the Commonwealth. The Pennsylvania Railroad Company, on the basis of a preliminary study, has tentatively established a property line which demarcates the land depth and equipment which it must retain for public service, with access from Forster Street. The space left between such a revised property line and the east side of Fisher Plaza extended northward (see Fig. 19, facing page 6710) would be quite adequate for the State's purposes. The tract that would be available without any modification of present trackage, however, would not be deep enough for the purpose indicated on Fig. 19. Whether or not there is any imminent prospect of erecting a building on this site in the future, the State should assure the acquisition of a strip of land sufficient for protective purposes, as it did on either side of the west end of Memorial Bridge.

With the Extension Project in its present preliminary status, the Pennsylvania Railroad Company does not feel justified in incurring the expense that would be involved in making detailed studies of the cost of track relocations. Therefore no figure can be given to cover this item. It appears that roughly 700 feet of track would have to be replaced.

V. METHODS OF FINANCING ACQUISITION

There appears to be three practicable ways of financing the purchase of the Extension Area: (1) through direct appropriation of funds by the State Legislature; (2) through appropriation to repay over a period of time the Harrisburg Housing Authority for its intermediary purchase of the Area by means of funds lent by the United States Housing Authority; (3) similarly to repay the Harrisburg Housing Authority for its intermediary purchase of the Area by means of funds obtained through its right to issue bonds.

(1) Appropriation by the State Legislature is the method which was used in the case of the original enlargement of Capitol Park. By the Act of June 16, 1911, which authorized appointment of the Capitol Park Extension Commission, there was appropriated a sum of $2,000,000 to cover acquisition of the tract, and expenses incidental thereto. It was specified that not more than $100,000 should be spent or obligated during each of the two years ending June 1st, 1912, and 1913. Thereafter $450,000 was the limit of annual expenditure until June 1, 1917, the date set for completion of acquisition. These limitations were qualified by a statement in the Act that if the Governor, Auditor General and State Treasurer should certify to the Commission that there was sufficient money in the State Treasury, not otherwise appropriated, to warrant an increase in the annual expenditure, the Commission could make purchases not exceeding a total of $1,000,000 in any one year.

The report of the Capitol Park Extension Commission, dated 1917, states:

". . . owing to many changes made in buildings in the zone to be acquired, to the erection of new buildings, and to other conditions, the Legislature granted to the Commission an increase of three hundred thousand dollars ($300,000) which increase was duly approved June 18, 1915, making a total appropriation for the work of two million, three hundred thousand dollars ($2,300,000)." Of that figure there was actually spent $2,276,070.

No attempt will be made here to recommend or to outline any specific procedure for appropriation. The experience noted in the above-quoted paragraph, however, indicates the likely economy in optioning as many properties as possible at an early stage of the program so as to avoid having to make payments for any interim improvements.

(2) It is apparent that there would be advantages in having available the full amount needed for optioning and purchasing all properties in the Capitol Extension tract as quickly as possible after inception of the program. Pennsylvania has reached its constitutional limit of bonded indebtedness. The General State Authority was created as a means of providing additional capital funds for State Public works, but the present Administration does not favor further use of that agency's power to incur indebtedness through the issuance of bonds.

A possible solution would be reached if the United States Housing Authority would lend to the Harrisburg Housing Authority the sum required for purchase of the Area, and if the State Government in turn would furnish to the Harrisburg Housing Authority some acceptable guarantee of repayment, with interest and capital amortization over a period of—say ten years. On this basis biennial legislative appropriations of one-fifth of the capital loan, plus interest on the loan balance, would be required. Funds as repaid to the Harrisburg Housing Authority would be used by that agency for erection of additional new housing units. Reasons why both local and Federal housing authorities have an interest in the Extension project will be noted subsequently.

The situation in regard to obtaining funds from the United States Housing Authority is as follows: Congress has appropriated $800,000,000 for local allocation by the USHA to facilitate low rent housing throughout the country. Of that total amount some $160,000,000 have not been accompanied by funds for the annual Federal subsidy required in connection with USHA projects. Legislation now before Congres would supply such funds, making available the aforesaid approximate $160,000,000 and also authorizing additional subsidized capital for local housing loans. The application of the Harrisburg Housing Authority for an allocation from these funds is on the list of reservations.

Although the arrangement involving the State and the two Housing Authorities is entirely dependent on Congressional authorization of new housing funds, and contains a number of other contingent factors, the advantages that it seems to offer to all parties concerned appear to justify its thorough investigation as a possible means of acquiring the Extension Area. Both the United States Housing Authority and the Harrisburg Housing Authority have expressed their interest in the proposal, and their willingness to seek a mutually satisfactory agreement with the State on some such basis as that already outlined.

There has already been mention of the advantage to the State of the procedure whereby its payments for the

Area would be extended over a period of years, and yet th entire sum would be accessible as needed. This method would combine immediate availability of capital as exemplified by a bond issue, with the convenience of extended payments implied in annual or biennial appropriations.

Both the United States and Harrisburg Housing Authorities have an interest in this proposed financial arrangement in so far as it might tend to improve housing conditions in the City. The local agency is particularly concerned with the proposal because thereby it would be in a position to guide the demolition of Extension Area dwellings, both sub-standard and adequate, in such a way as to work as little hardship as possible in this community where the housing shortage is already acute. The First Capitol Park Extension program, carried out without any attempt to consider its effect on housing, resulted in dispersion of slum dwellers throughout the City, creating several widely-distributed new slum areas.

Both agencies are interested not merely in the creation of new housing units as such, but also in assuring that such housing will be related to planning and re-planning for improvement of the City as a whole. Equivalent demolition of sub-standard dwellings, which is a required factor in the public housing program, may itself create problem areas if logical and profitable uses cannot be found foi the cleared land. In the case of the Extension Area proposal, the projected use by the State solves this problem in advance.

Thus the same housing funds would provide twofold benefits; first, in facilitating demolition of structures in an area where the majority of dwellings are sub-standard and which is headed for continued depreciation—to be rehabilitated as a public park which would undoubtedly have a beneficial effect, not only on neighboring property values, but to a certain extent on the whole City, particularly through improvement of traffic ways, and secondly, by these funds being subsequently made periodically available, within the space of a decade or so, to create new dwelling units for Harrisburg.

(3) The third possible method of financing acquisition of the Extension Area involves a public bond issue by the Harrisburg Housing Authority, which would purchase the Extension tract with the funds derived therefrom. The issue would have to be backed by a re-purchase agreement between the State and the Authority, such as was indicated in item (2), so as to assure provision of funds to take care of interest and amortization of the Housing Authority's loan.

Notwithstanding the fact that the Commonwealth of Pennsylvania frequently enters into long-term agreements providing for the payment of obligations over a period of years, the fulfillment of such covenants is dependent on successive renewals of biennial appropriations. Situations of this sort imply a reliance on the integrity and responsibility of the State to live up to a legitimate agreement, as not only a financial, but also a moral obligation. Federal agencies in recent years have made grants and loans amounting to many millions of dollars, relying on promises of the Commonwealth.

Successful floating of such a loan by the Harrisburg Housing Authority would probably depend largely on the investing public's confidence in the type of security furnished by the State's cooperative agreement to repay the funds to be borrowed by the local Housing Authority. Although such an agreement, like the similar one involving USHA funds, has no precedent in practice hitherto, it is worthy of careful study.

Previous discussion has considered possible ways of acquiring the Extension Area as a unit. The State, however, should not overlook favorable opportunities for picking up individual pieces of property. Table B indicated that, as of March, 1940, forty-three properties in the Area were held by financial institutions. This number includes the Odd Fellows' Building, for which the State pays an annual rental of $10,000 on an assessed valuation of $47,950 (City)—$47,000 (County). Immediate acquisition of this structure and its site would appear to be profitable.*

Table G on page 6707 shows that the major tract in the Northwest Office Building site, purchased from a trust company, was obtained for 109 per cent of the City's assessed valuation, and 92 per cent of the County's. Similar instances might be found in the Extension Area.

On page 6719 the possible utility to the State of the north half of block 10 is discussed. Early purchase of this tract, considering its present assessed valuation in relation to the State's rental of garage space elsewhere, is indicated as an economy move. Use of this property for State Highway Department garage and parking purposes would seem to justify allocation of highway funds for its purchase.

VI. LEGAL ASPECTS

Legal procedures that would be required in connection with acquisition of the Extension Area necessarily involve the State and the City of Harrisburg, with a possibility that the Harrisburg and United States Housing Authorities might be brought significantly into the picture.

Clues to prospective types of State legal proceedings are to be found in the original Capitol Park Extension Act, and in the Report of the Commission, dated August 28, 1917.

The introductory brief description of the Act states that it was intended

> ".... to provide .... for the extension of Capitol Park in the City of Harrisburg; and for the acquiring, taking, and condemnation of real estate in connection therewithin ....; and for the demolition of the buildings and structures therein; and making an appropriation therefor; and also for the expenses and cost in connection therewith."*

The Commission's Report states that of the 541 properties involved, 516 were acquired by amicable procedure, 2 by release from the City, and 23 by condemnation proceedings. Of the latter instances, 11 were settled, deeds received, and the purchase money paid before the cases reached trial by jury. In one suit the constitutionality of the law was challenged, but its legality was upheld by both the lower court and the State Supreme Court.

The Attorney General's Department passed upon and approved each title and deed for the properties that were purchased without contest. It also directed all condemnation suits.

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* No reflection is intended on the amount of rent paid. Taken on a square-foot basis, this is among the State's lowest-rate leases in the City.

* Laws of Pennsylvania, 1911, p. 1027.

The 1938 Special Session of the State Legislature passed two related enabling acts in anticipation of possible acquisition of the new Extension Area through cooperative action by the Harrisburg Housing Authority. One of these Acts, No. 11, authorizes

> "the Commonwealth or any of its agencies or instrumentalities of government . . . to contract with, and to lease or acquire from any housing authority, any area acquired or about to be acquired by such housing authority for slum clearance purposes."**

The Act further notes that

the State may effect such acquisition from a housing authority

> "for any public purpose or purposes, including the creation of public parks, and the erection on the lands contracted for of buildings, improvements and structures deemed necessary for the use of the Commonwealth."

The other Act,* which is the converse of No. 11, authorizes housing authorities to contract with the Commonwealth, etc., on the same basis as the one noted above.

Although these two Acts supply the requisite general enabling legislation, it would also be necessary, as noted in Section V of this report, for the Legislature to approve some form of specific agreement whereby the State would assure periodic payment to the Harrisburg Housing Authority for its advance purchase of the Extension Area. As of summer, 1940, the Attorney General's office is working on a form of agreement which might be mutually satisfactory to the State and to the Harrisburg and United States Housing Authorities.

The Special Session of 1938 also passed an Act whereby there was appropriated

> "the sum of fifty thousand dollars ($50,000), or so much thereof as is necessary . . . to the Department of property and Supplies for the purpose of paying the expenses of making preliminary surveys . . . in connection with any proposed acquisition of real property from any housing authority . . . including the compensation of attorneys at law, engineers, experts, clerks and assistants."** This Act furnishes the financial basis for the study of which this report constitutes the concrete product.

In the case of the First Extension project, before a single property was taken over by the State, the City of Harrisburg, conforming to a requirement of the Act of Assembly by means of an ordinance passed on October 31, 1911, and approved by the Attorney General on November 16, 1911, released to the Commonwealth all possible municipal claims to streets, alleys, and property within the Extension tract. This release included claims to two buildings occupied by the Fire Department. Records do not make clear whether or not the City was reimbursed for the two fire-house properties beyond the nominal consideration of one dollar which is mentioned in connection with the general release of its rights by the municipality.

Similar relinquishment by the City of Harrisburg would be required in connection with the proposed Extension of the Capitol Grounds. Such an agreement, as in the previous instance, in addition to vacation of streets and alleys, would involve eventual assumption by the State of expenses in connection with sewer and water mains and any other utility lines lying within the Extension Area that might have to be relocated as a result of future development of the Extension Area.

A question might be raised as to whether the Harrisburg Housing Authority has legal sanction for acquiring the Extension Area. The answer is to be found in the Housing Authorities Law of Pennsylvania.* In Section 10 of the Act, it is provided:

> "An Authority shall constitute a public body, corporate and politic, exercising public powers of the Commonwealth as a agency thereof, which powers shall include all powers necessary and appropriate to carry out and effectuate the purposes of this Act, including the following powers, in addition to others herein granted.
>
> (b) To determine when unsafe or unsanitary dwelling or housing conditions exist, or where there is a shortage of safe and sanitary dwelling accommodations for persons of low income.
>
> (d) To cooperate with any city, county, regional, Federal or other agency.
>
> (h) To arrange with any city or other muncipality located, in whole or in part, within the Authority's field of operation, or with the Federal or State government for the furnishing, planning, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks, or other places or facilities, or for the acquisition from such city, municipality or the Federal or State government, of property options or property rights, or for the furnishing of property or services in connection with a project.
>
> (i) To clear areas of unsafe or unsanitary housing, to provide for the use of cleared sites for community facilities and for any other public purpose authorized by this act.
>
> (j) To arrange with the Commonwealth, its subdivisions and agencies—to the extent that it is within the scope of each of their respective functions—(3) To plan, replan . . . any part of the municipality in connection with any housing project of the Authority.
>
> (n) To acquire by eminent domain any real property, including improvements and fixtures, for the public purposes set forth in this Act, in the manner hereinafter provided."

Section III of this report has clearly indicated that a high percentage of the residential properties in the Extension Area are in the substandard class, and that a considerable number are among the worst slums in the City. It seems clear, therefore, that the Housing Authority under Section 10 (b) would be amply justified in declaring the Area to be a slum neighborhood. The purposes to be accomplished fall directly under subsections (d), (h), (i), and (j). The power of eminent domain granted under (n) is therefore clearly applicable. Subsection (j) (3) is worthy of special note in that it emphasizes the coordination of housing with city planning.

The logical conclusion to be derived from the above facts is that the Harrisburg Housing Authority has the power to acquire the Area in question for the purposes previously outlined.

There remains a question as to the power of the United States Housing Authority to lend money to the Harrisburg Housing Authority for the Extension project. The Act of Congress* creating the USHA states:

** 1938 Special Session, Act 11, page 32.
* 1938 Special Session, Act 12, page 34.
** Ibid., Act 42, page 109.

* Approved May 28, 1937, Penna. Laws 955; 35 Penna. 1541 and following.
* Act of Congress approved Sept. 1, 1937, c. 896, Sec. 9, 42 U. S. H. A. 1409.

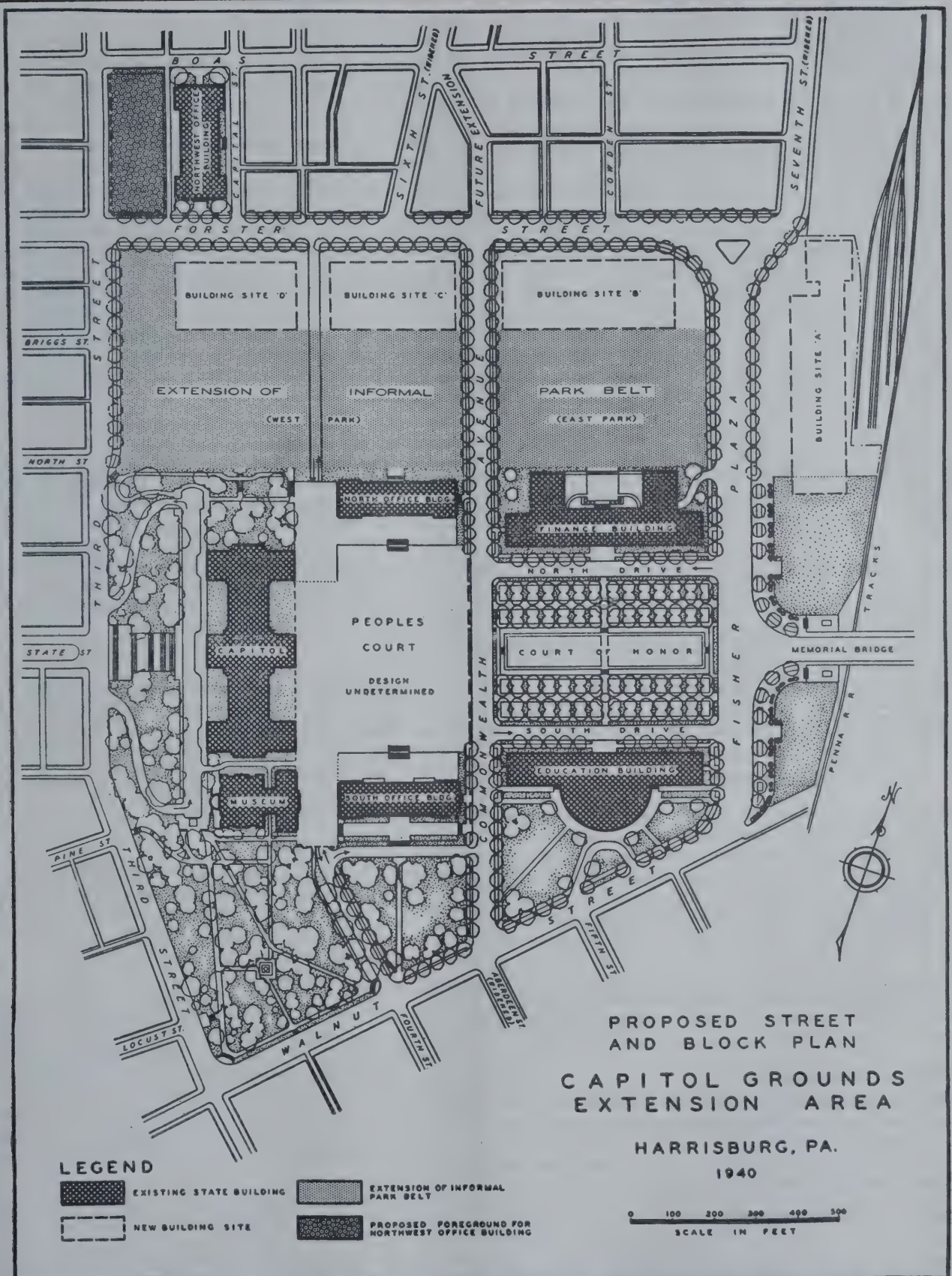

Fig. 19. This plan is a combination of existing and proposed items. Present temporary buildings are omitted from the People's Court, but no design is shown for the latter inasmuch as its form is still unsettled. The informal character of the Extension Area Park Belt is indicated, without attempting to show details such as paths, which in final form can be best determined in relation to actual buildings.

"The Authority (USHA) may make loans to assist the development, acquisition, or administration of low-rent housing or slum clearance projects of such agencies . . ."

Section 2 (f) of the Act, defines "slum clearance" as follows:

"The term 'slum clearance' means the demolition and removal of buildings from any slum area."

Inasmuch as one of the principal objects of the arrangement which would involve USHA funds is the assurance of a long-term housing construction program, following acquisition of the Extension Area, the loan would demonstrably aid low-rent housing in Harrisburg. Even if this aspect were subordinated, or absent from the program, the USHA has the power to lend money for slum clearance projects as such. The conjunction "or" as used in the Act renders the object of either "low-rent-housing," or "slum clearance" equally eligible. Annual contributions would not be required to support the loan until such time as the proceeds or portions thereof were repaid by the Commonwealth, and converted by the local Housing Authority into a housing project.

The foregoing statements seem to demonstrate clearly that the United States Housing Authority can legally lend funds to the Harrisburg Authority for purchase of the Extension Area.

VII. PROPOSED STREET AND BLOCK PLAN

In the case of the first extension of Capitol Park the Brunner Plan determined the revised pattern of streets and the general locations of building sites several years prior to erection of any individual structure. Similarly it is possible to determine in advance a street and block plan for the proposed Extension Area, with sizes of possible individual building sites left flexible enough to permit their adaptation to any future needs.

A. THE STREET PATTERN

A study of street revisions for the tract was first made in August, 1938, by the Harrisburg Area Regional Planning Committee. The proposals made therein were subsequently confirmed by the three consultants, Paul P. Cret and William H. Gehron, Architects, and Thomas W. Sears, Landscape Architect, who were temporarily retained early in 1939 by the Department of Property and Supplies.

The street system agreed upon—shown in Fig. 19 (a slightly modified version of the Consultants' plan), involves elimination of certain existing streets, and extension or widening of others, as hereinafter described.

STREETS TO BE ELIMINATED

Within the proposed extension of Capitol Park it is obviously desirable to limit public streets to the necessary minimum. Accordingly, North, Briggs, Capital, Sixth, East, Cowden, and Seventh Streets, with intervening alleys, would be eliminated.

STREETS TO BE EXTENDED

Recommendations include extension of two existing streets—Commonwealth Avenue and Fisher Plaza.

Commonwealth Avenue

With North Street eliminated, it would be essential to continue Commonwealth Avenue northward as far as Forster Street. A pavement width of from 56 to 60 feet would be desirable in order to provide an even number of lanes of adequate width, with or without parking, but unless widening of the older portion of the street from its present 52-foot width could be accomplished, it is doubtful whether a curb off-set of two to four feet on each side for a distance of two blocks would be advisable or helpful.

At Forster Street, Commonwealth Avenue would be less than 150 feet east of Sixth Street, thus providing a fairly direct connection between that important traffic artery and Walnut Street. The City, however, would eventually be justified in extending Commonwealth Avenue northward from Forster Street, possibly as a one-way street, to a five-point intersection with Boas Street, without affecting the Messiah Lutheran Church. If week-day parking were eliminated in the block between Forster and Boas Streets a 40-foot, four-lane pavement would be adequate for two-way traffic.

Plans in the City Engineer's office indicate the future possibility of extending Commonwealth Avenue southward on the line of Aberdeen Street from Walnut Street across Market Street, past a new Pennsylvania Station Plaza, to an intersection with Chestnut Street, Fourth Street and the Mulberry Street viaduct. (See Fig. 3.) There would thus be provided a thoroughfare from Linglestown Road by way of Sixth Street and Commonwealth Avenue to the southeast section of the City. Such an improvement would be a possible result, but not a part, of the Capitol Grounds Extension.

Fisher Plaza

It is recommended that Fisher Plaza be extended northward, with its present pavement width of 80 feet, to Forster Street. At that point it would connect, by easy curves, with Forster and Seventh Streets. By this means, northern and western traffic to and from Memorial Bridge would be served at least as adequately as is the Fisher Plaza-Walnut Street flow at present.

STREETS TO BE WIDENED

Widening of four streets is proposed: two—Forster and Third Streets, as part of the development of the Capitol Grounds Extension Area, and two—Sixth and Seventh Streets, as related municipal projects not within the Capitol Grounds.

Forster Street

With extension of Capitol Park, Forster Street becomes the northern marginal thoroughfare which must share, at least equally with Walnut, the work of carrying east and west traffic around the Capitol Grounds. As part of the new Capitol Park improvement, the pavement of Forster Street would be broadened southward to a width of 60 feet, which would provide for 6 lanes of moving traffic, or 4 lanes with 2 for parking, except perhaps during rush hours.

Forster Street gains additional importance as the logical approach to a future bridge across the Susquehanna River that would connect with the U. S. 11 Bypass on the West Shore. For many years there has been recognition of the need of another river bridge. The proposal of State Street as the site is now generally ruled out because of the traffic complications involved in its dead-end termi-

nation at the west front of the Capitol. Both North and Briggs Street will be eliminated for the same reason if Capitol Park is extended.

There is some difference of opinion as to whether a new bridge should preferably be built at Forster Street, or south of the Reading Railroad bridge, to connect Paxton Street with Lowther Street in Lemoyne. The question of priority need not be discussed here. Bridges at both sites will probably be needed eventually. Unquestionably the location of the present Walnut Street bridge only a block from the more permanently constructed one at Market Street contributes materially to traffic complications on Front Street. If the two bridges should be taken over by State or county agencies, or when the time comes that major repairs to the Walnut Street structure might be necessary, it should be replaced by a new one at the Forster Street location. This possible eventuality must be considered in planning any changes in Forster Street as part of the Capitol Park Extension project.

Third Street

The pavement of Third Street is now 48 feet wide between Walnut and North Streets. Beyond the intersection of Third and North Streets, the roadway narrows to 38 feet, the east curb line projecting two and a half feet, and the west curb seven and a half feet beyond the curb lines south of North Street.

When the Capitol Grounds are extended, Third Street should be widened to the east so as to provide an even number of lanes of adequate width. The present width of 48 feet permits two 8-foot parking lanes, and an excess of 2 feet over three 10 foot travel lanes. A width of 56 feet—allowing for four 10-foot lanes, and parking on both sides, is recommended from North Street to Forster Street. The eastward offset of the east curb at North Street, amounting to 13½ feet, would be accomplished with a gradual reverse curve. If, as has been proposed, the half block between Third Street and the new Northwest Office Building that lies between Forster and Boas Streets (occupied by the Liquor Control Board) should be purchased, thus permitting this structure to face onto Third Street, the latter should be widened to 56 feet for the length of this block also, as indicated by a dashed line on Fig. 19.

Sixth and Seventh Streets

Although both Sixth and Seventh Streets north of Forster Street are outside of the Capitol Grounds Extension Area, they are important factors in traffic relating thereto. From the City line southward to Reily Street, Sixth Street is 80 feet wide, with a 46-foot pavement. From Reily to North Street it narrows to 50 feet, with only a 28-foot pavement. Seventh Street is 55 feet wide, with a 31-foot pavement. In spite of their narrowness, these streets both have heavy traffic, particularly Seventh Street, which carries a large amount of truck traffic to and from Herr Street.

The 1939-40 Report of the Harrisburg Area Regional Planning Committee makes the following recommendations for these two streets:

"SIXTH STREET—Needs . . . establishment of building setback lines, by special ordinance, or by a general zoning ordinance, increasng the street to 80-foot width from Reily Street to North Street. Pavement to be increased to 56 feet (two 8-foot parking lanes, four 10-foot restricted speed lanes). An alternative would be to forbid parking within this section, widen the street to 60 feet, with a 40-foot pavement (four 10-foot lanes).

SEVENTH STREET—Needs establishment of building lines to provide at least a 70-foot street (better 80-foot . . .) with a 60-foot pavement (two 8-foot parking lanes, four 11-foot restricted speed truck lanes) from Fisher Plaza to Division Street or beyond."*

Capitol Garage Drive

The roadway providing entrance and exit to and from the Capitol Garage, though not a public street, is a rather important element in the traffic picture. Previous recommendations, including the 1939 report of the three Consultants, have included use of the present one-way entrance from Fourth and Walnut Streets, and a one-way exit running straight through the Extension area to Forster Street, as shown on Figure 19. Because of the nature of its use, this driveway would naturally be in effect a one-way drive—inward in the morning, and outward in the late afternoon. In order to provide two ways of ingress and egress in opposite directions, so as not to concentrate all Capitol traffic in one spot, it is proposed that the driveway permit two-directional travel. Fig. 13 (page 18) shows the effect of the present single exit onto Commonwealth Avenue. A similar one into Forster would be no improvement, because so many left turns would be required. Allotment of parking space in the proposed enlarged sub-terrace garage in accordance with the normal destination of each car, so as to produce a predominance of right-turn exists from the garage drive, would help to relieve traffic snarls. With prohibition of parking thereon, the present 24-foot entrance from Fourth Street would be adequate for two lanes outward (at the afternoon rush hour) and an occasional inbound car, traveling at a desirable moderate speed, but a width of 27 feet for both sections of the driveway would be preferable.

B. THE BLOCK PATTERN

Superimposing of the recommended revised street pattern on the Extension Area results in creation of four separate blocks: one between the railroad and Fisher Plaza; one between the latter and Commonwealth Avenue, and two between that thoroughfare and Third Street —divided by the garage driveway (see Fig. 19). As a matter of fact this drive would be narrow enough so that a building could be arched over it if circumstances so required.

BUILDING SITES

General principles concerning use for building sites within the blocks thus formed are outlined in the previously-mentioned Consultants' Report.*

"The new buildings ought to be located in such a way as:

a. to leave the principal architectural importance to the main group forming the Court of Honor;** this court ought to remain the show place of the State Group.

* Planning for the Future of the Harrisburg Area, Report of the Harrisburg Area Regional Planning Committee, 1940, pages 72-3.

* Report on the Proposed Extension of Capitol Park, by Paul P. Cret, William H. Gehron and Thomas W. Sears, Consultants, January 12, 1939.

** The term "Court of Honor" as here used implies the entire five-building group and the area enclosed thereby.

b. to allow erection of new buildings by sections, when needed, and with enough flexibility of design to accommodate the different purposes (office buildings, laboratory buildings, etc.). This means that there ought to be a separation as wide as possible between the formal group of the Court of Honor and the new group. To this end, we suggest that the building area be located along Forster Street, and be not over 200 feet deep, measured perpendicularly to that street, leaving a park area between the North Office Building and the new building area approximately 350 feet in width. The building area thus provided . . . faces on Forster Street and the Park belt . . . and can be divided into lengths suitable to the types of buildings that may be required.

. . . . . .

"We have considered several ways of planning these new buildings. However, as long as the program of what they ought to contain has not been determined, we feel that it would hamper more than assist to try to suggest a form in plan or elevation. We have satisfied ourselves that the area shown on the sketches for building purposes is adequate to receive 500,000 to 800,000 square feet of floor area if the proper planning and number of stories is used. The architectural treatment of these new buildings, on the location suggested, could, if desired, be made more utilitarian than the central group, desirable harmony being preserved by sympathetic design in relation to the existing buildings, and the proper selection of materials.

"The plan accompanying this report is merely a diagram, as the time and the information at our disposal prevented any attempt at planning either buildings or grounds. Our aim is only to illustrate the above recommendations and the general principles for the use of the area recommended for purchase . . . Once a broad policy has been decided upon, it is better to leave within the limits of this policy as much freedom as possible to those planning the future buildings. We believe that the separation of the proposed building area from the existing central group, by a green belt, makes for this desirable flexibility."

The fact that streets and potential building sites shown on Fig. 19, are very different from the existing street and block pattern (Fig. 3) is sufficient reason to justify the State's acquiring the Briggs-Forster strip of blocks simultaneously with the strip to the south, rather than delay purchase until there is need to obtain a particular site. Freedom for the State to use any building site within the Extension Area as required, and to revise streets therein in accordance with a long-term plan, is dependent on unified control of the whole tract.

THE PARK BELT

As far as the proposed Extension Area is concerned, the "park belt" or "green belt" referred to in above quotations would include the land bounded by the south side of present North and Briggs Streets, from Third Street to Fisher Plaza extended—and also the block bounded by Forster, James, Briggs and Third Streets. Concerning the general character of development recommended for this area, the Consultants' report states:

". . . we feel that the formal treatment with formal lines of trees, hedges, pools, etc., ought to be reserved for the Court of Honor. Other parts of the Capitol Park should be treated informally—as a green belt around the central group and to be as wide as possible to emphasize and isolate the formal center. Care must be taken to avoid wasting this opportunity for securing a fine restful area around the Capitol by letting new buildings encroach into it more than is strictly necessary. The width of this green belt (shown on our plan—about 350 feet), is adequate—but not more."

VIII. STEPS IN DEVELOPMENT OF THE EXTENSION AREA

The story of the Capitol Grounds Extension will by no means be complete when all properties have been acquired by the State. There will still remain for consideration such inter-related problems as (1) demolition of existing structures, (2) timing the removal of certain streets, and widening and extension of others, (3) modifications of underground utility lines necessitated by street changes, (4) development of park belt, (5) possible interim use of remaining sections of the tract prior to final development, (6) ways and means of providing for site improvement, and (7) provision of protective regulations and covenants which would help to assure that future private development adjacent to the entire Capitol Grounds would be harmonious as possible, and not such as to detract in any way from the State's large investment in the Capitol area.

If sufficient funds could be made available at one time to take care of all demolition in the Area, of all street changes, revisions of uitlity lines, and complete site improvement, little additional comment would be needed here. It seems unlikely, however, that the entire job will be done simultaneously. Shortage of dwellings in Harrisburg makes questionable the advisability of initial destruction of 295 residential units. Economy suggests that removal and reconstruction of streets and utilities, and general regrading might be done in more than one phase, over a period of time; also that in some portions of the tract certain structures might be rented after their purchase by the state, until such time as their sites may be needed for buildings. It seems worthwhile therefore to work out the best possible sequence of steps in the development of the Extension Area.

(1) DEMOLITION

The process of demolition would vary considerably according to whether or not the Harrisburg Housing Authority were directly involved in acquisition of the tract. The State Legislative Act previously referred to, wherein is authorized mutual action by a housing authority and by the State, reads as follows:

"Section 2. The Commonwealth of Pennsylvania, shall have the power and authority to enter into contract with any Housing Authority, either before said Housing Authority undertakes a project whereby it shall demolish, clear or remove buildings from a slum area, or after it has undertaken and completed such slum clearance project . . ."

It further notes that the contract

". . . shall impose a duty upon the Housing Authority to demolish, clear, or remove all such buildings from the slum area as shall be necessary to change the character of said area and remove the slums therefrom as promptly as circumstances shall permit."

It is apparent that considerable leeway is given to the Housing Authority to determine what properties should be demolished, and when. If the Harrisburg Housing Authority becomes a party to the acquisition of the Extension Area, it is clearly responsible, sooner or later, for elimina-

tion of what are demonstrably "slum dwellings." Such demolition would naturally be tempered by the housing agency's concern to avoid accentuating the present housing shortage, and therefore would need to tie in with either public or private dwelling construction programs.

It should be noted that the last quotation above states that "buildings" rather than "dwellings" shall be removed. Thus it appears that clearance of non-residential structures might devolve upon the Housing Authority, provided they are exceptionally run-down, or constitute fire hazards, or would contribute otherwise toward depreciation of the district. Demolition of other structures, superior to such a classification, would seem in any case the responsibility of the State. It should not be difficult for the State and the Harrisburg Housing Authority to achieve a mutually satisfactory agreement in regard to their respective shares of demolition.

If the Harrisburg Housing Authority were not directly involved in acquisition of the Extension Area, the State of course would take care of all clearance, as it did in the case of the First Extension. The assistance of the local Housing Authority, however, should be sought in connection with the timing of demolition, so as to minimize hardship on residents who must be dispossessed.

After acquiring the tract, the State would presumably wish to demolish at least all sub-standard or poor-quality buildings as soon as possible. Fig. 15 furnishes clues as to the distribution of such structures. On that basis, residential buildings, without exception, would be cleared eastward from East Street, and also in the eastern half of Block 5. Only certain institutional and commercial structures might be temporarily retained within that area. Poor-grade buildings in other blocks would also be subject to initial demolition.

(2) REVISION OF STREETS

Assuming that, for one reason or another, revision of streets within the Extension Area would be distributed over a period of time, analysis of the factors involved indicates two main phases of the work. The first would include changes in the block strip between North and Briggs Streets, from Third Street to the railroad. The second would comprise the corresponding strip between Briggs and Forster Streets.

THE FIRST PHASE

In discussing the purposes of the Extension on page 6700, it was noted that acquisition of this area by the State would relieve the present cramped and unfinished conditions on the north side of the North Office Building and the Finance Building, and would provide an adequate setting to the north of the Capitol. The key to these improvements lies in the removal of North Street and at least the south block of Sixth Street, thus permitting the necessary cutting down of the Sixth Street ridge, south of Briggs. Getting rid of North Street means the dead-ending, and therefore the removal of intermediate streets between it and Briggs Street, and demolition of buildings, regardless of their character, which front thereon. Continuity of East and Seventh Streets, it is true, would not be changed by removal of North Street. In the case of the former, however, buildings would have to be removed to permit its widening as a continuation of Commonwealth Avenue. At least in the first block of Seventh Street, buildings should also come down, for a meat-packing plant does not make a very satisfactory neighbor for the State Capitol group.

For reasons which will be explained later on, it is recommended that Blocks 1 and 2 (bounded by Third, Foster, Capital, and Briggs Streets) be included in the First Phase. This calls for removal of James Street, and demolition of all structures except the Oddfellows Building at Third and Foster Streets.

The First Phase thus means practically a clean sweep of streets and buildings northward to Briggs Street, and in the Briggs-Forster Block as far east as Capital Street. Thereafter follows the constructive stage of providing new streets. These include extensions to Briggs Street of Fisher Plaza, Commonwealth Avenue, and the Capitol Garage driveway.

FISHER PLAZA—Reference to Fig. 3 will indicate that with the elimination of North Street, west- and northwest-bound traffic from Memorial Bridge would have to make a jog eastward onto Seventh Street, and then back onto Briggs unless Fisher Plaza were extended northward. This fact seems sufficient justification for a one-block extension of Fisher Plaza in the First Phase, rather than later construction of both blocks at once. Gradient over the entire length will be negligible, so that permanent grading and surfacing of Fisher Plaza from North to Briggs Street could be accomplished.

COMMONWEALTH AVENUE—A necessary concomitant of the North Street elimination would be the continuation of Commonwealth Avenue north to Briggs Street. Although its further extension to Forster Street would be desirable, grading changes that would be required at the intersection of Commonwealth and Forster because of the rather steep present gradient of the latter would be impracticable to achieve prior to the major operation of widening and lowering the grade of Forster Street. It is true that a similar difficulty will be met at the junction of Commonwealth Avenue and Briggs Street, but this will not be a permanent intersection, and the State, owning all adjacent land, would be free to indulge in temporary grading expedients. Tentative profile studies indicate that the first block extension of Commonwealth Avenue could safely be made on the basis of the final profile.

CAPITOL GARAGE DRIVE—Careful study should determine whether the permanent profile of the first half of the drive to Forster Street could be achieved in the First Phase, or whether subsequent elimination of Briggs Street might involve some cutting to grade for the driveway. Rough profiles indicate something like a two-foot cut at the intersection of Briggs Street and the finished garage drive. Pending its extension to Forster Street this roadway could be built 27 feet wide to Briggs Street, probably without final surfacing.

BRIGGS STREET—Elimination of North Street in the first phase of the street revision program would leave Briggs as the marginal street. Thus the existing 25-foot pavement of Briggs Street would take over the traffic that uses the present 33-foot pavement of North Street. Actually, however, 33 foot is an inadequate width for four traffic lanes, and where there are numerous lateral intersections a third lane is nearly useless for passing. Thus both North and Briggs Streets, with partial parking, in

reality now have only one effective moving traffic lane in each direction.

It may very likely prove wise to eliminate the sidewalk on the south side of Briggs Street, and widen the paved way to 40 feet, providing an inexpensive, temporary surfacing, most of the street trees on Briggs are poplars or soft maples; few of the trees would be desirable for retention as part of the permanent planting of the park area. For that reason they need not be allowed to interfere with even temporary grading.

In connection with the First Phase all parking should be eliminated on Briggs Street, as it is on some sections of North Street at present. It might be possible to work out a system of one-way traffic for Briggs and Forster Streets. Traffic difficulties will still be present, however, until Forster Street has been widened, and Briggs eliminated, in the second and final phase of the program.

THE SECOND PHASE

The Second Phase is essentially a repetition of the elements involved in the first one, but applied to the Briggs-Forster strip of blocks. It involves the demolition of all remaining buildings, the removal of intervening streets (Capital, Plum, Sixth, Ash, Cowden, Brown, and Seventh Streets) as well as Briggs street, and the accomplishment of street extensions and widenings.

FISHER PLAZA—Reference to Fig. 19 shows that Fisher Plaza would be extended to a new and greatly improved intersection with Seventh Street at Forster. Grading will be negligible.

COMMONWEALTH AVENUE—As already noted in connection with the First Phase, continuation of Commonwealth Avenue northward with the present pavement width of 52 feet will involve a considerable grading problem at its intersection with Forster Street.

Coincident with this second one-block extension of Commonwealth Avenue by the State, efforts should be made to persuade the City to extend the avenue one block farther to an intersection with Sixth and Boas Streets. It is not impossible that the resultant increased assessed valuation of frontage on the new wide street over a period of time would repay in taxes the cost to the City of this improvement. A sufficient justification, however, would come from improved traffic conditions created by direct continuity between Sixth Street and Commonwealth Avenue. Eventual widening of Sixth Street from Boas to Reily Streets is contemplated in connection with this proposal, as noted on page 6713.

FORSTER STREET—Whether or not a river bridge is eventually built at the west end of Forster Street* the latter will be the permanent marginal throughfare on the north side of the enlarged Capitol Grounds, and as such it will carry a heavy volume of traffic. For a motorway of such importance the present profile of Forster Street would be unsatisfactory. Considerations of gradient, cross-slope at future intersections, and vertical sight-distance call for careful study as a basis for future improvement. Existing grades up to 7 per cent, and limited visibility at the intersection with Sixth Street, suggest that Forster Street will require more than mere widening of the pavement to 60 feet to make it a throughfare. It may be necessary to lower the grade at Sixth Street by two feet or more, with the cut tapering off to grade before reaching Sixth and Boas Streets. Buildings along the north side of Forster, and both sides of Sixth Street, could be adjusted to new grades without serious difficulty. Some cut also appears to be required at intersections with Capital Street and Commonwealth Avenue. In order to reduce the gradient, a moderate fill may be needed at the depressed intersection with Cowden Street, which is now four feet lower than the junction of Seventh and Forster Streets, and 19 feet lower than East and Forster Streets.

Cooperative action by City and State will presumably be required in improving Forster Street, and in making incidental grade adjustments outside the Extension Area. Forster Street holds the same potentialities for increased valuation of adjacent frontages as were noted for the Forster-Boas block of Commonwealth Avenue.

CAPITOL GARAGE DRIVE—Continuation of the Capitol Garage driveway from Briggs Street to Forster Street would complete the two-way road indicated on Fig. 19, providing garage access to and from both Forster and Walnut Streets.

Following completion of this Second Phase, the street and block pattern shown on Fig. 19 will have been achieved.

There should be noted the possibility that need for utilizing one or more of the Building Sites in the Extension Area might necessitate undertaking some street alterations beyond those indicated for the First Phase, without involving completion of the entire program as included in the Second Phase.

(3) CHANGE IN UTILITY LINES

Concurrently with street and block revisions within the Extension Area certain alterations in existing underground utility lines will have to be made. These lines include sewers, water mains, electric power ducts, steam-heat pipes, and telephone conduits. There are no subsurface municipal electric lines.

SEWERS

The Sixth Street ridge serves as a divide for existing sewer lines within the Extension Area. On one side pipes run eastward from East Street under Brown and Primrose Streets, and westward from Seventh along Forster and Briggs, to join the Cowden Street sewer. This line in turn feeds southward into the North Street sewer that begins opposite the east wing of the North Office Building, and continues eastward under the railroad, to enter the intercepting sewer at Paxton Creek. On the west side of the ridge a line beginning at Sixth Street follows Briggs Street westward, picking up a northward flowing line from Capital Street. At James Street it turns north and joins at Forster a short line which enters the Third Street sewer.

All these pipes, including the one in North Street, lie deep enough so that they would not be affected by grading cuts.

As evident from comparison of Fig. 15 on page 18 with Fig. 19, page 6711, the sewer in Brown Street, and the main from North Street cut across potential building sites. It will be a simple matter to abandon the Brown Street sec-

* See page 29.

tion and any other which might not be needed for storm drainage or for connections from possible future State buildings. Less simple is the matter of the North Street outflow line across Building Site A. Assuming the undesirability of constructing a building over so important a sewer line, there are three alternatives. (1) shortening the building site by some 110 feet; (2) moving the sewer southward so as to dodge the building, if and when constructed; (3) designing the building so as to provide an open passageway through to the rear, on the present line of North Street, thus providing an easement for access to the sewer. The choice of a solution, however, need not be faced until such time as construction of a building on this site becomes imminent.

WATER MAINS

Water mains occur in all streets within the Area except Plum and Ash Streets, West Alley, and Primrose Street between Cowden and Seventh. Most of these are 6-inch mains. Exceptions include an 8-inch line on Forster Street east of Sixth, a 20-inch main on Sixth Street, the 42-inch main on Seventh that connects with the new Clark Valley impounded reservoir, and four large mains in North Street—10, 16, 30, and 36-inch pipes.

In connection with development of the Extension Area the smaller mains would merely be disconnected and left in the ground, the value of the salvaged pipes being not worth the cost of their removal. The 20-inch main in Sixth Street, however, serves the northern section of the City. Because of the prospective cut along the ridge this line would have to be replaced. In order to avoid cutting through a potential building site a new location should be sought, probably via Commonwealth Avenue to Boas Street, if that extension is achieved.

Fortunately it will not be necessary to disturb the 42-inch main which lies just west of the center of Seventh Street. Neither appreciable cut nor fill will be involved in the replacement of that street by the extension of Fisher Plaza. As Fig. 19 indicates, any future building on site A would be set back sufficiently to avoid interfering with the water main.

The major item of expense for water-main relocation will be in connection with the cutting down of North Street, necessitating the lowering, probably from Capital Street to Commonwealth Avenue, of the four parellel mains previously noted. This, however, is an item of expense which would be incurred regardless of Extension of the Capitol Grounds, in conjunction with the long-delayed removal of the North Street hump, so as to permit completion of the grading and improvements in front of the North Office Building.

ELECTRIC POWER DUCTS

A power duct of the Pennsylvania Power and Light Company runs along Commonwealth Avenue and East Street to Briggs, and under the latter to and beyond Third Street. From Briggs Street a branch line extends along James Street to Boas Street, serving the Northwest Office Building. Apparently the only portion of these lines that would be affected by Extension of the Capitol Grounds is the section in Briggs Street between Commonwealth Avenue and Capital Street where lowering in place would be necessary because of prospective cutting down of the ridge.

STEAM-HEAT PIPES

The main line of the Power Company's steam-heating pipes follows the same route as the power conduits, on East and Briggs Streets. Additional connection lines run along North and Forster Streets between Commonwealth Avenue and Third Street, and in Sixth Street from North Street to Forster and beyond. There is also a pipe from Briggs Street along James Street to the Northwest Office Building.

With elimination of service to the adjacent Extension Area blocks, pipes on North and Sixth Streets within the Area could be eliminated. Those in Briggs and Forster Streets would have to be replaced at greater depth within the territory affected by the grading of the ridge, as previously noted.

TELEPHONE CONDUITS

Briggs Street is the location of the only continuous underground telephone conduits in the Extension Area. They will have to be lowered in place, probably from Capital Street to Commonwealth Avenue, as a result of the prospective slicing off of the Sixth Street ridge, on which preliminary study indicates an eventual cut of some three feet at the intersection of Briggs and Sixth Streets. Lowering of the conduits and deepening of manholes can be done satisfactorily prior to general grading of the adjacent ridge area.

Due to the necessity of leaving various subsurface utilities within the bounds of present Briggs Street, it is important that the south line of the three potential future Building Sites B, C, and D, shown in Fig 19 should not be permitted to encroach on the present north curb line of Briggs Street, in order to leave an adequate easement for access to pipes. Thus the available depth of building sites would become approximately 18 feet, rather than 200 feet, as noted in the quotation from the Consultants' report on page 6713.

(4) DEVELOPMENT OF THE PARK BELT

Reference was made on page 6714 to the "park belt" which the Consultants' plan, Fig 19, shows as occupying the blocks that lie between North and Briggs Street from the extension of Fisher Plaza to Third Street, and continuing northward along the latter at least as far as Forster Street. This belt would constitute a permanent park setting on the north side of the Capitol, the North Office Building, and the Finance Building.

On page 6713 brief note was made of a proposal that the half-block west of the Northwest Office Building be acquired by the State. Although such action would be desirable for several reasons, that tract is not considered an integral part of the Capitol Grounds Extension Area. Unless it is required, however, the preservation as an open space of Block 2, south of the Northwest Office Building would be advantageous, in order to provide an open foreground on at least one side of that building, and to help to tie it in with the whole Capitol Park Development. Inclusion of Block 1, which abuts on Third Street between Briggs and Forster, as part of the permanent park area, is a foregone conclusion, in order to provide adequate park frontage north of the Capitol. For these reasons Blocks 1 and 2 are both included in the recom-

mendation for complete demolition in the First Phase, as noted on page 6715. It is obviously desirable that these blocks as well as the entire strip between North and Briggs Streets should be freed of buildings and streets, and brought to finished grade shortly after acquisition, so that planting of trees, etc. may be done as soon as possible.

The Consultants' Report has recommended, (page 6714) an informal type of development for the park belt in contrast with the balanced symmetry of the present Capitol Group. There are several reasons for choice of this type of treatment. For one thing, informality would avoid any impression of competition or organic relationship with the Brunner Plan. Secondly, it would continue consistently along the north side of the present Capitol Group the informal type of landscape treatment which now prevails along the south and west sides.

Finally, existing variation of levels within the proposed park area would make difficult and expensive any efforts to formalize its treatment.

Two distinct units, separated by the broad pavement of Commonwealth Avenue, will occur in the permanent park area. One, which for purposes of description is designated as the East Park, will extend from Fisher Plaza to Commonwealth Avenue. The West Park will reach from Commonwealth Avenue to Third Street. Including the extra frontage along that street between Briggs and Forster, it will be twice as long as the East Park. The Capitol garage drive, unlike Commonwealth Avenue, will not form an appreciable break in the continuity of appearance of the West Park, and its presence can be minimized by the arrangement of plant materials.

The East Park will have a slightly concave cross-section for its long dimension, east and west, that is, from Commonwealth Avenue to Fisher Plaza. Present elevations of its northwest and southwest corners are respectively 342 and 338, (see Fig. 3, page 6699). Preliminary study indicates that neither of these figures is likely to be appreciably changed. Existing grades of the two eastern corners, at elevation 332, likewise are permanent. Halfway between these pairs of elevations, that is, on Cowden Street, the grade is lowest: 326 at Briggs Street, and 329.6 at North Street. A slight fill might be desirable in Front of the Finance Building and several feet of eventual fill in the low point at Briggs and Cowden Streets.

The West Park is quite different in topographic character, having a convex cross-section lengthwise. The present Sixth Street Ridge has its high point (within the Park area) at Briggs Street, elevation 352, and drops two feet to North Street. With an eventual three-foot cut likely at Sixth and Briggs Streets, and nearly ten feet at North Street, the future elevations would become respectively about 349 and 340. The necessary cut in front of the North Office Building will require grading of a gentle depression, draining eastward, its north side sloping up to a crest at the line of Briggs Street. At the western end of the Park there will be a fairly even rise eastward from Third Street to a saddle at the line of Capital Street, on which very little grading appears to be in prospect.

The complications involved in interrelating revised street profiles, park grading, present buildings, and potential building sites (not to speak of the general and detailed design of the park itself) will require careful study by an experienced and highly capable landscape architect, who should be brought into the picture in advance of any development of the park area. Grading and planting of both East and West Parks should be thoughtfully studied in relation to existing structures and prospective sites, as generally indicated by the Consultants' plan. At least preliminary grading studies should be made prior to demolition of buildings, so as to indicate possible places for depositing structural wastes, while avoiding any necessity of their rehandling incidental to final grading and planting.

(5) INTERIM USE OF THE BUILDING SITE AREA

The permanent Park Belt having been defined and discussed, consideration of the remainder of the Extension Area is called for. Included in the Building Site Area is the land between Fisher Plaza and the railroad, (see Fig. 19), and the strip now bounded by Forster and Briggs Streets between Seventh and James Streets—or under the conditions noted on page 6717, only as far west as to include Capital Street. On pages 6701 and 6713 reasons were given for acquiring all this land simultaneously, for potential building sites, even though current conditions render injudicious any specific prophecies as to future State building repuirements.

Inasmuch as this tract, unlike the Park Belt, is not scheduled for permanent park use, it seems reasonable for the State to make as effective and profitable use of it as possible in the interim (which may be of long duration) between its purchase and its use for State building sites. This may involve direct utilization for State purposes, or rental of selected properties in continuance of present uses, or for some new purposes.

Interim use should be thought of as taking place in two distinct periods. Duration of the first would be from completion of the First Phase of street revisions (see page 6715) to th ebeginning of the Second Phase. During this period Blocks 3 to 11 inclusive (see Fig. 14 or 15, on page 6704-6705) would remain intact, as blocks. The second interim period would extend from completion of the proposed street and block pattern to such a time as all of the potential building sites have been built upon by the State. This period also may be of long duration for all or parts of the tract.

(a) First Interim Period

At this point it may be well to note the prospective structural status of all twenty blocks in the Extension Area, following initial demolition of undesirable buildings, and in the First Phase of Street Revisions. (See Fig. 14.) page 6704.

Block No.	Structures Remaining
1	Oddfellows Building
2	None
3 & 4	Residences only (29), including 1 used partly for business.
5	West half of block: residences intact (14), including 1 used partly for business; east half: none.
6, 7, 8 & 9	None

10	North half of block: all buildings; south half: filling station, garage court (23 units), and the unnamed building just west of the court.
11 to 20	None

There would thus be only one structure left in the Park Belt—the Oddfellows Building, which is now rented by the State, (see page 6709), and which would remain until eliminated by the widening of Forster Street.

In the Building Site Area there would remain some structures that would be useful to the State, and others that might well be rented for the duration of the period.

The Commonwealth now leases a garage with 27,000 square feet of floor space at 38 North Cameron Street, for an annual rental of $5,100. In the north half of Block 10 is a row of structures, at present used for various purposes: a motor freight terminal, storage warehouses, garage, etc., with space all on one floor totalling nearly 39,000 square feet. In addition there is a small detached garage and a loading platform. Use of these conveniently-located facilities by the State during the First Interim Period, in place of the present rented garage space would mean considerable economy. Shortage of private garages in this neighborhood would probably justify retaining and renting out the existing garage court on Briggs Street, which contains spaces for 23 cars. The cinder block building west of the garage court, now occupied by a WPA project, might either be rented or used for some State purpose. The filling station at Seventh and Briggs Streets could undoubtedly be leased to advantage, in view of the fact that during the First Interim Period Briggs Street would be replacing North Street as the marginal thoroughfare north of the Capitol grounds. Annual income to the State of $1000 to $1500 from such a lease is a reasonable possibility. Finally the 43 residences on Blocks 3, 4 and 5 which bring in total annual rentals of not quite $40,000* should be retained and rented during this period because of the housing shortage in the City, and the financial assistance that they would furnish to the State in helping to pay carrying charges incident to the purchase of these properties. With the development of the Park Belt and other improvements in the vicinity, these houses would become more desirable than at present, and there should be no difficulty in maintaining practically 100 percent occupancy.

Additional land within the Building Site Area, now vacant, or to be cleared by demolition, would total nearly 220,000 square feet, of which something more than half would lie between Fisher Plaza and the railroad, in block 11, and something less than half in blocks 6, 7, 8 and 9, the east half of 5, and part of 10. Although some of this tract would have considerable slope, practically all of it shoud be used for parking of cars. Allowing 250 square feet per vehicle, about 875 cars could be accommodated. This figure is practically equal to the total number of parking spaces now available in the entire existing Capitol Park. Present streets and driveways in the latter, (Commonwealth Avenue, Fisher Plaza, North and South Drives, the roadway south of the South Office Building, and the Plaza in front of the Capitol) account for 476 spaces; the incompleted People's Court east of the Capitol has spaces for 410 cars. Although it is probable that under no conditions would it be desirable to eliminate all parking from these locations, availability of so much off-street parking space would permit a wide margin of choice in eliminating use of present paved areas, would relieve traffic congestion, and would improve the appearance of the Capitol Grounds where parking now protrudes too prominently into the picture. There seems to be no reason why a moderate rental should not be charged for parking space.

* Data from Harrisburg Real Property Survey, 1938-39.

(b) SECOND INTERIM PERIOD

The Second Interim Period would follow final demolition of all buildings remaining within the Area, and completion of the street and block pattern as shown on Fig. 19, facing page 6710. There would then be four vacant Building Sites namely: (A) the tract between Fisher Plaza (extended to Forster Street) and the railroad; (B) the tract between Fisher Plaza and Commonwealth Avenue (also extended to Forster Street); (C) the tract between Commonwealth Avenue and the Capitol Garage drive; (D) the tract between the latter and Capital or James Streets. Until such time as each of these tracts might be required as a building site, it should be used to as good advantage as possible for other purposes. Two potential uses appear most feasible: public recreation, and parking of cars.

Harrisburg is very badly in need of areas for active play, particularly in the western central part of the city.

"Within the older portion of the lower level of the city—from Front Street to the railroad, and from Division Street to Dock Street, a distance of nearly 3½ miles—lives about 50 per cent of the population of Harrisburg, over 40,000 persons; yet within this area there are only 10 playgrounds for young children, and six of these are merely small school yards. . . ."

"There is no generally-available large playfield in all Harrisburg, with provision for all kinds of recreation for youths and adults. Within the part of the city referred to above there is one public recreation area large enough for playing baseball (at Seventh and Oxford Streets); and by sufferance of the State, one softball field, (between Fisher Plaza and the railroad)."*

Naturally the State has no responsibility for making up deficiencies in Harrisburg's system of play area, but it has a large stake in its Capital City, and should be concerned with the social and economic welfare thereof. With the lower section of the City so closely built up, the mere finding of a vacant area of a size adequate for a playground near the most densely-populated district is a problem. The City Department of Parks has already indicated unofficially its interest in the possibility of leasing a part of the Extension Area, if available, for active recreation. Such a lease could not be expected to be highly profitable financially to the Commonwealth, but that should not be the only consideration involved.

For such reasons the State and City government should cooperate to the fullest extent in making available to the public one or more suitable recreational sites within the Extension Area. Of the four tracts, Site A, topographically at least, is most suitable. It is flat, and contains two acres or more—double the size of the vacant area directly south of it, at the northwest bridge abutment, now used

* Planning for the Future of the Harrisburg Area, Municipal League of Harrisburg, 1940, page 69.

extensively for softball league and informal games. A disadvantage of Site A is the fact that everyone using it would have to cross Seventh Street, which carries a heavy load of truck traffic. That fact as well as its general location seems to make this site best suited for use by older youths and adults. If the City should not see fit to make use of it as suggested, part or all of this site might be made available for parking.

The east half of Site B, the westerly three-quarters of Site C, and all of Site D will be sufficiently level for playground use. The first two will contain about one and one-half acres each; Site D, (including Capital Street) about two-thirds of an acre. All these sites would be handicapped by being across a heavy traffic street from the nearby residential population, but the fact that there would undoubtedly be a signal light at Forster and Commonwealth would make crossing reasonably safe. Certainly the hazard would not be equal to that now existing at intersections of Front Street with both Market and Walnut Sreets, where thousands of youngsters cross every week during hot weather, frequently without any form of traffic control, to use the municipal island bathing beach.

All of the above-mentioned sites would be usable for parking (as an alternative to recreation). In addition to these, the western half of Site B, and the eastern quarter of Site C would not be too steep for such use. In short it appears that there will be much more area in the Building Sites than would be needed for parking, even if all present Capitol Grounds parking were eliminated, so that there will be an opportunity for the City, at least for a considerable period of time, to do something about the present serious shortage of play areas in this portion of the city. No appreciable capital investment need be put into development of facilities in order to make a tract usable for recreation.

Comment in the previous paragraphs as to flatness or steepness of grades is based on very preliminary grading studies, which in turn are controlled mainly by tentative revised street profiles of Forster, Briggs, and other adjacent streets, as previously noted.

Although grading can hardly be considered final on any of the building sites until it has been occupied by a structure, and regraded accordingly, some planting can and should be done in the interim to remove the curse of complete bareness. Street trees should be planted throughout the Area. A certain number of such fast-growing trees as the Chinese Elm might be spotted in places within blocks where they would not be in the way of interim use. Later, if these interfered with permanent development they would be removed without question. Where it might be desirable to screen parking areas, quick-growing, inexpensive shrubbery such as sumacs and privets could be used.

(6) PROVISION FOR IMPROVEMENT OF THE EXTENSION AREA

The simplest way to develop the Extension Area is through appropriation by the State Legislature. The simplest method, however, is not always easy to achieve, as is evident from the unfinished status of the plaza east of the Capitol.

If the Extension tract had been purchased by the State several years ago, great progress might have been made by now in its improvement through use of relief labor, for which at times the securing of worthwhile, practical projects has been something of a problem. For many aspects of the Extension improvement, relief labor would be satisfactory. Demolition of buildings, revision of streets, changing of utility lines, development of the Park Belt, and provision for interim utilization of the Building Sites for playgrounds and parking lots—all these could use a high percentage of labor in relation to materials—although in that respect some types of projects would have obvious advantages over others.

In view of the present worldwide unsettled status of affairs it is impossible to foresee what labor supply conditions may be at such a time as the State may have purchased the Extension Area. Discussion of possible availability of relief labor therefore may seem academic inasmuch as acquisition of the Extension Area would take a considerable time, even if funds were now at hand. Such discussion in brief is worthwhile, however, provided the fact is recognized that relief labor is a means of effectuation which, because of its variable availability, should not be relied on for a particular period very far in advance.

It is to be hoped that the existence of relief labor will not be a chronic condition, but it might be occasionally recurrent. To give some indication of the number of relief workers that might be available for future work on the Extension Area it may be helpful to note relief figures for 1938, 1939, and 1940 to date. These years represent neither the depth of depression nor the peak of prosperity. Dauphin County is taken as a convenient unit for calculation, but it is estimated* that the number of county employables should be reduced by about one-fourth—principally because of transportation difficulties—in order to make it applicable to a project in the Harrisburg Area. Dauphin County figures (without the 25 per cent deduction) show that 1938 and 1939 averaged about 4000 relief cases, counting one or more available male employables, of which about 30 per cent were supported by the State, and 70 per cent by WPA. The high point of the period was reached in March, 1939, when the State's General Assistance load of male employables reached 1800, while WPA cared for 3200 males. 1940 represents a low point in the combined GA-WPA case load. During the first seven months male employables in Dauphin County averaged about 700 GA and 2400 WPA cases. During July WPA had increased to 2600 cases and GA had declined to about 300 cases.

If at such times as the Extension Area may be available for development, WPA or some similar Federal form of organized work relief should be in operation, the Commonwealth would be able to make extensive savings. According to current policy, WPA would credit the State with the amounts paid for acquisition of the Extension properties, as being equivalent to part of all of the State's necessary contribution as sponsor of a project. Thus for some aspects of the Capitol Grounds improvement, cost to the State would be little or nothing.

Without some such Federal relief program as that of WPA, or something similar set up on a state or county basis, the use of relief labor for Extension improvement would be of dubious advantage. The present State work relief program, supplementing WPA, and for which em-

* By the State Department of Public Assistance.

ployment figures were noted in a preceding paragraph, is based on a fourteen-hour work week per individual, an arrangement which could hardly be used effectively for the Extension Area work.

Part way between 100 per cent payment by the State for a development program, noted briefly in the initial paragraph, and the opposite extreme, represented by WPA where the Federal government would assume most of the financial load, is the type of Federal aid represented by Public Works Administration projects. Although no further funds are in prospect in connection with the recent PWA program, it can hardly be affirmed unqualifiedly that there will be no future instances in which the Federal government may give similar assistance for selected state and local public works projects.

Pennsylvania cannot at present plan action on development of the Extension Area, but that is no excuse for failure to prepare for action that may take place at a suitable time. Insofar as it may be possible to do so, commitment should be made to a plan of procedure, involving a series of projects representing the several stages of development, and put in readiness to proceed when opportunity knocks. The present Capitol Group exists only because advance planning anticipated future expansion that subsequently materialized.

(7) PROTECTIVE REGULATIONS AND COVENANTS FOR THE ENVIRONS OF CAPITOL PARK

Having made so large an investment in the existing Capitol Grounds and buildings, with the prospect of eventually adding thereto the Extension Area and its improvements, the State may well give some thought to the immediate environs of the present and future Capitol Park.

Currently there are no significant restrictions, aside from the city building code, on what may be done with privately-owned frontage across the streets from Capitol Park and the Extension Area. Harrisburg has no zoning ordinance, and so there are no limits on building heights or bulks, and only such regulations of use as might prevent an obvious nuisance or menace to health.

Arbitrary restrictions on use of private property are undesirable but experience has shown that certain democratically-imposed forms of regulation such as zoning, deed covenants, and building codes are legitimate checks on individual actions that might result in lasting detriment to the community, and in the long run, to every individual therein.

It seems desirable to consider what reasonable and generally acceptable means might be used to promote, over a period of time, such uses and types of structures on street frontage facing the Capitol Grounds as would be harmonious and consistent with the dignity of this governmental center of the Commonwealth. Before discussing such procedures, however, it may be worthwhile to note briefly what has already occurred along streets adjacent to the Capitol Grounds. Of the present marginal streets, Walnut, Third, and North, only the first two are regarded as permanent, and therefore need to be considered. In addition to these State Street, both east and west of Capitol Park, has an important relationship to the buildings of the Capitol group.

Capitol Hill was originally chosen and the four-acre site donated for its present purpose because of its dominating position in relation to the general level of what is now downtown Harrisburg. It was rightly felt that the Capitol Building, as the nucleus of the Capitol City, should stand "head and shoulders" above its surroundings. West State Street was planned to be the principal approach to the Capitol, and wisely was laid out 120 feet wide. That even this exceptional width, however, was inadequate without being supplemented by deeply-set-back building lines, or limitation of building heights, is obvious to anyone who views State Street from the west entrance to the Capitol, or who looks back toward the building from Second or Front Streets. As it is, the vista toward the Capitol is impaired by miscellaneous sizes of trees and of flanking buildings, (Fig. 23) and the length and breadth of the view are halved by the Civil War obelisk at Second Street, (Fig. 22). In the opposite direction the same construction of the vista is evident, and in addition the height of the two flanking corner buildings on Third Street belittles even more noticeably the breadth of State Street, (Fig 24).

Sufficient foresight would have reserved at least the width of one block on either side of State Street from Third Street to the river for a Capitol park, with or without anticipating future need of buildings in addition to the Capitol. Even without acquisition by the Commonwealth of the blocks along State Street, action to limit heights of buildings fronting thereon to about half the width of the street could have been taken without cost not so many years ago, through a zoning ordinance.

In 1820, two years before completion of the Capitol which burned in 1897, there was a movement to purchase the tract of nearly vacant land between North and South Streets, from Third Street to Court (then Raspberry) Street. The price of $25,000, however, was regarded as excessive and so the matter was dropped.

The above statements are made, not as futile recriminations, but to emphasize the need of taking steps to prevent similar errors of commission and omission from being made in the future. The apparent unlikelihood of recurrence of boom times in building, and increasing realization that Harrisburg, like most other cities, is approaching a stabilized population, may tend to prevent erection of additional high buildings; yet, thinking in terms of generations, rather than the immediate future, many replacements of present structures will eventually be called for. Taking thought in advance may prevent duplication of past civic mistakes in relation to Capitol Park, and may even permit correction of some already made.

Comments about State Street will apply also to Third and Walnut Streets, and in the future, to Forster Street. None of these, however, has the type of axial relationship that State Street has to the west front of the Capitol, and, on the east side, to the whole Brunner group. Third Street has shown a particular tendency to attract the tallest buildings in Harrisburg. Obviously this is due to the fact that the presence of Capitol Park across the street is a guarantee of adequate light and air, as well as an attractive foreground for all time. In effect, excessively high buildings across from Capitol Park take unfair advantage of the latter in that they detract from the desirable dominance of the Capitol and its associated buildings, while profiting from the presence of the park in which those public buildings are set.

The following comment on the effect of high buildings

is quoted from a report of the Urban Land Institute, an agency for research and consultation, created under the sponsorship of the National Association of Real Estate Boards:

> "High buildings are believed by many to be a cause of blight. They have a depressing effect on nearby property. Too intensive use of one plot of land necessarily reduces the utility of others. It is an anomaly to note that while a few years ago it was frequently said that high land values compelled the erection of high buildings we now have many high buildings adjoining or near vacant lots in business areas for which no stable use other than automobile parking can be found. Apparently too intensive use of land is not economic or necessary."*

In brief, the things to be sought are prevention of future erection of buildings so high as to detract from the appearance and dignity of the Capitol group; to prevent occurrence of structures of obviously unsuitable architecture, regardless of size—such as, say, a "Brown Derby Restaurant," emulating the shape of its Hollywood namesake, or a use of the trans-street frontage for some clearly undesirable purpose, such as a junk-yard, a factory, or coal or building-material storage. Any of these things might occur under present conditions.

So much for the reasons why some regulation of adjacent privately-owned frontage on streets opposite to Capitol Park is important. What are the possible means by which reasonable control might be obtained? Four methods will be noted, no one of which would be entirely adequate by itself. Combination of two or more, however, could go far toward securing satisfactory protective results.

(a) ZONING

Zoning of the land adjacent to the Capitol Grounds, whereby certain standards for use and for building construction would be established, must wait upon action by the city government of Harrisburg, for legality requires that the whole city be zoned simultaneously. "Spot Zoning," covering only a portion, has generally been judged to be illegal. At the present time there is much sentiment, both official and citizen, in favor of bringing Harrisburg into line with the more than 1,000 cities in this country which have found zoning, if wisely utilized, to be a boon to both individual and community interests.

A state enabling act for zoning such as Pennsylvania has passed, is a grant of the Commonwealth's police power to municipalities,

> "for regulation by districts of the height, area, and use of buildings, and the use of land. In the exercise of this grant the regulations must be reasonable and not arbitrary or discriminatory. They must have a substantial relation to the health, safety, morals, comfort, convenience, and welfare of the community."*

> ". . . when properly applied, zoning does not deprive an owner of reasonable use of his property, but merely provides against any use of it which would take an unfair advantage in depreciating the values of nearby properties. . . . Zoning is a form of publicly-applied insurance against cupidity and selfishness. Some degree of restriction of unbridled freedom of action in the use of a piece of property is surely a small premium to pay for such insurance."**

> "To declare that the social value of land should be recognized is not to indicate that it should be treated as communal property. This is a primitive conception, quite out of line with our national economy. Rather, it is to recognize that the community has the right in determining both for the present and the future, the proper use of land, whether its use is to be for purposes of housing, manufacturing, commercial or agricultural use, forestry or public parks. By this recognition the benefits to the individual are actually increased, because, by putting land to its best use, its value is protected and preserved."***

As applied to frontage across from Capitol Park, a zoning ordinance (1) could limit the maximum height of new structures, perhaps also requiring one or more successive setbacks above a certain height, so as not to deprive existing or potential adjacent structures of equal opportunities for light and air; (2) it could regulate uses of the land to those suitable to Business or Apartment Districts, excluding those permitted only in Heavy Commercial or Industrial Districts; (3) it could restrict the bulk of any structure erected, or the percentage of area covered thereby, to whatever would be allowed as reasonable in that particular type of zoning district; (4) it could limit the intensity of land use (or the density of population) thus preventing aggravation of traffic, parking and other problems such as result from over-concentration of land use.

The one protective phase in which zoning is not at present to be relied on concerns the appearance of structures. Zoning has always tended to shy away from the esthetic aspects of land use, but recently, especially in California, county zoning has ventured to introduce the element of architectural control in connection with roadside structures. It is significant to note a judicial reaction to such a procedure, as exemplified by a 1938 decision in Monterey County, California:

> "I take it as settled that the police power cannot be exerted constitutionally for purely esthetic reasons. But what of the case where the esthetic affects property values and general economic welfare? . . . The expansion of the constitutionally recognized field of the zoning power in recent years leads me to believe that the higher courts may now be ready to recognize the validity of the next step in that field as represented by the ordinance here under attack, viz., the protection of natural scenic beauty along our highways by reasonable regulation of the character and appearance of the structures upon the borders of such highways, in recognition of the fact that they do react upon the value of the property along such highways and the general economic welfare."*

Architectural control in any form as applied to privately-built structures has not been recognized as a normal function of municipal zoning. There is a real question as to whether it should be, for the essence of zoning is and always has been uniformity of regulation within any one zoning district. Discrimination among functions or appearances of individual structures within the same district seems contrary to the spirit of zoning. Therefore, for the present at least, it appears wise to look to other means than zoning in order to assure the attractive and

* Decentralization—What Is It Doing to Our Cities? Urban Land Institute, Chicago, 1940, page 2. (The Institute is a reasearch and action agency created under the sponsorship of the National Association of Real Etate Boards).

* Zoning, by E. M. Bassett, Russell Sage Foundation, 1936, page 45.

** Planning for the Future of the Harrisburg Area, Municipal League of Harrisburg, 1940, page 63.

*** Housing in Scandinavia, by John Graham, Jr., University of North Carolina Press, 1940, page 6.

* American Society of Planning Officials News Letter, December, 1938.

suitable appearance of structures that may hereafter be built opposite the Capitol Grounds.

(b) MUNICIPAL ORDINANCE

One of three apparent possible means of accomplishing the end referred to in the preceding paragraph is a municipal ordinance.

It is to the interest of the City as well as of the State to do everything it can to promote favorable and harmonious development of the Capitol Park neighborhood. Besides being one of Harrisburg's greatest civic attractions, the Capitol Group is an important factor in creating and preserving real property values. Neither public nor private holdings, however, are proof against instrusions of ill-advised, unsuitable structures or land uses.

> "The jumble of indescribably bad architecture which the American cities represent is in itself a potent cause which drives many people from the cities. Few cities have exercised any architectural control which would tend to provide for even a minimum of harmony in the central business areas, and the same has been true of the older and close-in residential districts. All of these business areas and close-in districts, therefore, are nightmares of ugliness and drabness to one with any sense of form and beauty."*

The City has already given some degree of recognition to this potential danger by its passage of an ordinance relating to the Memorial Bridge. This ordinance (necessitated by a pervious State Act,** requiring it incidentally to construction of the bridge) states:

> ". . . That the property paralleling the Soldiers' and Sailors' Memorial Bridge, from the line of the Pennsylvania Railroad Company eastwardly, for one block north of said bridge and one block south thereof, shall not be hereafter put to any use which in the judgment of the State Art Commission shall damage or detract from said bridge; provided, however, that the present use of said property shall not be affected by this provision . . ."***

The fact that the ordinanace specifies the State Art Commission rather than the State or City Health, Highway, or Safety Department, or others which might be implied by such aspects of the police power as "health, safety, morals, comfort, convenience, and welfare," indicates that the primary aim was to protect the appearance of the bridge and its immediate environs from incursion of inappropriate uses. That the ordinance was not retroactive, and therefore could not eliminate existing discordant uses and structures does not invalidate the clear intent of the act.

If the City felt justified in passing an ordinance to guide the development of environs of Memorial Bridge, there seems no valid reason why it should not take similar action in regard to Capitol Park, which is much more clearly integrated with the heart of the City that the bridge is. It seems reasonable therefore to propose that the City Council pass an ordinance requiring submission to and approval by the State Art Commission, of any projected use of, or structure proposed for erection on, ground having any frontage on Third or Walnut Streets across from the Capitol Grounds, or on State Street between Third and Front Streets. Subsequent inclusion of Forster Street would be necessary, following acquisition of the Extension Area. In order to put teeth into the ordinance, approval of the Art Commission might be required as a prerequisite for issuance of a building permit within the area in question.

Legality of the Memorial Bridge ordinance has not been tested. That it, or the suggested similar ordinance relating to the Capitol Grounds might well be upheld is indicated by the recent decision of Justice Hooley, of the New York Supreme Court in Nassau County, sustaining an ordinance of the town of Hempstead, Long Island which prohibited all types of vertical and projecting signs. The decision states:

> "This court is not restricted to esthetic reasons in deciding to sustain the validity of the ordinance in question, but if it were so restricted, it would not hesitate to sustain the legislation upon that ground alone . . .
>
> "For years the courts have strained to sustain the validity of regulatory or prohibitory ordinances of this character upon the basis of the public safety. They decided that esthetic considerations could afford no basis for sustaining such legislation. Such considerations were deemed to render an ordinance of this character unconstitutional. But the views of the public change in the passing of years. What was deemed wrong in the past is looked upon very often today as eminently proper. What was looked upon as unreasonable in the past is very often considered perfectly reasonable today. Among the changes which have come in the viewpoint of the public is the idea that our cities and villages should be beautiful and that the creation of such beauty tends to the happiness, contentment, comfort, prosperity and general welfare of our citizens. The zoning regulations, which have been upheld by our courts, indicate the changes in the attitude of the public and the courts with respect to the right of a man to use his own property. He must now consider to some extent the interest of his neighbors and the interest of the community in general. The courts should not be so bound down with ancient precedent that they should close their eyes to every change."*

In 1934 San Diego, California passed an ordinance requiring approval by the City Planning Commission of plans filed with the Building Inspector, for erection along the principal street. At the requests of property owners themselves, the application of the ordinance has since been extended from the original district so as to include several other portions of the city.

Since 1930, private structures to be erected facing parks or public buildings in Washington, D. C. under the "Shipstead-Luce Act" have had to meet the approval of the National Commission of Fine Arts before building permits can be obtained.

By action of the property owners concerned, authority for architectural control of a half mile of frontage opposite one side of the California State Buildings was recently vested in the City Planning Commission of Sacramento. This agreement enters into the chain of title of each property.**

If the spirit of the Commonwealth were able to give voice to the intent of such an ordinance as is proposed, it might speak somewhat as follows:

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* Decentralization—What Is It Doing to Our Cities? Urban Land Institute, Chicago, 1940, page 4.

** Pennsylvania Act No. 420, Section 13, July 18, 1919 (P. L. 1049).

*** Ordinance No. 127, Session of 1918-19. File Folio 280.

* Preferred Tires, Inc., v. Village of Hempstead, 173 Misc. 1017, N. Y. (Quoted in the American City, July 1940, page 48.)

** The Next Step in Community Planning, by Albert S. Bard, 1938, pages 4-6 printed by the City Club of New York Committee on Constitutional Convention and distributed by the National Roadside Council, New York City.

"The Capitol Grounds are the focal point of Harrisburg and of the State government. We the people of Pennsylvania have invested between thirty-five and forty million dollars in this State civic center, and we want to make and to keep it a thing of which all Pennsylvanians may be proud. We feel that the properties surrounding Capitol Park have a very definite and important relation thereto. From it they derive the advantage of permanent, attractive open space as a foreground for which they pay nothing.

"In return for this amenity we ask you, the owners of these properties, to cooperate with us in assuring, to your individual and group advantage, that none of these bordering properties shall be used in such a way as to detract from any of the others, or from the Capitol Group which they face. To make certain of this we request you to submit any proposal for use of your property, including preliminary plans and elevation of structures, to be inspected by the State Art Commission, which over a period of years has amply demonstrated its value by the saving of large sums of public money, and by assuring a high quality of design and workmanship in all structures built with public funds throughout the Commonwealth.

"Because of the close relation of your property to the Capitol Grounds, the discriminating advice of this group of outstanding specialists is available to you without cost, and you have the knowledge that your property will be protected and enhanced by the availability to your neighbors of that same mature counsel."

(c) STATE LEGISLATIVE ACT

A State legislative Act would be similar to a municipal ordinance in character and effect. One advantage of such an Act as compared with an ordinance would be possibly greater ease of passage, because such a bill might be less likely than an ordinance to be affected by personal opposition from self-interested local parties. Also repeal of such a State law would be more difficult and more unlikely than in the case of an ordinance. On the other hand, enforcement of a State Act might be somewhat hard to achieve without cooperation by the municipality.

As a matter of fact, effectiveness of such an Act would depend on prevalence of public conviction that the idea embodied in the law is reasonable and necessary. More can be accomplished in improving architecture and public taste in general through education and contact with good examples than through imposition of restrictional laws. It is probably as difficult to promote good taste as it is to improve public morals, through legislation alone. This does not mean, however, that some degree of legislative control is not essential.

There seems to be no legal basis for feeling that the City has received any delegation of authority from the State that would deprive the latter of its right to pass legislation of the type called for in this instance.

(d) ASSOCIATION OF PROPERTY OWNERS

It has been previously noted that owners of properties across the street from Capitol Park and its Extension have a common concern in assuring their mutual protection from occurrence of unsuitable uses of structures on any of the component privately-owned sites. The issues here involved are somewhat similar to those which prompted formation of the Fifth Avenue Association, and the more recent Sixth Avenue Association, in New York. Most cities, in fact, have a Downtown or Uptown, or Main Street Improvement Association. Few of these concern themselves with the matter of architectural control, but most of them might well do so.

At any rate it is suggested that owners of the Harrisburg properties in question form a voluntary organization under some such name as The Capitol Park Association, the purpose of which would be to promote the best possible development of street frontage across from the Capitol Grounds. Frontages which would be included would consist of the south side of Walnut Street, from the railroad to Third Street, the west side of Third from Walnut to Forster Street, and the north side of Forster from Third to the railroad. The outside corners of the area indicated should be included. State Street from Third to front Street might also be added, if so desired by a majority of the property owners.

Unanimous participation in membership would be desirable, but initial acceptance by only a majority would make a significant start. The members might select a committee to confer with the State Art Commission which, for obvious reasons, should be recognized as the authority for approval of development plans.

Existence of this commission provides an exceptionally satisfactory answer to the question as to how to secure a disinterested group sufficiently qualified to weigh questions of architectural merit and appropriateness.

The four types of regulatory means heretofore noted are not incompatible. As a matter of fact, combination of all four would be the best possible insurance of effective neighborhood control in behalf of community and individual interests. Zoning would give general, basic protection by regulating the height, area, and use of buildings, and use of the land. A municipal ordinance, a state act, and an association of property owners could dovetail together, giving the necessary legal authority, and providing a democratic means for effectuating a mutual covenant. Any one of these mediums taken separately, would be useful; two, three, or four of them together would be proportionately more effective.

For the benefit of any person who might regard the placing of any such restraints on private development as being radical and unwise, it may be interesting to note that in such essentially conservative countries as England and Wales—

". . . control of the external appearance of building has, for some years, been a part of planning practice . . . and with good results.

"It began in 1914 with the second planning scheme to be approved, namely, that for Ruislip-Northwood. That scheme empowered the local council to refuse to pass plans for new buildings if they considered that they would be seriously out of harmony with their surroundings.

"Furthr prominence was given to the subject by the Bath Act of 1925 which gave the Council of that beautiful old city similar powers with regard to both new buildings and alterations to existing ones in the built-up portions of the city.

"The powers were specifically conferred in relation to all future planning schemes by the Town and Country Planning Act, 1932, with the proviso that opportunity for appeal must be provided for.

"In order to assist local authorities in exercising this important but delicate function . . . advisory panels of architects in all parts of the country . . . give their services voluntarily and advise as to which plans should be rejected and as to desirable amendments in designs which are submitted."

It is vital to recognize that all the regulations or cov-

enants heretofore advocated are based on recognized aspects of the police power, and are to be imposed democratically, for the benefit of the whole community, rather than by arbitrary will of any individual or group, to serve the interests of a favored few.

"In addition, many authorities, often with the help of the panels, have issued brochures in which are explained the elements of good design and the materials appropriate to the locality.

"As may be imagined, results vary widely, but on the whole I think it can be said that when the powers are exercised with firmness mellowed by tact and discretion, they have proved most successful."*

In Stockholm and other Swedish cities, no building may be erected without approval of the building board, which must see to it that structures are suitable for their sites, and that they are reasonably satisfactory from the standpoint of taste and good architecture. Such a board comprises typically a lawyer, a physician, two architects, and a building contractor.**

IX. CONCLUSION

It will be said by many persons who read this report (and also by many who don't) that this is no time for the Commonwealth to consider acquisition of the Extension Area. As a matter of fact it is unlikely that any particular time will ever appear entirely propitious for expenditure of such a sum as is involved. It is conceivable that delay might permit purchase sometime at an even more depressed figure than at present, but it seems doubtful wisdom for the State to procrastinate merely in the hope of further degeneration of Capitol Park's environs. On the other hand it is not unlikely that delay may see one or more expensive structures erected on some of the more favorably-located sites, thus seriously increasing the financial problem of purchase by the State. Assuming therefore, that acquisition of the Extension Area is a highly desirable eventuality, if not indeed an actual necessity, it would seem wise and economical for the State to make provision for its purchase at the earliest possible moment.

Some might question the advisability of undertaking the Extension project until all details of the Brunner Plan have been completed. The People's Court development, however, cannot be carried out until the five Temporary Buildings have been dispensed with. Demolition of the latter is not likely to occur unless there can be a more radical cut in requirements for State office space than now appears likely, or until additional office space can be provided on State-owned land. The latter alternative emphasizes the prior need of the Extension Area. Location of the Northwest Office Building outside of that Area because the State owned no available site therein at the time that its construction was urgent (in order to take advantage of PWA funds) should emphasize the advantage to the Commonwealth of having suitable building sites available, under State control, in the right place.

With all needed property in State ownership, eventual completion of the Brunner Plan would be reasonably assured. Until the Extension Area has been procured, however, there is always the possibility that interim private development therein may jeopardize its acquisition. For this reason, immediate purchase of the Extension tract by the State is urgently recommended. For the same reason this recommendation also includes the obtaining of additional land needed at the eastern end of Memorial Bridge, as a related project, but not as part of the Extension proposal.

In conclusion it seems worthwhile to express a hope that the people of Pennsylvania will feel an increasing pride in Harrisburg as their Capital City, and that all possible steps will be taken by local and State authorities to justify such pride. There is no reason why Harrisburg should not become the sort of civic symbol for Pennsylvania that the City of Washington represents for the Nation. As the State Capital, it is appropriate for Harrisburg to serve as a demonstration of civic efficiency and beauty to the rest of the State. Achievement of that aim will require maximum cooperation between State and municipal officials, and above all, a determination on the part of citizens of the Harrisburg Area and of the entire Commonwealth that their Capital City shall become second to none in the Nation in the amenities that it offers, with particular emphasis on the governmental nucleus represented by the State buildings, in a dignified, well-planned relationship.

* George L. Pepler, Ministry of Health, Town and Country Planning Division, England—Planners Journal, Nov.-Dec., 1938, page 151.

** Regional Survey of New York and Its Environs, Vol. VI, page 169.

REPORT OF THE COMMITTEE TO INVESTIGATE OPERATION AND PROCEDURE OF THE PENNSYLVANIA CONSERVATION BOARD AND THE EXTENSION SERVICE OF PENNSYLVANIA STATE COLLEGE

LETTER OF TRANSMITTAL

To the Members of the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania:

In pursuance of House Resolution, No. 15, Serial No. 36, we submit herewith the report concerning the operation and procedure of the Pennsylvania Soil Conservation Board and the Extension Service of Pennsylvania State College.

CLAYTON E. MOUL, Chairman.
ROY C. HABERLEN.

AUTHORIZATION

The House of Representatives, on February 18, 1941, by a vote of 118 to 80, adopted House Resolution No. 15, Serial No. 36, which reads as follows:

Whereas, The mountains and hillsides of Pennsylvania feed the headwaters of important drainage areas of the Nation; and

Whereas, The wealth of topsoil has eroded from the hillsides of Pennsylvania with accelerated speed as the forest resources have been depleted and exploited and as the natural barriers of erosion have been broken by reckless and profligate methods of tillage and wasteage; and

Whereas, The Democratic Administration of George H. Earle enacted the Soil Conservation Districts Law of 1937 and created the Soil Conservation Board to cooperate with the Federal Government in a National program of conservation and erosion control; and

Whereas, The Democratic Administration of Franklin D. Roosevelt had provided funds to eventually control erosion on the hillsides of Pennsylvania and other headwaters states so that appropriations may be diminished for the dredging of harbors and waterways and the soil may be saved for future generations of farmers; and

Whereas, Said Federal funds have been accepted very generally by farmers of other headwaters states, while Pennsylvania has instituted only four soil conservation districts; and

Whereas, The ineptitude of the present administration has brought the General Assembly face to face with a major fiscal crisis with many funds raided and many appropriations hampered; therefore be it

Resolved, That the Speaker of the House appoint a committee of three from the House of Representatives to investigate into the operation and procedure of the Soil Conservation Board and the Extension Service of Pennsylvania State College so that the finding of said investigating committee may be made available to the House of Representatives before any appropriation is approved for said board and college.

Pursuant to the provisions of the foregoing resolution, the Speaker appointed as a special committee to investigate the operation and procedure of the Pennsylvania Soil Conservation Board and the Extension Service of Pennsylvania State College, the following committee: Clayton E. Moul, Chairman; Roy C. Haberlen, and Frank E. Snyder.

REPORT

Procedure

The Committee held its first hearing on March 2 and has met each week thereafter, the last meeting held on May 12, 1941.

The Committee heard from numerous farmers in various sections of Pennsylvania, who appeared of their own volition or at our request, to give out of their own experiences and knowledge facts regarding the conduct of the soil erosion program. Representatives of the four district Soil Conservation Boards in Clarion, Indiana, Lancaster and York Counties were heard at length.

The Honorable John H. Light, Secretary of Agriculture for the Commonwealth, his deputy and other officials of his department appeared before us on several occasions, while Dr. M. S. McDowell, Director of Agricultural Extension of the Pennsylvania State College, appeared in behalf of that agency.

All of the meetings have been open to the public and the fullest opportunity has been given to all witnesses to tell the Committee all facts pertinent to our investigation.

In addition the Committee had for reference the following data:

Minutes of hearing held under auspices of the State Soil Conservation Board at the Court House, McConnellsburg, Fulton County, December 4, 1939.

Minutes of hearing held under the auspices of the State Conservation Board at Shirleysburg, Huntingdon County, in a Shirleysburg Grange Hall, December 5, 1939.

Letter transmitted to Mr. S. Luther Bentzley, Chairman of the Adams County Soil Conservation Committee, Gettysburg, by C. H. Musselman, under date of July 23, 1940.

Minutes of hearing held under the auspices of the State Conservation Board in the Chamber of Commerce Building, Chambersburg, Franklin County, July 25, 1940.

Minutes of meeting held under the auspices of the State Soil Conservation Board at the Court House in Gettysburg, Adams County, July 26, 1940.

Minutes of hearing held under the auspices of the State Soil Conservation Board in the Lehigh County Court House, Allentown, July 29, 1940.

Minutes of hearing on the investigation of soil erosion control, held in Harrisburg, on March 3, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, March 10, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, March 17, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, March 24, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, March 31, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 7, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 9, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 14, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 15, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 22, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 23, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, April 28, 1941.

Minutes of public hearing held before the Committee investigating Soil Conservation Board and Extension Service of Pennsylvania State College, held in Harrisburg, May 12, 1941.

Report of M. S. McDowell to Soil Conservation Board regarding the Work of the Extension Service in Prevention of Soil Erosion.

DISCUSSION OF TESTIMONY.

We believe that the Act of July 2, 1937 (P. L. 2724—Act No. 557) stated beyond a shadow of doubt the considered intention of the State Legislature; that the Commonwealth of Pennsylvania, through its elected representatives, believed a grave emergency existed in the form of soil erosion; that the legislature in the Act stated that it was the purpose of the Legislature "to provide for the conservation of the soil and soil resources of this Commonwealth and for the control and prevention of soil erosion and thereby to preserve its natural resources, control floods; prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wild-life, protect the tax base, protect public lands, and protect and promote the health, safety,

and general welfare of the people of this Commonwealth."

We further find that the Legislature gave in great detail in Section 2, sub-section C of the Act, a listing of the various types of soil erosion control to be offered under the program the Act contemplated.

We maintain that even a school child reading this Act would understand beyond shadow of doubt that the Legislature intended the fullest possible cooperation by the state government and all its agencies with the Federal Government in carrying through a comprehensive program of erosion control.

We learned that during the year and a half following the effective date of this Act, the period in which the previous Administration was in control of the State government, a splendid beginning was made on this program in cooperation with the United States Soil Conservation Service. Four districts situated in Clarion, Indiana, Lancaster and York Counties were established and extensive conservation work completed on hundreds of farms in these districts.

The effectiveness of this work was confirmed by the unanimous reports from members of the Boards of the various districts and by farmers who had joined the districts and benefited immensely by the conservation work.

We also learned that since January 15, 1939, when the present Administration came into office, the intention of the Legislature as written in the Act of 1937 and confirmed in the subsequent Act of 1939, has been deliberately, consistently and openly sabotaged, misinterpreted and virtually frustrated by the persons who were charged with its promotion and operation. This conclusion is amply buttressed by the evidence presented and has been upheld by farmers in every section of the State desiring to establish soil conservation districts. It is upheld by farmers in localities where districts have already been established who testified to the absolute lack of cooperation from the State Soil Conservation Board, the State Department of Agriculture and the Extension Service of State College.

Mr. Light's unbending opposition to this program was shown in the method in which he conducted hearings in various sections of the State to determine whether or not districts should be established.

Mr. Light's hostility was shown in his own testimony given before this Committee in which he was evasive, contradictory and unresponsive to questions put to him by the Chairman and committee members.

Mr. Light's sabotage is shown in the Minutes of Soil Conservation Board Meetings held since he took office.

Many farmers testified before us stating that the County Agents of the State College Extension Service, personally willing to cooperate with this program, were compelled by "higher ups" to withdraw from any cooperation in this field.

This attitude of the County Agents became easily understood when Dr. McDowell appeared before the Committee and in a prepared statement and in oral testimony placed himself on record as being opposed to the program envisaged in the Act of 1937.

In order that the House of Representatives may understand the extent of misbehavior in office of which Secretary Light, the other members of the State Soil Conservation Board and Dr. McDowell are guilty, we reproduce here a list of the duties and powers of the State Soil Conservation Board as outlined by the General Assembly in 1937 (Act 557, P. L. 2728).

The first duty of the Soil Conservation Board is as follows:

1. "To offer such assistance as may be appropriate to the supervisors of soil conservation districts organized as provided hereinafter in carrying out of any of their powers and program".

Testimony given before our Committee by the members of the Boards of the districts already organized indicate absolute refusal on the part of Secretary Light and Dr. McDowell to give them any assistance whatsoever in carrying out their powers and programs.

Duty two is as follows:

2. "To keep the supervisors of each of the several districts organized under this Act informed of the activities and experience of all other districts organized hereunder, and to facilitate an interchange of advice and experience between such districts and cooperation between them."

Again the members of the district boards testified before us that they had received no information through the Soil Conservation Board of the activities of the other districts which would be helpful to them in carrying out their local programs.

Duty three is as follows:

3. "To coordinate the programs of the several soil conservation districts organized hereunder so far as this may be done by advice and consultation."

Here again the Soil Conservation Board has been negligent in carrying out any coordinating activities.

Duty four is as follows:

4. "To secure the cooperation and assistance of the United States and any of its agencies and of agencies of this Commonwealth in the work of such districts."

It is true that half-hearted efforts were made by the Soil Conservation Board to keep in touch with the United States Soil Conservation Service but again the attitude of the State Board may be described as suspicious.

The State Board was apparently unwilling to embark on this program because it had originally been launched by United States Government. They have no wish to work with any federal agency lest that agency receive public credit.

The Board was also charged under this sub-section of the Act with securing the full cooperation and the assistant of agencies of the Commonwealth and here again the Board was derelict in its duty, refusing to obtain the wholehearted cooperation of the Department of Highways, Department of Forests and Waters and the Pennsylvania State College.

The final section is as follows:

5. "To disseminate information throughout the Commonwealth concerning the activities and programs of the soil conservation districts organized hereunder, and to encourage the formation of such districts in areas where their organization is desirable."

The obligation here is plain. The Board is to "dis-

seminate information" and to "encourage the formation of such districts . . ." It is obvious that the Legislature meant to build up an active promotional agency. Under the leadership of Secretary Light the Board has been merely passive, acting only when prodded into activity by outside individuals and agencies.

The Act requires the Board to conduct referenda in various localities where it seems desirable to establish a district. Secretary Light interpreted his duties under this act as "Impartial Chairman of such meetings." He failed to perform his duty to "encourage" the formation of districts.

The minutes of the hearings held in Fulton, Huntingdon, Adams, Franklin and Lehigh Counties, display him as a carping critic of the erosion control program, encouraging residents of the various counties who spoke against the formation of the district and harassing and frightening witnesses who spoke for it.

In hearing after hearing he led farmers to believe that if they voted "aye" in the referenda on the question of whether or not the district should be established, they were binding themselves to all the costs and penalties which might follow the formation of such a district.

It is interesting to note at this point that W. S. Hagar, Mr. Light's deputy, took his official life in his hands and publicly disputed Mr. Light's interpretation. Mr. Hagar gave the true interpretation—that voting "aye" in the referendum merely meant that the resident of the community was in favor of the soil conservation district and that no farmer could be bound unless he entered into an agreement which would follow the formation of the district.

Mr. Light, in a bulletin prepared by his office and sent throughout the State, notably only to those men known to be opposed or doubtful regarding this program, consistently states that erosion problems in Pennsylvania can be adequately met by methods prescribed by the State Department of Agriculture and State College; namely, strip-cropping and contour plowing.

And though many farmers told Mr. Light and later informed the Committee that this program while adequate for certain farms failed totally to prevent erosion on others, he proceeded in his obstinate course.

Had Mr. Light desired to be an impartial arbiter at such public hearings he would have sought to produce evidence of the success of the program in districts already in operation and encouraged the introduction of testimony favorable to the plan as well as that opposed to it. But all his questions, as indicated by his own notes of testimony at the hearings, indicate an unholy zeal to place upon the record unfavorable testimony and by threats and innuendo seek to frighten supporters of the plan into voting against it.

Numerous complaints reaching us regarding the methods of holding the elections in these referenda were pursued by the Committee. While we make no charge of fraud in the conduct of these elections, it is obvious that the elections were not conducted in an impartial manner and that men subservient to Mr. Light and dependent upon him for their jobs were in charge rather than placing local farmers in charge as was done under the previous administration.

Mr. Light's chauffer, for example, acted as judge for one election; local dog law enforcement officers known throughout the communities as "dog catchers" conducted others and ballots were not counted in the presence of the local farmers but were carried away for counting in privacy.

These actions created, of course, grave suspicion in the minds of the farmers and left no doubt in the minds of most that the State Department of Agriculture was not in favor of the erosion control plan and would go to almost any limit to prevent its operation.

Examination of official activities of the State Soil Conservation Board shows that the present State Board delayed its organization for six months—not meeting until June 13, 1939. Mr. Light attempted to explain away this gross dereliction of duty with the statement that it took them that long to unravel the affairs of the preceding Board.

This was singularly unconvincing to the Committee in view of the fact that the previous Board had been able to organize, start functioning and set up four district boards in a year and a half. Had Mr. Light displayed any enthusiasm for the program or intelligence in carrying out his responsibility he would have found a way to hold a meeting of his new Board before six months had elapsed.

Another reason was probably behind this failure to start. The delay permitted the 1939 session of the Legislature to take the funds remaining unspent out of the allocation of the 1937 session and return them to the General Fund. The delay also made it possible for the Soil Conservation Board to keep its request to the Legislature to the picayune sum of $1000.

In his testimony before this Committee Mr. Light explained that economy was the watchword. Our Committee points out that through an expenditure of $7000 by the previous Board in 1937-38 four districts were started and hundreds of thousands of dollars of irreplaceable top soil saved for the Commonwealth. Under the Light administration only $1000 was obtained and only $400 spent and as one would expect, nothing has been accomplished to date under this program by the present Board.

Mr. Light further defended his inaction by stating that the Department of Agriculture and State College had an efficient, successful conservation program functioning and that it had been under way for twenty-five years.

The effectiveness of the 1937 program as compared with the twenty-five year program of the Department of Agriculture is shown in the report of York County:—during the previous twenty-five years eighty-eight farms received conservation treatment; in the year and a half the 1937 program was in effect two hundred farms received conservation analysis and treatment.

The Act of 1937 instructed the Soil Conservation Board to pay no salaries but to reimburse the local district boards for necessary and proper expenses including postage, stationery, transportation, etc. Under the previous Board such expenses were paid but the officials of the district boards informed us that since the present Soil Conservation Board has been in office they have been unable to obtain any reimbursement for expenses.

It is a great tribute to the devotion of these men to the common welfare that despite this mean and narrow attitude of the Soil Conservation Board they are continuing their activities and paying their expenses out of their own pockets.

The Committee wishes to record its firm belief that this type of penny-pinching economy is the most wasteful and extravagant vice of which a government can be guilty.

Top soil cannot be replaced for one thousand years. As it washes down our creeks into the rivers and into the sea it closes harbors, and requires the expenditure of millions of dollars of the taxpayers' funds in dredging operations. The expenditure of a few thousand dollars by the State now will save literally millions later as well as preserve for our State our most vital natural resources.

It is a sad commentary on the limited vision of Mr. Light and his associates that they can let petty political advantage blind them to this essential fact.

Any doubt as to the attitude of the State College Extension Service toward the soil conservation program was dispelled when Dr. McDowell appeared before us. In a labored statement he attempted to distinguish between educational, promotional and administrative activities under the conservation act. He freely admitted the responsibility of State College to the State and nation in carrying on soil conservation work, but said that State College could not obey the mandate of the Legislature to include the formation of districts because it would be promotional, and that State College could not help the districts after they were formed because that would be administrative.

When the State College Extension Service county agents work on the State College program, lay out farms for contour plowing and strip-cropping, show movies of such work, organize meetings in its behalf, it is being purely "educational" according to Dr. McDowell. But similar activities under the 1937 plan would be "promotional" and "administrative" and therefore improper.

Dr. McDowell attempted to evade his personal responsibility as head of the Extension Service by throwing the onus of State College's failure to cooperate back on the Board of Trustees. He prated at length about the obligation of State College to the federal and state taxpayer and indicated the basis of his hospitality to the 1937 program to be its excessive cost.

When it was pointed out to him that the taxpayers had through their representatives in Congress and through their representatives in the General Assembly voted their willingness for the adoption of this program throughout the nation and in our State and it laid the responsibility on his shoulder to carry out their mandate he was unable to answer. He further attempted to dismiss the 1937 program as unimportant insisting that the major portion of Pennsylvania can be saved from soil erosion through the methods promulgated by State College. In this position he stands alone, as every practical farmer and all the specialists of the United States Soil Erosion Service agree that the rotation of crops, strip farming and contour plowing are inadequate for sharply sloping, irregular farm lands.

In the conclusion of his prepared remarks, Dr. McDowell stated that a large expenditure of funds is not necessary in Pennsylvania and that the problem could be solved by educational processes. In other words, it is the belief of this highly important educator that Pennsylvania must stand idly by while its invaluable top soil washes down to the sea and take no action other than educational activity by county agents to halt this tragic loss.

One bright spot in the soil conservation picture during the present administration has been the activities of Dr. S. W. Fletcher, Dean and Director of the Agricultural Experimental station of State College. The minutes of the meetings of the State Board portray Dr. Fletcher as extremely interested in the 1937 program and his desire to carry out the mandate of the Legislature.

It was largely through his efforts that Mr. Light was prodded into any activity whatsoever. Unfortunately for the extension of the program it was Mr. Light and not Dr. Fletcher who conducted the hearings preceding the referenda.

This conflict between Dr. Fletcher and Dr. McDowell, both representatives of State College, must be resolved in order that State College can faithfully fulfill the duties laid upon it by the Legislature.

FINDINGS AS TO FACT

The Committee reports the following findings as to fact:

1. The officials responsible for the promotion and operation of the soil erosion control program—Hon. John H. Light, Secretary of Agriculture, the State Soil Conservation Board, Dr. M. S. McDowell, director of Agricultural Extension of Pennsylvania State College—are guilty of gross dereliction of duty, having deliberately and openly refused to carry out the mandate of the Legislatures of 1937 and 1939.

2. As a result of the failure of the Soil Conservation Board to organize prior to June 13, 1939, funds for erosion control appropriated in 1937 were allowed to lapse, virtually no funds were appropriated to carry on the program after 1939 with a result that the erosion control program of the Commonwealth was almost wiped out.

3. Under the law it is the duty of the Secretary of Agriculture, ex officio head of the State Soil Conservation Board, to see to it the Board performs the functions for which it is responsible under the law. John H. Light, Secretary of Agriculture, is opposed in principle to federal soil erosion legislation, is opposed in principle to the Pennsylvania statute providing for and governing the creation of soil erosion districts. Through his personal leadership and through the activities of his department, an atmosphere of hostility and uncertainty was created which hampered the progress of the cause the State Soil Conservation Board of Pennsylvania was created to promote. The Chairman of the Board, the Secretary of Agriculture, pursued a policy of delay where sentiment in favor of the creation of soil erosion districts rendered open hostility inexpedent.

4. The Chairman of the State Soil Conservation Board of Pennsylvania was actively supported in his efforts to sabotage the 1937 act by Dr. McDowell who is opposed in theory, in practice and in principle to federal soil erosion legislation and to the Pennsylvania Erosion District Statute of 1937, and who does not intend in the future to do anything calculated to place the Pennsyl-

vania Erosion District Statute in full force and effect.

5. The program for which the State Soil Conservation Board of Pennsylvana was primarily responsible was consistently undermined by county agents, operating under Dr. McDowell's direction, who, in a majority of instances, either openly or covertly opposed the formation of soil erosion districts. Dr. McDowell himself exerted direct pressure on his county agents with a view of inducing or requiring them to oppose the formation of erosion districts and to influence those residing within the proposed districts to vote against the district plan.

6. The activities and utterances of both the Secretary of Agriculture and the director of Agricultural Extension at the Pennsylvania State College have been persistently calculated to discourage the formation of erosion districts and promote active hostility to them.

7. Both Mr. Light and Dr. McDowell maintained the position it was not their duty to promote soil erosion by advocating the creation of erosion districts under the law, but that it was instead the duty of the Board and the duty of the Agricultural Extension executives simply to assist in the administration of such districts as were thrust upon them. On the other hand, Dr. S. W. Fletcher, dean of the School of Agriculture, Pennsylvania State College, was consistently interested in furthering the creation of soil erosion districts by means of educational and promotional programs. Dr. Fletcher's attitude, as a member of the State Soil Conservation Board of Pennsylvania, was distinctly helpful to those desirous of operating under the erosion district law. Dr. Fletcher's attitude and activities were in marked contrast to the attitude of the Secretary of Agriculture and the director of Agricultural Extension.

RECOMMENDATIONS

We recommend:

1. That the Soil Conservation Board be recognized and be made up as follows:

The Secretary of Agriculture
The Dean of the State College Experimental Station
The Pennsylvania State Coordinator of the Soil Conservation Service of the U. S. Department of Agriculture
Four duly elected representatives from among local soil erosion control district boards

This will give control to the men who are intimately connected with the problem and who are working on it and will insure the farmers of the State sympathetic hearing of their problems and wholehearted cooperation in bringing to them the benefits of this national conservation program.

2. That John H. Light, Secretary of Agriculture, be cited by this House for gross dereliction of duty in his deliberate refusal to follow the mandate of the Legislature, and that he should be dismissed by the Governor if he is unwilling to cooperate during the remaining term of his office.

3. That the House cite Dr. M. S. McDowell, Director of Agricultural Extension of State College, to the Board of Trustees of State College for his refusal to cooperate in the Erosion Control program and for his failure to use the county agents of the Extension Service for the furtherance of the Soil erosion program and the assistance of the districts already formed.

At the same time we would cite with approval to the Board of Trustees Dr. S. W. Fletcher for his interest and determined activity in behalf of the program. That he did not succeed is no fault of his.

4. That the House of Representatives cite Dr. McDowell to the United States Department of Agriculture for his failure to cooperate in this program.

5. We recommend that the appropriation to the Soil Conservation Board and the local districts be increased to $57,500, to enable them to carry out the wishes of the Legislature and that it be made clear in the Act making the appropriation that local boards are not to be denied reimbursement of proper expenses.

6. We recommend that the usual appropriation be made to Pennsylvania State College with the stipulation that funds for the Extension Service be paid only if full cooperation is given by it to the soil conservation program.

7. Our investigation has compelled us to give serious thought to the proper function of Pennsylvania State College in relation to the Commonwealth as a whole and to agriculture in particular.

It is not our function to determine the future conduct of the College in relation to any other matter other than soil erosion control. We urge, however, the State College in planning its future curricula lay greater emphasis upon preparing its students for participation in their post-college life in modern methods of farm and forestry technique.

MINORITY REPORT OF THE COMMITTEE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN ACCORDANCE WITH RESOLUTION NO. 15—FEBRUARY 4, 1941

Submitted by Frank E. Snyder, Member of Committee

Under the provisions of Resolution No. 15, the Speaker of the House appointed a committee of three from the House of Representatives "to investigate into the operation and procedure of the Soil Conservation Board and the Extension Service of Pennsylvania State College * * * *." Immediately upon the opening of hearings upon the subject it became evident that the Chairman of the Committee entered upon his duties with a pre-determined opinion and that he would not permit that opinion to be changed in spite of any testimony with the result that there is justification for the charge that the hearings were resolved into an attempt at prosecution of those persons who were officially associated with the operation of Act 557 rather than an investigation of their official acts.

The first five hearings were devoted to hearing testimony from residents of York, Lancaster and Clarion Counties; and, the Black Lick District, which comprises some townships in Indiana County and one township in Cambria County, in each of which Soil Conservation Districts were established under the previous State Soil Conservation Board; and, from Jefferson, Adams, Lehigh, Franklin and Fulton Counties in each of which the farmers voted against the establishment of districts and also from Bucks County, where it was stated some farmers were interested in having a district established. All of those appearing and giving testimony favored Soil Conservation Districts but in the case of Lehigh County two groups appeared, one favoring the establishment of a

district, the other opposing the establishment of a district.

The records do not show one instance in all the testimony offered in which the present State Soil Conservation Board failed to perform its functions. Some of those testifying claimed that the Board failed to give cooperation to districts already formed but they offered only personal opinions without any facts to substantiate those opinions.

It was evident from the beginning of the hearings that the Chairman of the committee desired the opinion to prevail that opposition on the part of farmers to the formation of soil conservation districts was the result of subtle and sinister efforts eminating from those who were responsible for the administration of Act 557. Considerable time, however, was devoted to testimony by representatives of fishing clubs who were not farmers and who admitted that they owned no land which would give them the right to vote for or against the establishment of a district. The interest of their organizations was purely based upon the idea that as the result of the establishment of the Soil Conservation District the streams might be improved for fishing.

In some instances those testifying made the blanket statement that Mr. Light indicated opposition to the establishment of districts while he was conducting hearings, but absolutely nothing was offered to justify those statements nor was permission given to persons who opposed the establishment of districts to give their version of Mr. Light's attitude at the hearings. The testimony given by the farmers from Lehigh County, who opposed the establishment of a district and who appeared voluntarily described their opposition as based upon objection of being told what to do about their own affairs.

Under Act 557 "Any twenty-five owners of land lying within the limits of territory proposed to be organized into a district may file a petition wth the State Soil Conservation Board, asking that a Soil Conservation District be organized to function in the territory described in the petition." It further provides that "after such a petition has been filed with the State Soil Conservation Board it shall cause due notice to be given of a proposed hearing upon the question of the desirability and necessity, in the interest of public health, safety, and welfare, of the creation of such a district * * *." The present State Soil Conservation Board received such petitions from farmers in a certain area in each of Adams and Franklin Counties and from the farmers in each of Lehigh, Fulton and Huntingdon Counties. These petitions were acted upon according to law, and hearings were conducted. Secretary of Agriculture John H. Light being designated under the Act as a member of the Soil Conservation Board was named by the Board to be the Chairman. He personally conducted each of the hearings. An effort was made throughout the hearings of this committee to prove that partiality was shown in the conduct of these hearings; that the chairman in these hearings indicated opposition to the establishment of Soil Conservation Districts. Nowhere in the testimony can this charge be substantiated. The testimony by Mr. Norris from Huntingdon County who was favorable to the establishment of a district, might be suggested as an example of a definite refutation of this charge in which he said, "The hearing was conducted very impartially so far as Mr. Light was concerned."

Typical of the testimony given in an effort to show partiality, is a statement by a Mr. Magee in which he said, "Wherever a man got up who opposed the program our Secretary's face lit up and he showed interest." This can hardly be taken as a responsible contribution to the hearing nor can it be imagined that one seriously interested in learning facts would attach much importance to it.

A singular development in the hearings was that the testimony shows in every instance where hearings were conducted by the present Soil Conservation Board few farmers who were opposed to the establishment of Soil Conservation districts attended those hearings. If opposition was designed and promoted by those who were responsible for the enforcement of the law, would it not be logical to conclude that they would have arranged formidable opposition at the hearings which could have provided reasons for not holding a referendum, rather than to run a chance of a favorable referendum vote.

An attempt was made in the earlier hearings to throw a cloud of considerable mystery about a set of questions and answers which was circulated in the areas of the proposed districts previous to the holding of referenda.

The record indicates that the chairman desired to show that this set of questions and answers left reaction unfavorable to the establishment of the district and that they were sent out in a subtle manner. It finally became necessary at the hearings for the chairman to permit this cloud of mystery to evaporate when he was unable further to avoid having the complete facts regarding the pamphlets included in the records. The questions and answers had been arranged from purely an informative point of view by Dr. Fletcher at the request of the State Soil Conservation Board. In compliance with the law the Soil Conservation Board mailed this set of questions and answers as a source of information to the farmers living in the proposed districts. Believing that the list of farmers in the files of the Bureau of Animal Industry of the Department of Agriculture was the most complete list available, that list was used in the mailing of the pamphlets, the method followed by the previous board.

Throughout the hearings the statements made by the chairman showed definitely his unalterable bias, many of his questions were unfair and in innumerable instances he insisted upon interpreting the replies according to his own desires.

The chairman devoted much time at the hearings and interjected rather scurrilous statements relating to the manner in which the Board conducted the referenda. In case notice was given of the holding of the referenda in accordance with the law and the referenda were conducted under regulations established by the Board as is provided by the Act. Voting places were established according to a geographical survey of the proposed district. As an economic measure employees of the Department of Agriculture were sent into the proposed districts to conduct the referendum. These men all operated under instructions by the Board which were typewritten and are included in the official records of the Board. Each person appearing at the polling place was required to sign his name upon a register and to indicate upon his ballot the acreage and location of his farm. He marked his own ballot and deposited it in the ballot box. The ballots

were later counted by the persons who conducted the referenda.

In accordance with the law which states that the Board shall publish the result of such referendum, announcements of the results were made by the Board immediately following the checking of the tabulations.

When he appeared at the hearings of this Committee at the request of the Chairman, Secretary of Agriculture John H. Light who is chairman of the Soil Conservation Board extended an invitation to the Committee or any member to examine any of the material and records of the Soil Conservation Board in the office at the Department of Agriculture. As the minority member of the committee, I availed myself of that invitation. I found all of the material pertaining to each of the referenda conducted by the present Soil Conservation Board including the registers, the ballots and the tally sheets are all filed in the offices of the Soil Conservation Board and that they are complete in every detail. When the suggestion was made at the hearings that the present Board conducted the elections by delegating members from the Department of Agriculture as an economic measure I found that to be substantiated when comparison was made with the method of conducting elections followed by the previous Soil Conservation Board. Under that plan the stated policy of the Board was to employ three persons for each polling place to be paid $3.00 each and expenses for three days. Under the plan by the present Board no additional salary payments were necessary as the employes delegated merely received their regular salaries and devoted only one day to each referendum. In spite of the determined effort on the part of the chairman of the committee to attempt to show that the method of conducting a referendum followed by the present Soil Conservation Board tended to make the referendum an undemocratic affair and also by innuendo at least to suggest that the method indicated an unfavorable attitude on the part of the Board so far as the establishment of districts is concerned there is no testimony in the records which gives the slightest basis for those contentions. On the other hand, interesting information is in the files of the previous Board which definitely shows that politics entered into the situation under that Board. Under date of March 9, 1938, S. M. Wass, Executive Secretary of the State Soil Conservation Board wrote to the Postmaster at Pitcairn as follows: "Mr. Lawrence's office has suggested that we write you in reference to a matter that is of considerable importance to us.

"There is to be a Soil Conservation District referendum held at Community Hall, Monroeville, on Wednesday, April 6, 1938, from 1 to 9 p. m. At that referendum we need a judge and two tellers to have charge of the election. The judge and one of the tellers should be Democratic. The other teller should be Republican * * * *."

The political angle is again substantiated in a letter dated March 10, 1938, in which Mr. S. M. Wass, Executive Secretary, State Soil Conservation Board wrote to Mr. Harry O. Kimmel, State Coordinator, U. S. Department of Agriculture, Soil Conservation Service as follows: "Will you please have Stark and Beamer start to select names for the supervisors to be elected in the Westall and Black Lick Districts * * * *. If either Stark or Beamer have in mind men who could secure the approval of the Democratic County Committee and whose names could, therefore, be placed before the Board for consideration when the Board elects the two supervisors they are to appoint, I think it would be well for Stark and Beamer to make such suggestion through you. I have already written two county chairmen, Cochran and Spicher asking them to send in a list of names, any two of which they would be satisfied for the Board to appoint as supervisors."

Records of the previous Soil Conservation Board shows that no advanced educational work was carried on by that Board, this phase of the work having been handled entirely by the United States Soil Conservation Service. In a report to the Board made by Mr. Wass, Executive Secretary, he stated, "Since my previous report was submitted, I have again read the Act under which this Board was created and I find noting therein that places on this Board any obligation to hold educational meetings nor to take any part in the formation of Soil Conservation Districts previous to the receipt of a petition * * * *." A report of the hearing held in York County contains the following: "It was suggested, and Mr. Kimmel, on behalf of the United States Soil Conservation Service agreed to arrange that four or more educational meetings be held in that County within the next two or three weeks." This plan was followed in the other districts according to the reports of Mr. Wass, which further shows that the United States Soil Conservation Service had a large part in arranging the activities of the former Board. Besides conducting educational work in the proposed districts Mr. Kimmel had much to do with the conducting of the hearings, the setting of the dates for referenda and the boundaries were established by the United States Soil Conservation Service. As a matter of fact the procedure policy adopted by the previous board, as stated in the minutes was as follows: "The submission of petitions for the creation of Soil Conservation Districts should be discouraged until the creation of a district seems desirable."

On October 11, 1939, the Department of Justice answered a request made by the present State Soil Conservation Board for a digest of the provisions of the Soil Conservation Districts Law as follows: "Insofar as is concerned the duty of the Soil Conservation Board with respect to the formation of Conservation Districts, it should be noted that the Board has no authority to institute any action with respect to the creation of soil conservation districts of its own motion. On the contrary, the initiative must come from a group of at least 25 owners of land lying within the limits of the territory proposed to be organized."

In a contention over that part of Secretary Light's statement in which comparison is made by districts instead of acres with other states, the chairman of the committee stated, "We are going to give a verbatim report of what transpired here during the last 10 minutes so that the House of Representatives will have a fair picture."

The inference by the chairman in this instance is that Secretary Light avoided acreage comparisons because of the fact that some states have greater areas under projects than has Pennsylvania The statement by the Secretary dealt with districts and on that basis his comparisons were justified. On the other hand Secretary Light said in his statement, that so long as the Pennsyl-

vania Soil Conservation law contains the penalty clause. Soil Conservation in this State will not make much progress.

Reports of the Federal Soil Conservation Service show that by far the greater number of projects are centered in the Southern States and that with only one possible exception, all the States have laws far more favorable to the farmer than has Pennsylvania.

As further evidence that the former Board felt that the assistance to be given by the Federal Soil Conservation Service was an imperative factor in establishing districts in Pennsylvania is the following quotation from the Executive Secretary's report: "No hearing was held on the Butler-Venango petition. Instead a meeting of the subscribers was arranged for, at which 18 of the 25 subscribers were present. Your Secretary explained that the creation of a district and the acquisition of a CCC Camp in this area were not possible at this time."

The chairman of the investigating committee was rather caustic in his remarks relative to the fact that the present Board did not organize until June 1, 1939. The reason for this is given concisely in the statement presented to the Committee by Secretary Light, Chairman of the Board, in which he states, "The records and minutes of the previous Board are incomplete and in a confused condition. The true legal status of the four districts is not known. The actions of the former Board had a deterrent effect on the organization of Soil Conservation Districts."

Notwithstanding the fact that the previous board did not inherit any confused condition nor incomplete records since it was the first board established under the law, the records show that whereas the Soil Conservation Act was approved by the Governor, July 2, 1937, it was not until October 25, 1937 that it held its first meeting.

In his effort to show lack of cooperation on the part of the State Soil Conservation Board with the Soil Conservation Districts the chairman devoted considerable time to the matter of finances. Contending that it was the duty of the board to give assistance of this kind, it is interesting to note in the minutes of the previous board that the matter of finances was brought before each of the hearings conducted in proposed districts. The following appearing in the minutes of the previous board covering the hearing held in the proposed Westall district is typical of the discussions in other districts. A farmer asked, "Will we get assistance from the State, financially?" Major Wass replied, "Not from the State. The State Board has no money for that purpose but there are agencies that have money." The farmer—"Doesn't the State or Federal government allow something for this kind of work the same as they do for raising different crops?" Major Wass—"To make money available for direct assistance to individual farmers there is nothing like that in the State of Pennsylvania." The farmer—"I'd like to know whether or not it would be possible to get benefit payments from agricultural conservation. Will anything be done under this program? Major Wass—"It's not included in the program. No money is available from the State." Since the true legal status of the four districts organized is not known there necessarily developed some question about the bills which were submitted for postage and traveling expenses of the supervisors. It might here be noted that the legal status of the districts was brought to the attention of the State Board by the Federal Soil Conservation Service. Bills which had been approved by the previous board and not paid were paid by the present board but there was a bill amounting to $14.25 for printing and stationery submitted by the York County district which the controller under the previous administration claimed was not in proper order for payment in that all printing by the State must be done through the Department of Properties and Supplies. This particular bill received much attention by the chairman as an illustration of the lack of cooperation on the part of the present State Board. The evidence shows that the districts submitted no requests for financial assistance. Early in August, 1939, the Board learned that there might be some bills that were not paid and on August 9, 1939, wrote to the supervisors of the districts requesting them to submit any bills which they might have. A comparison was indicated by the investigating committee chairman of the amount of money spent by the previous board and that spent by the present board with an effort to show that the greater sum would indicate cooperation on the part of the previous board with the districts. It must be realized that $3,000 of the previous board's expenditure went for salary of an executive secretary, more than $1200 for his expenses and that he was provided with a stenographer, showing that a great part of the amount spent by the previous board had nothing to do with financial assistance to the districts.

The total experience of the present board and of the chairman of that board is summed up in the simple statement by the chairman, Mr. Light, in which he stated that under the present law, due to its penalty provisions, soil conservation in Pennsylvania will not be accepted by the farmers. There is definitely no indication in any part of the testimony given at any of the hearings to show that the farmers in the proposed districts in which hearings were conducted by the present board did not make their own decision according to their own judgment in voting down the establishment of Soil Conservation Districts.

The minutes of each hearing of the investigating committee reveal most emphatically the bias and unfairness on the part of the chairman of the committee and show further that regardless of what the testimony might have been he had previously made up his mind as to the type of report he intended to make.

It is further quite evident that the chairman of the committee realized that the broad scope of his resolution under which an appropriation to State College would be denied was most unpopular and to say the least, a grandiose political move, and that to cover that grave error it was necessary for him to find a goat. To carry out his plan of relieving himself of the onus of including the entire College in a matter of this kind, he determined to lay the blame upon two individuals to justify his own position. Those individuals are Secretary of Agriculture, John H. Light, Chairman of the State Soil Conservation Board and M. S. McDowell, Director of the Extension Service of State College. If time could be taken by any person interested, to read the minutes of the investigating committee's hearings it could be seen at once that the conclusions on the part of the chairman which were promulgated by him at each hearing are purely interpretations of his own and not based upon the evidence.

In a hurried perusal of the majority report I find state-

ments absolutely at variance with the testimony given at the hearings of this committee. One example is the statement, "Mr. Light's sabotage is shown in the minutes of the Soil Conservation Board meetings held since he took office." Here I challenge the majority members of the committee to sustain that charge with evidence. The minutes of the Board are a part of the record of the hearings of this committee and do definitely refute that charge not alone but prove it to be rather evidence of irresponsibility.

A charge of further irresponsibility is justified from that part of the majority report which states that "Mr. Light further defended his inaction by stating that the Department of Agriculture and State College had an efficient successful conservation program functioning, and that it has been under way for 25 years. The effectiveness of the 1937 program as compared with the 25-year program of the Department of Agriculture is shown in the report of York County * * * *." Absolutely no evidence nor defense of this kind was given by Mr. Light and the Department of Agriculture never has had a conservation program because that is not within the function of that department, this work being operated by the Extension Service of State College.

The following statement was presented to the committee by Mr. Light which gives explicitly the functioning of the State Soil Conservation Board under the present administration and there is no evidence which disproves the correctness of that statement:

STATEMENT BY HON. JOHN H. LIGHT

I understand that the object of Resolution No. 15, of the House of Representatives, is to find out why there are only four Soil Conservation Districts in Pennsylvania. I shall try to give facts and figures taken from the records, which may prove helpful.

We would invite your Committee, either as a body or individuals, to inspect books, records and minutes of the State Soil Conservation Committee for any additional information.

Many difficulties have been encountered, from the beginning, by the present State Soil Conservation Board.

1. The records and minutes of previous Board are incomplete and in a confused condition.

2. The true legal status of the four districts is not known.

3. The actions of the former Board had a deterrent effect on the organization of Soil Conservation Districts.

On January 17, 1939, when I took office as Secretary of Agriculture, there were on the Secretary's desk unsigned Work Agreements for the four Soil Conservation Districts reported organized during the previous Administration. We did not sign the agreements, pending a thorough study of Act No. 557. It seemed strange that these Work Agreements were not signed by the previous State Soil Conservation Board, however, upon investigation, we found:

(1) That the previous State Soil Conservation Board in their minutes of October 11, 1938, had this to say, "Four of the projects originated by the U. S. Soil Conservation Service have now been, or are now being, formed into Districts. There are still three (3) Soil Conservation Service work areas in which there is only a skeleton organization, and one of which does not have a CCC camp. After discussion, it was felt that the U. S. Soil Conservation Service should be requested not to encourage the formation of any more districts until there is at least one district in actual operation, and to advise the Board as to their future intention in the three work areas in Berks, Franklin and Huntingdon Counties."

It was also suggested that the Board request the Federal Soil Conservation Service not to open up other areas in the State until they have first considered the following projects; (1) At or near the junction of the two forks of the Susquehanna River at Northumberland; (b) In Center County in conjunction with the experimental work being carried on at State College; (c) Improvement of pastures in the Northern Tier of Counties, principally those that are known as Dairy Counties.

It is evident that the retiring Chairman of the Board did not favor signing the Work Agreements.

(2) That nowhere could we find any obligation or authorization to sign such plans either in the Federal or State laws.

(3) That according to a printed statement released by the Waynesboro Station, "the Pennsylvania Soil Conservation Board's only authority is to hold hearings on petitions; if favorable, define the boundaries of the district; hold referendum votes, and if favorable, appoint two local farmers as supervisors."

Having made this exhaustive study, we answered the request of the Federal representative "that the Chairman of the Board sign the work agreements by stating that nowhere could we find any obligation or authorization to sign such plans, either in the Federal or State Laws," whereupon, Dr. Jones, of the Federal Soil Conservation, advised the Board that an exception will be made in the State of Pennsylvania.

The present State Soil Conservation Board has endeavored to straighten out some of these entanglements by building records and procedures on a sound basis.

Hearings were all properly advertised, referenda conducted according to Act No. 557. Full and complete information prepared from material furnished by Mr. Kimmel and Dr. Fletcher was mailed to farmers previous to every referendum. Newspapers copied and published such information. Correspondence has been answered promptly and information given whenever requested.

The present State Soil Conservation Board has acted upon petitions from the following counties: Jefferson, Fulton, Huntingdon, Franklin, Adams, and Lehigh. Hearings were held according to advertisement in accordance with the Act of Assembly, and complete minutes of all the hearings are on file in detailed form, giving every question asked and the answer given. Every person attending a hearing was asked to state his position and to give one or two reasons for that position. In addition, every person signed a card giving his name, township, number of acres of land owned and whether or not he is a farmer.

In all the Hearings conducted by the Board, the following order of business was observed: Call to order, Hearing Notice Read, Reading of Petition, Proving of Petition, Roll of Attendance, Statement of purpose of meeting, Determination of State Board—How, Reading of Act No. 557, Introduction of Testimony, Questions in

Summary, Introduction of letters, maps, etc., Agreement on District Definition, Adjournment.

In Huntingdon County in 1935, there were 2035 farmers. The petition asking for a Hearing was signed by 181 persons and 65 persons attended the Hearing—53 of whom represented approximately 8252 acres and resided within the boundaries of the proposed District. 12 persons attended who lived outside of the District and represented 3194 acres of land. The persons who favored the creation of a Soil Conservation District gave the following reasons for their position: (1) Land Washes, (2) To save and conserve the soil, (3) They had seen what had already been accomplished on projects, (Huntingdon County has a demonstration District).

Those who opposed the District gave as their reasons the following: (1) On account of the compulsory side of the law, it is a trend toward dictatorship, (2) They feel they can conduct their own farms, (3) Takes power away from the farmer, ties his hands and puts him in a straight-jacket, (4) The Act is not fully understood and, therefore, they do not want to go into something they don't know much about, (5) the fear of higher taxes, (6) They do not know what it will cost and, therefore, do not know whether a plan of this kind could be financed, (7) The program sounds too expensive, (8) The Act is top-heavy, (9) Supervisor has too much liberty.

Prior to this Hearing, the Waynesboro Station of the Federal Soil Conservation Demonstration Area distributed throughout the District a seven-page mimeographed information circular entitled "Do You Know"—according to the evidence given by Ralph R. Wakefield, Jr., and a copy of which is attached herewith. The Huntingdon County people have had in their midst a Federal Soil Demonstration area so that the farmers of that County had ample opportunity to get information at first hand, yet in the hearing, the testimony was 2 to 1 against the project. On this basis, the State Soil Conservation Board did not grant a referendum.

FULTON COUNTY HEARING

In 1935, Fulton County had 1355 farmers. The Petition requesting a Hearing was signed by 69 persons. The Hearing held at McConnelsburg was attended by 85 persons, 12 of whom were boys attending school, and 21 could not be classified for want of information.

The opinions of those in favor of a Soil Conservation District can be summarized as follows: (1) Land Washes, (2) Land lying idle which could be reclaimed for agriculture, (3) Save the land to save our water, (4) Farmers cannot afford to purchase lime, etc., and then have it washed away, (5) Save and conserve the soil, (6) They have seen what it accomplished in other districts.

The following were the outstanding reasons against the formation of the District: (1) To gain absolute political and economic control of the farmer, (2) Unconstitutional as it takes the liberty and property without due process of law, (3) The farmers have not been given a fair example of how it will work, and, therefore, they are not sure what the results will be, (4) Do not know what it will cost the farmer, (5) The Act was not fully explained to the farmer in its entirety, (6) The farmer feels that he doesn't need anyone to tell him how to run his farm, (7) A project of this kind is not necessary, as with the right man and a little common sense, the land can be built up.

The State Soil Conservation Board reviewed the testimony and found that those attending the hearing were equally divided in the opinions. The Board ordered a survey and study made in compliance with Section B, page 6, of the Act, which requires that in its determination, the Board must give due weight and consideration to the topography of the area, composition of soil, distribution of erosion, prevailing land use practices, the benefits the lands may receive from being included within the district boundaries, relation of the proposed area to water sheds and agricultural regions and other soil conservation district already organized or proposed, and other relevant physical, geographical and economic factors. When this survey was completed, the State Soil Conservation Board advertised for holding a referendum. The election was held and from an estimated eligible 1153 persons entitled to vote, 42 votes were in the affirmative and 477 votes in the negative.

LEHIGH COUNTY

Lehigh County had 2861 farms in 1935, and the value of field and fruit crops in Lehigh County in 1938 was $3,264,260.

There were filed with the State Soil Conservation Board 18 petitions with 548 signatures. The Board advertised a Hearing according to the Act of Assembly and 70 persons attended the hearing, of which number, 41 were interested in one way or another with Federal activities, according to a survey made. 67 cards were returned, representing 14,608 acres of land.

Previous to the hearing, the State Board caused to have mailed the Questions and Answers, referred to above, to 2600 persons in Lehigh County. Favorable newspaper publicity created much interest. With few exceptions, those in attendance favored the creation of a Soil Conservation District. A strong factor in the Hearing was the effort to rehabilitate the water-shed of the Jordan Creek. The belief was prevalent that a Soil Conservation District would serve a useful purpose to accomplish this end. Added to this was the belief that a CCC Camp would be located in Trexler Park.

The reasons advanced in the hearing favorable to a District, were: (1) To control floods, (2) Sheet erosion, (3) Save topsoil, (4) Save water—build up water sheds for droughts and in case of fires, (5) To take care of water from highways, (6) Farmer does not have time and equipment to make an efficient program himself and needs the help of supervisors, (7) To save health of the people as surface water gets into water supply and carries germs, (8) If the Government pays for it and if the farmer can retain his liberty, it is a fine thing, (9) The serious problems in Lehigh County need Federal aid for solution.

The following opposition was registered: (1) Afraid of the Law, (2) Every good farmer can take care of his own land.

The survey according to Section B of the Act was made. The report studied by the Board and a referendum was advertised. In Lehigh County, there are 2253 eligible voters according to a reliable estimate. The result of the Election was 204 in favor of a District and 351 against the formation of a District.

ADAMS COUNTY

The petitions for the creation of the South Mountain Soil Conservation District included Franklin County and part of Adams County. For convenience and the better accommodation of persons attending the hearings, the Board advertised for two hearings, one in Adams County and one in Franklin County.

There were 14 petitions from Adams County, with 195 signatures. 99 persons attended the hearing, 80 of whom returned their registration cards, representing 13,085 acres of land.

The following reasons were advanced for the District: (1) Saw work done which was successful, (2) To save soil and fertilizer from washing away, (3) To hold moisture, (4) Benefits to be derived; better crops, advice and aid, (5) Will result in an organization which will give strength to a program.

Against the District: (1) Did not see enough of the work to show what can be accomplished, (2) Too expensive for the ordinary farmer, and if the Government continues to pay for such projects, they will be bankrupt, (3) Every farmer should be able to take care of his own land, (4) Engineering service from the Extension Service is a lot to be desired, (5) People want to be their own managers, (6) Do not duly understand the law.

The Board reviewed the testimony, ordered a survey made, followed by the advertisement of a referendum vote. The election resulted in 179 in favor of a District and 185 votes against the proposition.

FRANKLIN COUNTY

There were presented to the Board 24 petitions with 582 signatures, asking for a hearing to be held, covering the townships of St. Thomas, Hamilton, Antrim, Greene, Guilford, Quincy and Washington Franklin County, and the townships of Liberty, Hamiltonban, Franklin, Menallen, Butler, Highland, Freedom, Cumberland, Huntingdon, Tyrone, Strabane, Mt. Pleasant and Mt. Joy in Adams County. The hearing was advertised accordingly. The hearing was held in Chambersburg and 53 persons attended, representing approximately 7000 acres of land.

In general, the opinions expressed were mostly favorable to the District. The Waynesboro Soil Conservation area, a demonstrational project, is within Franklin County, and this may have had a bearing on the opinions expressed. The summary of the opinions expressed can be summarized as follows:

Those in favor advocated: (1) To build up the soil for future generations, (2) to Conserve Water, (3) To have a definite organization which will give strength to a program and which can supply advice and aid, (4) They have seen what can be accomplished from other projects, (5) To save fertilizer and stop soil.

Those opposed had this to say: (1) Everybody should be able to take care of their own land, (2) Information can be secured from State College, (3) Act is not thoroughly understood.

The hearing was reviewed by the Board, a survey was ordered made, this completed, the Board ordered a referendum and the result of the election was 152 votes in favor of the district and 191 votes against it.

The summary of the referenda held under the direction of the present State Soil Conservation Board is as follows:

These figures show that those favoring the establishment of districts, as compared to the eligible vote, was as follows:

In Jefferson County, only 13.9% of those entitled to vote showed interest.

In Fulton County, only 3.6% of those entitled to vote showed interest.

In Lehigh County, only 8.9% of those entitled to vote showed interest.

In Franklin County, only 10.8% of those entitled to vote showed interest.

In Adams County, only 9.5% of those entitled to vote showed interest.

In the Districts organized by the previous Board, the results were no better and perhaps worse.

In Black Lick District, 12% of the eligibles favored the District; in Lancaster, 7%, in Clarion 12%, and in York only 7% of a total of 5000 favored the District.

Based upon these figures, and the testimony in the hearings, what then is the answer to your question, "Why are there only four Soil Conservation Districts in Pennsylvania." There are several reasons:

First, The hearings brought out the fact that many farmers have practiced soil conservation for many years. They have maintained the fertility of the soil and they do not want interference. They do not trust Act No. 557. Therefore they oppose the District plan.

Second, While Pennsylvania has four Districts, New Jersey has 4, Maryland has 5, West Virginia 5, Ohio none, New York 9 in progress of organization. Other states have Districts as follows: Vermont 2, other North Eastern States none, Indiana 8, Illinois 7, Michigan 7, and many of these states have more favorable laws than has Pennsylvania. Most of the 460 districts of the United States of which we hear are in the Southern States. Therefore, Pennsylvania is in as favorable a position as our neighbor states.

Third, Many conservative successful farmers are opposed to Soil Conservation Districts, and according to the testimony given, many of those favoring the plan want financial aid from the Government, or are interested in some phase of governmental activity.

Fourth, The testimony shows further that in common with other East Central States, farmers of Pennsylvania desire to conduct their farms in their own way and carry on farm practices as they choose.

Fifth, In practically every hearing, it was evident that many farmers of Pennsylvania believe that the agreement between District Supervisors and the U. S. Department of Agriculture will eventually mean government domination of their farms. Many Pennsylvania farms have been in the same family for generations and there is a close tie between the farmer and his farm.

Sixth, Frequent expressions in hearings show that Pennsylvania farmers, as a class, are opposed to governmental interference, and they look upon Act No. 557 as an attempt to do just that.

Finally, in every hearing, it developed that farmers realize that the Soil Conservation Districts plans require labor and heavy machinery for operation. Farmers do not know what will be required of them in the future

if they participate, but they know that the technical service, material, equipment and labor must be paid for. They fear future taxes to pay the hundreds and thousands of technicians, engineers and supervisors of one kind or another.

I INCLUDE HEREWITH STATEMENT OF M. S. McDOWELL GIVEN AT THE HEARING

Director of Agricultural Extension, The Pennsylvania State College

The Land Grant Act, passed by Congress in 1862, established the Agricultural Colleges and provided the foundation for the teaching of Agriculture. As these State Agricultural Colleges developed it was soon discovered that worth-while teaching required a continual study of the underlying facts and principles. This need was recognized in 1887 and the State Experiment Stations were established.

The research activities of the United States Department of Agriculture, these State Agricultural Experiment Stations and other institutions and organizations under way for many decades had developed and were continually developing a large amount of scientific information which had a very practical application to the improvement of farm practices.

Principles underlying the maintenance of soil fertility, the developing of improved crop varieties, crop rotation, the control of plant diseases and insects, the breeding and feeding of animals, farm woodlot and tree planting, and all other phases of farm management, including those principles which have to do with the marketing and distribution of the products of the farm, were studied. Much valuable information was and is available concerning human nutrition and other problems which vitally affect health and home.

The need for a third phase of activity, that of carrying accumulated information to the farmers, was recognized and the Extension Service was established as an integral part of the work of the Land Grant Colleges.

The Agricultural Extension Service is the channel through which the information accumulated by research agencies and good farming practices is distributed and made available to all farmers.

Extension work was established as a definite unit of the School of Agriculture in 1907. The present system of working through County Agents was set up and the first County Agents were appointed in 1912. There are now 66 counties with agents.

The Federal Smith-Lever law was enacted in 1914.

Section 2 of the Smith-Lever Act defines Extension work as follows:

> "It shall consist of the giving of instruction and practical demonstrations in agriculture and home economics to persons not attending or resident in said colleges in the several communities, and imparting to such persons information on said subjects through field demonstrations, publications and otherwise."

In a word, the Extension Service aims to assist the farmer and his family to do those things which they can themselves do to improve their own practices.

Under the Smith-Lever Act the responsibility for administration is placed upon the Agricultural Colleges of the States.

Systematic and continuous contact with a community, a knowledge of local conditions and needs, personal acquaintance in the community and ability to organize the forces of the community are requisite to the application of Extension teaching. The county has been adopted as the geographical unit. The requirements mentioned are secured through the County Agent, who is the College representative and is a permanent resident of the county with headquarters at the county seat, and who is selected because of his peculiar fitness for the position. A trained Home Economics worker meets these same requirements in the application of Extension teaching as it touches the management and conduct of the home.

It is self-evident that no individual could be found who could combine a well-rounded knowledge of all the various subjects which are brought into play in the operation of the farm. Backing up and supplementing the County Agent are such specialists as needs require, with headquarters at the College. They furnish the technical information as well as help to give inspiration to the farmers of the county. These specialists, being in close contact with the Experiment Station, keep up to date on the results of current research which may have a helpful bearing on farm and home operations.

One of the most vital factors in the Extension system is the part which the local people themselves take in the development and conduct of an Extension program. This is accomplished through a county organization, known as the County Agricultural Extension Association, which cooperates with the County Agent and the College.

Careful planning of the work to be done together with the establishment of definite aims and purposes are essential to obtaining satisfactory and progressive results. It is also necessary that the people of the community assume some responsibility in connection with planning and carrying out of community projects.

A few of the principles which effort has been made to keep in mind in the development of the work may be mentioned.

1. Extension work represents a definite and well organized program based on local conditions and situations which meets the needs of the various communities.

2. Continuous effort is made to reach as many people as possible through the use of the group method, although, of course, much individual aid is given.

3. It is essential that its activities be free from commercial, political, sectarian, and other controversial entanglements.

4. The Extension Service has been maintained as an educational agency. It is an institutional policy of The Pennsylvania State College to avoid administrative or regulatory work. These latter are functions of the State and Federal Governments and the distinction has come to be pretty well understood by the farming people of Pennsylvania.

Any activity which includes making contracts or agreements with farmers, furnishing labor or supplies to them, paying money to farmers for any purpose, checking as to whether farmers have complied with required conditions, and administering and carrying out laws is not in the Extension field.

If the Extension Service has information of value

within its field it is glad to make it available for the use of any organization or any group of rural people, or to individuals. These principles represent an institutional policy and have been applied to situations in past years.

In 1929 when the Farm Marketing Act was put into operation by the so-called Farm Board the Extension Services through the country were requested to take a responsibility in carrying out that law. The Pennsylvania State College refused to take such responsibility. The present policy, therefore, is neither a new nor a recent one.

In the development of an Extension program the County Agents meet with community groups. The problems of the community are discussed from the community standpoint, and the more important problems are selected for the year's activities.

Effort is made to have the local people take responsibility for determining local needs, and for building an educational program around those needs. The Extension Service assists in furnishing information which will be helpful in determining a program and in carrying forward that program when it is developed. Interested farmers in the various communities are chosen as local leaders of each phase in the program.

The sum of these community programs constitute the county programs. This procedure is followed both in Agriculture and in Home Economics. Last year there were 9,009 men and women who acted as leaders.

In addition to the planned programs, information is given to individuals and groups on all phases of farm and home problems that are within the Extension field.

For many years the Extension Service has had an educational program the heart of which is better farm management.

Good farm management which includes the proper handling of the land both as regards tilled crops, pastures, and forest plantings, is after all the answer to the problem of reducing soil losses.

The erosion problem in Pennsylvania is not as serious a problem as it is in some other states.

The practice of simple strip cropping of tillable land using proper rotations will serve to care for erosion losses in 90 per cent of the cases in the state. In limited sections some terracing may be necessary. These are operations which the farmer himself can carry out with such technical assistance as the Extension Service is giving. Attendance at a demonstration meeting is all that many farmers require in order to do a satisfactory job on their own farms.

The Extension Service does not, of course, furnish labor or material but endeavors to have farmers adopt these practices where needed because it is good farm management to do so.

Since 1935 the Extension Service has had a definitely organized systematic program on the reduction of soil erosion losses.

This work was definitely under way with trained Specialists in charge prior to the passage of the State District Soil Law, (557).

At the present time there are 817 demonstrations, covering 66 counties of the state, on strip cropping and contour orchard planting. In addition to these demonstrations, 1489 farmers have started strip cropping practices on their own as a result of this work, making a total of 2366 farms on which steps have been taken to reduce erosion losses.

So far as the 2366 farms in 66 counties, for which Extension has been responsible, directly or indirectly, are concerned there has been no public expenditure other than a small proportion of the funds contained in the annual budget assigned to the Extension Service.

The expense to the farmer has been small, consisting of some labor in changing fence rows and in rearranging fields.

These figures do not include the large number of additional farms upon which the value of cover crops, pastures, and forest plantings have been demonstrated.

These practices are simple means of reducing erosion losses.

In 1940 there were 709 pasture improvement and cover crop demonstrations.

County Agents' figures indicate that 10,434 farmers adopted one or more of these practices last year.

During the past 20 years the Extension Service has conducted 478 demonstrations in 65 counties on the value of tree plantings on hillsides and unused lands. During that period there have been held over 1200 field meetings at these demonstrations, attended by 30,000 people. At least 50,000 acres have been planted with 50 million trees, due to the influence of these demonstrations.

Last year (1940) there were 107,251 different families influenced by some phase of the Extension program.

There were 62,264 office calls at County offices; 69,565 telephone calls; there were 41,538 different farms and homes visited.

The total number of Extension meetings was 28,129 with a total attendance of 798,389.

Soil conservation districts are legally constituted bodies for carrying out the provisions of law. They are administrative and regulatory in character. The promotion and administration of soil districts is not an educational function.

We would like to call attention to some of the differences in approach to this matter between the Extension program and the District plan.

The Extension Service has added assistance in the way of personnel as the demands of the work required. A larger and larger number of our regular employees are qualifying in ability to give assistance without the necessity of building up a large additional force. Further, many farmers are qualifying in this same way and help their neighbors in many cases where some additional assistance in a community is needed. This accomplishes the main result, educates larger and larger numbers of farmers and at a minimum of expense.

Our approach, therefore, is to provide a force to meet growing demands, whereas the other approach is to put a large force to work in an effort to create demands.

From available information liberal estimates shows one soil district technician services not more than an average of 35 farms per year.

There are 169,000 farms in Pennsylvania. It would take one man, therefore, 4828 years, or 1000 men employed continuously about five years, to complete the job at the same rate of progress.

According to an official statement of the Federal Soil Conservation Service, the average annual technical service cost per soil district is $37,500. One Pennsylvania district has made 90 farm agreements per year. These 90 farms represent the combined work of a number of men. This makes the technical service cost $416 per farm. There are 169,000 farms in Pennsylvania. At the same rate, the total cost for the State would be $70,304,000.

But this represents only a portion of the expenses. There are in addition various specialists; like, foresters, engineers, etc. Farmers must be contacted and consent to have their farms laid out before the actual work can start. There are District expenses like the expenses of the supervisors and local officer, the large over-head expenses of divisional and state offices, and supervision within the state. Then there is the pro rata expense of the regional offices and the Federal office. In addition, there is the expense involved in furnishing material like lime, etc.; not to mention the work of the CCC Camps.

Further, the above 35 farms per year per man represent the farmers who are most easily persuaded to go along with the movement. Each successive 10 per cent require more work and more time to convince. The cost, therefore, is tremendous.

The principles underlying our approach is that this large expediture of funds is not necessary in Pennsylvania but that this problem must be solved through educational processes. Such procedure is likely to prove sounder and more permanent.

Conclusion of M. S. McDowell's Statement.

The soil districts law section 4-B says "Upon the request of the board for the purpose of carrying out any of its functions, the supervising officer of any agency of the Commonwealth or of any State institution of learning shall, in so far as may be possible under available appropriations and having due regard to the agency to which the request is directed, assign or detail to the board, members of the staff or personnel of such agency or institution of learning and make such special reports, surveys or studies as the board may request."

There are no responsibilities placed upon The Pennsylvania State College. All it may be asked to do is to assign members of its staff to make such special reports, surveys or studies as may be within its field. These if made are made for the State Conservation Board and not on its own responsibility. Further, so far as surveys and studies are concerned these are functions of research of which the Director of Research is directly in charge and not of Extension.

The Extension Service has no duties or responsibilities whatever assigned to it by the State Conservation Law either for the promotion or administration of soil districts.

There is no evidence that the county agents received instructions to work against the formation of soil conservation districts. Some farmers stated that in their opinion the county agents were following instructions but it was only an opinion.

As a matter of fact, county agents are in accord with College policies.

The Director of Extension is responsible to the Dean of the School of Agriculture, Dr. S. W. Fletcher, and the latter has approved of the work and policy of the Extension Service as has also the College administration. All available evidence confirms this fact. The attitude of other States may be illustrated by the following passages from a paper by Dr. Noble Clark, Associate Director of the Wisconsin Agricultural Experiment Station, June 23, 1939.

I firmly believe all other aids to agriculture, except these two types just cited, can be much better handled by state and local agencies. Erosion control, for example, is not a separate and distinct farm practice; it is inextricably bound up with the matters of crop rotation, crop selection, field culture, pasture management, and nearly every farm operation. Those in charge of public programs to reduce erosion therefore cannot prescribe erosion control methods without cutting across, and becoming all tangled up with, the rest of the practices that agricultural scientists are recommending to farmers.

The present SCS program puts the administration of erosion control work in the hands of federal officials, and leaves the states responsible for making recommendations regarding the other farm management practices. Even though the SCS counsels with the state officials, is it any wonder there is a constant problem of securing better coordination? This division of authority is unnecessary and unjustifiable. It is likewise wasteful and inefficient.

The federal government is giving $25,000,000 to the Soil Conservation Service, and enough more to the CCC camps engaged in erosion work, to total in the neighborhood of $100,000,000 each year for erosion control. Less than 4% of the farms of the United States have so far been assisted by the program. On the other hand, the federal treasury supplies only one-fifth this amount, or $20,000,000, with which to do all the rest of the agricultural extension work with farmers. This extension work now reaches, not 4% of the nation's farmers, but the majority of them, and it does not limit its service to a single factor like erosion, but includes the whole gamut of agricultural production and marketing, home economics work, and the 4-H program for rural boys and girls.

There is no more reason for erosion control work on farms to be administered by federal agencies than the control of noxious weeds. The sooner this is recognized, and the federal service reorganized so as to make erosion control the same kind of joint federal-state enterprise as agricultural extension, the quicker will the erosion control program secure freedom from its restriction to a small fraction of the farms that need it, and the taxpayers begin to get more adequate returns on their investment.

We need to remember that improper land uses, such as result in erosion, are not due so much to the forces of nature, or to what the Lord does to land, as to what man does. The little erosion that was occurring in this part of America when white men first came here was of negligible economic importance. It had significance to geologists, but not to farmers or to the general public. Destructive erosion, as we know it today, is largely recent and man-made, but too much of the present erosion program is based on the assumption we are trying to control the physical forces of nature—when in reality it is man. Our biggest job is not hydraulic engineering, but human engineering.

This report therefore finds that:

1. There is no evidence to show that the present State Soil Conservation Board has not fulfilled its responsibilities and obligations under the law and that criticism of the Chairman of that Board is unfair and unjust.

2. That the majority report can well be termed one dealing with personalities and not with officials. Mr. Light is chairman of the State Soil Conservation Board and his every official act was in accordance with the action of that Board. He was responsible to the Board and there is no evidence that any of his official acts at any time were questioned or criticized by the Board, and yet the report singles out Mr. Light alone for condemnation insofar as the activities of the Board are concerned.

3. That the Extension Service has no responsibility under the State Soil Conservation Law.

4. That there is no evidence justifying criticism of the extension service, but on the contrary the evidence of the farmers indicated that the administration and functioning of the Extension Service in the counties is very satisfactory.

5. That we recognize the right of any educational institution to develop its policies without political domination or interference and recommend that no strings be attached to any college appropriation.

FRANK E. SNYDER,
Member of Committee.

10TH BIENNIAL BUDGET OF THE COMMONWEALTH OF PENNSYLVANIA

For the Fiscal Biennium June 1, 1941, to May 31, 1943

Submitted to the General Assembly by the Committee on Appropriations, May, 1941

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SECTION ONE

APPROPRIATIONS

GOVERNOR'S OFFICE

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Salary of Governor	$36,000.00	$36,000.00	$36,000.00
Salaries and Expenses	298,000.00	325,500.00	325,500.00
Portrait of Governor	750.00	.....	.....
TOTAL—Governor's Office	$334,750.00	$361,500.00	$361,500.00

LIEUTENANT-GOVERNOR'S OFFICE

General Fund Appropriations

Salary of Lieutenant-Governor	$16,000.00	$16,000.00	$16,000.00
Contingent Expenses	10,000.00	10,000.00	10,000.00
Lieutenant-Governor's Portrait	750.00	.....	.....
TOTAL—Lieutenant-Governor's Office	$26,750.00	$26,000.00	$26,000.00

DEPARTMENT OF THE AUDITOR GENERAL

General Fund Appropriations

Salary of the Auditor General	$24,000.00	$24,000.00	$24,000.00
Salaries and Expenses	1,450,000.00	1,450,000.00	1,629,759.00
Compensation of Fiscal Agents	1,000.00	1,000.00	1,000.00
Portrait of Auditor General	.....	750.00	750.00
Fees of County Officers	4,000.00	4,000.00	4,000.00
TOTAL—Department of Auditor General	$1,479,000.00	$1,479,750.00	$1,659,509.00

TREASURY DEPARTMENT

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Administration			
Salary of the State Treasurer	$24,000.00	$24,000.00	$24,000.00
Salaries and Expenses	650,000.00	650,000.00	914,000.00
Portrait of State Treasurer	.....	750.00	750.00
Board of Finance and Revenue			
Salaries and Expenses	80,000.00	80,000.00	80,000.00
Interest Obligations on Agricultural College Land Scrip and Experimental Farm Funds	17,500.00	53,000.00	53,000.00
Publishing Monthly Money Statements	20,000.00	20,000.00	20,000.00
Expenses Insuring Tax Anticipation Notes	30,000.00	30,000.00	30,000.00
Loan & Transfer Agent	22,500.00	22,500.00	22,500.00
Miscellaneous			
Costs—Butler County Election Contest	445.00	.....	.....
Total	$844,445.63	$880,250.00	$1,144,250.00
REFUNDS			
Overpayments by Retired County Officers	$1,000.00	$1,000.00	$1,000.00
Stock Transfer Stamps	2,500.00	2,500.00	2,500.00
Inheritance Taxes—Resident	300,000.00	300,000.00	300,000.00
Inheritance Taxes—Non-Resident	1,000.00	1,500.00	1,500.00
Fees of Examining Boards	2,500.00	2,500.00	2,500.00
Notary Public Fees	1,000.00	1,500.00	1,500.00
Moneys Subject to Escheat	145,000.00	100,000.00	100,000.00
Overpayments into State Treasury	5,000.00	5,000.00	5,000.00
Institutional Payments	20,000.00	25,000.00	25,000.00
Securities Fees	500.00	500.00	500.00
Spirituous & Vinous Liquor Taxes	10,000.00	5,000.00	5,000.00
Cigarette Tax and Permits	1,000.00	500.00	500.00
Documentary Tax Stamps	5,000.00	.....	.....
Amusement Tax	50,000.00	.....	.....
Liquid Fuels Tax	10,000.00	10,000.00	10,000.00
Motor License Fines	7,000,00	7,000.00	7,000.00
Public Assist. Moneys	2,000.00	2,000.00	2,000.00
Liquor Floor Tax	325,000.00	.....	.....
Steamship Licenses	36,850.00	.....	.....
Total Refunds	$925,350.00	$464,000.00	$464,000.00
INTEREST AND SINKING FUND REQUIREMENTS			
Board of Finance and Revenue General Expense Bonds—Interest	$5,750,000.00	$5,375,000.00	$5,375,000.00
General Expense Bonds—Sinking Fund	.....	.....	.....
Veterans Compensation Bonds-Interest	5,950,192.50	7,450,192.50	7,450,192.50
Veterans Compensation Bonds—Sinking Fund	.....	.....	.....
Tax Anticipation Notes—			
Interest	3,418,750.00	1,200,000.00	1,200,000.00
Total	$15,118,942.50	$14,025,192.50	$14,025,192.50
TOTAL—Treasury Department	$16,888,738.13	$15,369,442.50	$15,633,442.50

DEPARTMENT OF AGRICULTURE

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Salary of the Secretary	$20,000.00	$20,000.00	$20,000.00
Departmental Salaries & Expenses	1,605,500.00	1,660,000.00	1,660,000.00
Egg Laying Contest	21,000.00	23,000.00	23,000.00
State Farm Show Commission	50,000.00	50,000.00	50,000.00
Conducting Tobacco Experiments	5,000.00	.....	25,000.00
Soil Conservation Board	1,000.00	1,000.00	57,500.00
Advancing Interests of Potato Growers	10,000.00	.....	25,000.00
World Poultry Congress Exhibit	1,500.00	.....	.....
Study Mastitis	.....	.....	50,000.00
Total	$1,714,000.00	$1,754,000.00	$1,910,000.00
SUBSIDIES			
Encouraging Agricultural Exhibits	$100,000.00	$100,000.00	$100,000.00
Animal Indemnities	1,400,000.00	1,400,000.00	3,000,000.00
Total	$1,500,000.00	$1,500,000.00	$3,100,000.00
TOTAL—Department of Agriculture	$3,214,000.00	$3,254,000.00	$5,010,500.00

DEPARTMENT OF BANKING

General Fund Appropriations

Pennsylvania Securities Commission	$115,000.00	$120,000.00	$115,000.00
Revolving Fund—Building and Loan Liquidations	10,000.00	.....	.....
TOTAL—Department of Banking	$125,000.00	$120,000.00	$115,000.00

DEPARTMENT OF COMMERCE

General Fund Appropriations

Salary of the Secretary	$20,000.00	$20,000.00	$20,000.00
Salaries and Expenses	230,000.00	280,000.00	230,000.00
State Planning Board	108,000.00	112,000.00	112,000.00
TOTAL—Department of Commerce	$358,000.00	$412,000.00	$362,000.00

DEPARTMENT OF FORESTS AND WATERS

General Fund Appropriations

Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Departmental Salaries and Expenses—Forests	1,050,000.00	1,050,000.00	1,050,000.00
Departmental Salaries and Expenses—Waters			
Control of Forest Fires	150,000.00	150,000.00	150,000.00
Control of Forest Fires—Deficiency	50,000.00	.....	.....
Washington Crossing Park Commission	27,900.00	34,840.00	34,840.00
Valley Forge Park Commission	71,750.00	83,085.00	83,085.00
Pa. State Park and Harbor Commission	65,880.00	71,554.00	71,554.00
Fort Washington Park—Maintenance	1,800.00	1,800.00	1,800.00
Maintenance and Improvement—State Parks	60,000.00	80,000.00	80,000.00
Navigation Commission for Delaware River	50,000.00	60,000.00	60,000.00
Navigation Commission for Delaware River—Nautical School	90,000.00	90,000.00	90,000.00
Total	$1,637,330.00	$1,641,279.00	$1,641,279.00
SUBSIDIES			
Annual Fixed Charges—Federal & State Forest Lands	$209,500.00	$218,500.00	$218,500.00
Annual Fixed Charges—Flood Lands	14,000.00	14,000.00	14,000.00
Total	$223,500.00	$232,500.00	$232,500.00

DEPARTMENT OF FORESTS AND WATERS

General Fund Appropriations (Con't)

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
CONSTRUCTION AND LAND PURCHASE			
Construction of Bulkhead at Presque Isle	$66,000.00	$.....	$.....
Valley Forge Park Commission—Land Purchase	87,500.00	.....	100,000.00
Repairs to Jetties at Presque Isle	8,000.00	.....	.....
Backfilling at Presque Isle	1,500.00	.....	.....
Erosion Study at Presque Isle	2,500.00	.....	.....
Total	$165,500.00	$.....	$100,000.00
TOTAL—Department of Forests and Waters	$2,026,330.00	$1,873,779.00	$1,973,779.00

DEPARTMENT OF HEALTH

General Fund Appropriations

Departmenal			
Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Department Salaries and Expenses	2,540,000.00	3,087,000.00	2,947,000.00
Sanitary Water Board—Salaries and Expenses	.....	.....	.....
State Board of Housing	15,400.00	15,400.00	15,400.00
Research into Children's Nutrition	20,000.00	.....	20,000.00
Total	$2,595,400.00	$3,122,400.00	$3,002,400.00
Institutional			
Sanatoria and Crippled Children's Hospital	$3,504,000.00	$4,750,000.00	$4,750,000.00
TOTAL—Department of Health	$6,099,400.00	$7,872,400.00	$7,752,400.00

INSURANCE DEPARTMENT

General Fund Appropriations

Salary of Commissioner	$20,000.00	$20,000.00	$20,000.00
Salaries and Expenses	525,000.00	545,000.00	525,000.00
Revolving Fund—Insurance Company Liquidation	15,000.00	15,000.00	15,000.00
TOTAL—Insurance Department	$560,000.00	$580,000.00	$560,000.00

DEPARTMENT OF INTERNAL AFFAIRS

General Fund Appropriations

Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Departmental Salaries and Expenses	415,000.00	600,000.00	600,000.00
Topographic and Geologic Survey—Salaries and Expenses	120,000.00	.....	.....
Publishing Work on Geologic Survey	20,000.00	.....	.....
Portrait of Secretary	750.00	.....	.....
Preservation of Old Records	.....	20,000.00	20,000.00
TOTAL—Department of Internal Affairs	$575,750.00	$640,000.00	$640,000.00

DEPARTMENT OF JUSTICE

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Salary of Attorney General	$24,000.00	$24,000.00	$24,000.00
Departmental Salaries and Expenses	302,500.00	302,500.00	302,500.00
Special Deputies & Local Counsel—Salaries & Expenses	275,000.00	275,000.00	275,000.00
Board of Pardons—Salaries and Expenses	21,000.00	29,500.00	29,500.00
Board of Pardons—Parole Supervision—Salaries & Expenses	261,000.00	360,000.00	.....
Expenses—Board of Commissioners on Uniform State Laws	2,500.00	2,500.00	2,500.00
Grand Jury Investigation of State Government	100,000.00	.....	.....
Anthracite Freight Rate Study	50,000.00	.....	.....
Bituminous Freight Rate Study	50,000.00	.....	.....
Special Investigation of Subversive Activities	.....	100,000.00	.....
TOTAL—Dept. of Justice	$1,086,000.00	$1,093,500.00	$633,500.00

DEPARTMENT OF LABOR AND INDUSTRY

General Fund Appropriations

Salary of Secretary	$ 20,000.00	$ 20,000.00	$ 20,000.00
Salaries and Expenses	2,425,000.00	2,600,000.00	2,425,000.00
Salaries and Expenses—Employment Service	466,600.00	466,600.00	466,600.00
Salaries and Expenses—Rehabilitation	312,750.00	496,750.00	496,750.00
Workmen's Compensation Injured State Employes	1,500.00	500.00	500.00
Occupational Disease Compensation Act—State Workmen's Insurance Fund	.....	600,000.00	1,000,000.00
Rehabilitation of Deaf	30,000.00	30,000.00	30,000.00
TOTAL—Department of Labor and Industry	$3,255,850.00	$4,213,850.00	$4,438,850.00

DEPARTMENT OF MINES

General Fund Appropriations

Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Department Salaries and Expenses	72,000.00	90,000.00	90,000.00
Mine Inspector Salaries and Expenses	520,000.00	557,000.00	557,000.00
Expenses of Examining Boards	8,000.00	12,835.00	12,835.00
Licensing Bituminous Miners	5,000.00	.....	.....
TOTAL—Department of Mines	$625,000.00	$679,835.00	$679,835.00

DEPARTMENT OF MILITARY AFFAIRS

General Fund Appropriations

DEPARTMENTAL			
Salary of Adjutant General	$20,000.00	$20,000.00	$20,000.00
Department Salaries and Expenses	.....	.....	.....
Support of National Guard Deficiency	1,928,000.00	1,888,000.00	1,888,000.00
Participation—G. A. R. Celebration	3,500.00	.....	.....
TOTAL	$1,951,500.00	$1,908,000.00	$1,908,000.00
INSTITUTIONAL			
Soldiers' and Sailors' Home at Erie	$202,000.00	$202,000.00	$202,000.00

DEPARTMENT OF MILITARY AFFAIRS

General Fund Appropriations—Continued

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
SUBSIDIES			
Education of Veterans' Orphans	$40,000.00	$40,000.00	$100,000.00
State Veterans' Commission—Veterans' Assistance	890,000.00	890,000.00	890,000.00
TOTAL	$930,000.00	$930,000.00	$990,000.00
CONSTRUCTION AND LAND PURCHASE			
Land—Military Reservation	$28,000.00	$40,000.00	$67,500.00
Total	$28,000.00	$40,000.00	$67,500.00
TOTAL—Department of Military Affairs	$3,111,500.00	$3,080,000.00	$3,167,500.00

DEPARTMENT OF PROPERTY AND SUPPLIES

General Fund Appropriations

DEPARTMENTAL			
Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Salaries and Expenses	1,765,000.00	1,880,000.00	1,880,000.00
Capital Building Service and Repairs	550,000.00	580,000.00	580,000.00
Motor Supplies and Equipment	392,000.00	400,000.00	400,000.00
Printing and Distributing Convention Reports	1,000.00	7,600.00	7,600.00
Printing and Distributing Convention Reports—Deficiency	6,690.00	.....	.....
Pennsylvania State Manual and Capitol News Clip Sheet	35,000.00	35,000.00	35,000.00
TOTAL under Governor	$2,769,690.00	$2,922,600.00	$2,922,600.00
Department—Independent of Governor			
Supplies, Equipment and Printing	$250,000.00	$250,000.00	$250,000.00
Supplies, Equipment and Printing—Deficiency	200,000.00	.....	.....
Total—Independent of Governor	$450,000.00	$250,000.00	$250,000.00
TOTAL—Governmental operations other than subsidies	$3,219,690.00	$3,172,600.00	$3,172,600.00
CONSTRUCTION AND LAND PURCHASE			
Capitol Alterations—Legislative Rooms	$124,500.00	.....	$70,000.00
Acquisition of Ephrata Cloisters Park	15,000.00	.....	.....
State Authority Rentals	5,717,700.00	7,781,240.00	7,781,240.00
State Authority Rentals—State College	398,000.00	759,121.00	759,121.00
Land Acquisition—Pennsbury Manor	30,000.00	.....	.....
Total	$6,285,200.00	$8,540,361.00	$8,610,361.00
TOTAL—Department of Property and Supplies	$9,504,890.00	$11,712,961.00	$11,782,961.00

DEPARTMENT OF PUBLIC ASSISTANCE

General Fund Appropriations

Salary of the Secretary	$20,000.00	$20,000.00	$20,000.00
Salaries and Expenses	1,000,000.00	900,000.00	900,000.00
Salaries and Expenses—Employment Board	100,000.00	100,000.00	100,000.00
Salaries and Expenses—County Boards	9,278,254.14	.....	.....
Salaries and Expenses—County Boards	8,176,264.86	.....	.....
Administration—Department of the Auditor General	194,900.00	.....	.....
Administration—Department of the Auditor General	150,000.00	.....	.....
Administration—Treasury Department	846,045.00	.....	.....
Administration—Treasury Department	550,000.00	.....	.....
TOTAL Governmental Operations other than Subsidies	$20,315,464.00	$1,020,000.00	$1,020,000.00

DEPARTMENT OF PUBLIC ASSISTANCE (Con'd)

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
SUBSIDIES			
Department of Public Assistance			
Assistance	$110,620,800.86	$130,370,000.00	$130,370,000.00
Assistance—1940 Special Session	62,973,735.14	.....	.....
Assistance—Deficiency	14,500,000.00	.....	.....
Total Subsidies	$188,094,536.00	$130,370,000.00	$130,370,000.00
TOTAL Department of Public Assistance	$208,410,000.00	$131,390,000.00	$131,390,000.00

DEPARTMENT OF PUBLIC INSTRUCTION

General Fund Appropriations

DEPARTMENTAL			
Salary of Superintendent	$21,100.00	$24,000.00	$24,000.00
Departmental Salaries and Expenses	597,500.00	600,000.00	600,000.00
Library and Museum Salaries and Expenses	215,000.00	223,000.00	223,000.00
Collecting and Distributing Press Information	10,000.00	.....	.....
Examining Boards—Salaries and Expenses	500,000.00	600,000.00	500,000.00
State Board of Pharmacy	18,000.00	.....	.....
Board of Censors—Salaries and Expenses	118,000.00	118,000.00	118,000.00
Salaries and Expenses	125,000.00	200,000.00	150,000.00
Maintenance of Historical Sites	30,000.00	.....	.....
Total	$1,634,600.00	$1,765,000.00	$1,615,000.00
INSTITUTIONAL			
State Teachers' College	$3,720,000.00	$4,000,000.00	$4,000,000.00
State Oral School	180,000.00	180,000.00	180,000.00
Soldiers' Orphans School	348,000.00	380,000.00	380,000.00
Thaddeus Stevens Industrial School	95,000.00	95,000.00	95,000.00
Total	$4,343,000.00	$4,655,000.00	$4,655,000.00
TOTAL Government Operations other than Subsidies	$5,979,600.00	$6,420,000.00	$6,270,000.00
SUBSIDIES			
Public Schools			
Salaries of County Superintendents	$509,000.00	$511,155.00	$511,155.00
Expenses of County Superintendents	48,500.00	50,000.00	50,000.00
Salaries of Assistant County Superintendents	486,000.00	520,000.00	710,410.00
Salaries of Assistant County Superintendents—Deficiency	16,428.00	.....	.....
Expenses of Assistant County Superintendents	67,000.00	67,000.00	67,000.00
Salaries of County Boards	39,600.00	52,800.00	52,800.00
Transportation	3,500,000.00	4,500,000.00	6,229,500.00
Transportation—Deficiency	1,148,853.00	.....	.....
Vocational Education	1,100,000.00	1,500,000.00	1,500,000.00
Special Vocational Classes	75,000.00	75,000.00	75,000.00
Miscellaneous Subsidies	326,000.00	326,000.00	326,000.00
Support of Public Schools	61,000,000.00	61,000,000.00	65,388,280.00
Support of Public Schools—Deficiency	3,000,000.00	.....	.....
Aid to Financially Handicapped School Districts	3,000,000.00	3,000,000.00	3,000,000.00
Aid to Financially Handicapped School Districts—1940 Special Session	1,000,000.00	.....	.....
Aid to Financially Handicapped School Districts—Deficiency	500,000.00	.....	.....
Increasing Minimum salaries of Teachers in 4th Class Districts	.....	3,000,000.00	3,000,000.00
TOTAL Public School Subsidies	$75,816,381.00	$74,601,955.00	$81,110,145.00

DEPARTMENT OF PUBLIC INSTRUCTION (Cont'd)

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
SUBSIDIES			
Education of Deaf and Blind			
Per Capita Payment to Schools for Blind and Deaf	1,140,000.00	1,150,000.00	1,150,000.00
TOTAL Education of Blind and Deaf	$1,140,000.00	$1,150,000.00	$1,150,000.00
Retirement of School Employes			
Contingent Reserve Account	$2,450,000.00	$2,450,000.00	$2,450,000.00
Annuity Reserve Account No. 2	3,500,000.00	3,500,000.00	3,500,000.00
Former Teacher Account	280,000.00	250,000.00	250,000.00
TOTAL Retirement of School Employes	$6,230,000.00	$6,200,000.00	$6,200,000.00
Universities and Colleges			
Pennsylvania State College Maintenance (Land Grant Act)	$4,375,000.00	$4,375,000.00	$4,531,000.00
School and Mineral Industries	85,000.00	.....	100,000.00
University of Pennsylvania	1,485,000.00	1,485,000.00	1,485,000.00
University of Pittsburgh	1,238,000.00	1,238,000.00	1,350,000.00
Lincoln University	50,000.00	50,000.00	100,000.00
Women's Medical College	100,000.00	100,000.00	180,000.00
Jefferson Medical College	125,000.00	125,000.00	150,000.00
Hahnemann Medical College	100,000.00	100,000.00	125,000.00
Temple University	900,000.00	900,000.00	1,250,000.00
SUBSIDIES			
Universities and Colleges			
Total Universities and Colleges	$8,458,000.00	$8,373,000.00	$9,271,000.00
Other Educational Institutions Phila. Museum	$27,000.00	$27,000.00	$27,000.00
Pennsylvania Museum and School of Industrial Art	90,000.00	90,000.00	100,000.00
Philadelphia School of Design (Moore Institute)	.....	20,000.00	30,000.00
Downingtown Industrial and Agricultural School	60,000.00	60,000.00	60,000.00
National Farm School	35,000.00	35,000.00	50,000.00
Johnson Industrial School	22,500.00	22,500.00	22,500.00
Total Other Educational Institutions	$234,500.00	$254,500.00	$289,500.00
Other Subsidies			
Aid to Free Public Libraries	$40,000.00	$40,000.00	$55,000.00
Total Other Subsidies	$40,000.00	$40,000.00	$55,000.00
TOTAL Subsidies	$91,918,881.00	$90,619,455.00	$98,075,645.00
CONSTRUCTION AND LAND PURCHASES			
TOTAL—Department of Public Instruction	$97,898,481.00	$97,039,455.00	$104,345,645.00

PENNSYLVANIA PUBLIC UTILITY COMMISSION

General Fund Appropriations

Salary of Chairman, etc.	$101,000.00	$101,000.00	$101,000.00
Salaries & Expenses	1,750,000.00	1,850,000.00	1,750,000.00
Total	$1,851,000.000	$1,951,000.00	$1,851,000.00
SUBSIDIES			
Grade Crossing Protection	$15,000.00	$15,000.00	$15,000.00
TOTAL—Pennsylvania Public Utility Com.	$1,866,000.00	$1,966,000.00	$1,866,000.00

DEPARTMENT OF REVENUE

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Salary of the Secretary	$24,000.00	$24,000.00	$24,000.00
Salaries & Expenses	3,045,000.00	3,295,000.00	3,045,000.00
Compensation of Informants in Escheats	5,000.00	5,000.00	5,000.00
Compensation of Informants in Escheats Deficiency	22,000.00	.....	.....
Mileage of Mercantile Appraisers	30,000.00	30,000.00	30,000.00
Mileage of Mercantile Appraisers	4,000.00	.....	.....
Costs in Suits vs. Delinquent Dealers	5,000.00	5,000.00	5,000.00
Costs in Suits vs. Delinquent Dealers—Deficiency	2,200.00	.....	.....
State Athletic Commission	90,000.00	90,000.00	90,000.00
Salaries & Expenses—Garrett Estate	50,000.00	.....	.....
TOTAL—Department of Revenue	$3,277,200.00	$3,499,000.00	$3,199,000.00

DEPARTMENT OF STATE

General Fund Appropriations

Salary of the Secretary of the Commonwealth	$20,000.00	$20,000.00	$20,000.00
Departmental Salaries and Expenses	165,900.00	180,000.00	162,000.00
Publishing Constitutional Amendments	30,000.00	30,000.00	30,000.00
State Employes' Retirement Board—Salaries and Expenses	80,000.00	80,000.00	80,000.00
Expenses—Voting of Citizens of Military Service	.....	300,000.00	100,000.00
Total	$295,900.00	$610,000.00	$392,000.00
SUBSIDIES (Retirement of State Employes)			
Pensions of Retired State Employes	$23,620.00	$20,836.00	$20,836.00
Pensions and Gratuities	1,848.00	1,850.00	1,850.00
Annuity Reserve Account No. 2	659,000.00	653,700.00	853,700.00
Contingent Reserve Account	873,000.00	880,900.00	680,900.00
Motor Police Retirement System	50,000.00	50,000.00	50,000.00
Total	$1,607,470.00	$1,607,286.00	$1,607,286.00
TOTAL—Department of State	$1,903,370.00	$2,217,286.00	$1,999,286.00

PENNSYLVANIA MOTOR POLICE

General Fund Appropriations

Salary of the Superintendent	.....	.....	.....
Salaries and Expenses	.....	.....	.....
Salaries and Expenses—1936 Special Session	.....	.....	.....
Allocated from Lump Sums**	$1,000,000.00	$1,000,000.00	$1,000,000.00
Teletype System	.....	.....	.....
Training School for Local Police	.....	.....	.....
TOTAL—Pennsylvania Motor Police	$1,000,000.00	$1,000,000.00	$1,000,000.00

DEPARTMENT OF WELFARE

General Fund Appropriations

Departmental			
Salary of Secretary	$20,000.00	$20,000.00	$20,000.00
Departmental Salaries & Expenses	392,000.00	392,000.00	392,000.00
Board—Salaries and Expenses	47,000.00	51,000.00	51,000.00
Total—Departmental	$459,000.00	$463,000.00	$463,000.00

DEPARTMENT OF WELFARE—Continued

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Institutional Maintenance			
Eastern State Penitentiary	$6,600,000.00	$7,600,000.00	$.....
Allocation from Appropriation for Additional Maintenance	300,000.00	.....	.....
Total Penal and Correctional	$6,900,000.00	$7,600,000.00	$7,500,000.00
Institutional Maintenance			
Allentown State Hospital	.....	.....	.....
Danville State Hospital	.....	.....	.....
Danville State Hospital—Damages	.....	.....	.....
Farview State Hospital	.....	.....	.....
Harrisburg State Hospital	.....	.....	.....
Norristown State Hospital	.....	.....	.....
Torrance State Hospital	.....	.....	.....
Torrance State Hospital—Deficiency	.....	.....	.....
Warren State Hospital	.....	.....	.....
Wernersville State Hospital	$15,250,000.00	$17,000,000.00	$22,850,000.00
Total—Mental Hospitals	$15,250,000.00	$17,000,000.00	$22,850,000.00
Laurelton State Hospital	.....	.....	.....
Pennhurst State School	.....	.....	.....
Polk State School	.....	.....	.....
Selinsgrove State Colony	$3,550,000.00	$3,950,000.00	$3,850,000.00
Total—Institutions for Defectives	$3,550,000.00	$3,950,000.00	$3,850,000.00
Institutional Maintenance			
Ashland State Hospital	.....	.....	.....
Blossburg State Hospital	.....	.....	.....
Coaldale State Hospital	.....	.....	.....
Connellsville State Hospital	.....	.....	.....
Hazleton State Hospital	.....	.....	.....
Locust Mountain State Hospital	.....	.....	.....
Nanticoke State Hospital	.....	.....	.....
Philipsburg State Hospital	.....	.....	.....
Scranton State Hospital	.....	.....	.....
Shamokin State Hospital	$2,900,000.00	$3,100,000.00	$2,900,000.00
Total Medical & Surgical Hospitals	$2,900,000.00	$3,100,000.00	$2,900,000.00
Total—Institutional Maintenance	$28,600,000.00	$31,650,000.00	$37,100,000.00
TOTAL—Governmental Operations other than subsidies	$29,059,000.00	$32,113,000.00	$37,563,000.00
SUBSIDIES			
Glen Mills School	$285,000.00	$285,000.00	$285,000.00
Sleighton Farms School	270,000.00	270,000.00	270,000.00
Maintenance of Indigent Insane in County & Poor District Hospitals	2,545,000.00	2,545,000.00	.....
Dixmont Hospital	395,000.00	350,000.00	350,000.00
Elwyn Training School	420,000.00	420,000.00	420,000.00
Medical & Surgical Hospitals—State aided	8,487,450.00	8,487,450.00	8,736,500.00
Homes—State aided	468,100.00	468,100.00	471,130.00
Total Subsidies	$12,870,550.00	$12,825,550.00	$10,532,630.00

DEPARTMENT OF WELFARE (Cont'd)

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
CONSTRUCTION & LAND PURCHASE			
Coaldale State Hospital	$1,112.00	$.....	$.....
Total—Medical & Surgical Hospitals	$1,112.00	$.....	$.....
TOTAL CONSTRUCTION & LAND	$1,112.00	$.....	$.....
TOTAL—Department of Welfare	$41,930,662.00	$44,938,550.00	$48,095,630.00

ADMINISTRATIVE MISCELLANEOUS AND COMMISSIONS

General Fund Appropriations

General State Authority—Administration	$750,000.00	$385,000.00	$385,000.00
Port of Philadelphia	100,000.00	150,000.00	300,000.00
Cornplanter Indian Reservation Roads	600.00	600.00	600.00
Harrisburg Fire Companies	5,000.00	5,000.00	5,000.00
Cresson Fire Company	1,000.00	1,000.00	1,000.00
Commission to Study Public School System, Subsidies, and needs therefor	.....	50,000.00	.....
Parole Board	.....	.....	400,000.00
TOTAL—Administrative Miscellaneous and Commissions	$856,600.00	$591,600.00	$1,091,600.00

MILK CONTROL COMMISSION

General Fund Appropriations

Salaries and Expenses	$200,000.00	$240,000.00	$240,000.00

SENATE

General Fund Appropriations

TOTAL—Senate	$492,780.00	$441,070.00	$441,070.00

HOUSE OF REPRESENTATIVES

General Fund Appropriations

TOTAL—House of Representatives	$1,193,231.00	$1,054,883.00	$1,054,883.00

LEGISLATIVE JOURNAL

General Fund Appropriations

Indices for Legislative Journal	$1,500.00	$1,500.00	$1,500.00
Proof Reading	4,500.00	4,500.00	4,500.00
Indexing the Legislative Journal	1,500.00	1,500.00	1,500.00
Special Session 1940	2,400.00	.....	.....
TOTAL—Legislative Journal	$9,900.00	$7,500.00	$7,500.00

LEGISLATIVE REFERENCE BUREAU

General Fund Appropriations

Governmental Operations Other Than Subsidies	1939-1941	Recommended by Governor for the Two Years 1941-1943	Recommended by Appropriation Committee for the Two Years 1941-1943
Salary of Director	.....	.....	.....
Salary of Assistant Director	.....	.....	.....
Salaries and Expenses	$94,000.00	$94,000.00	$94,000.00
Compilation of Veterans Laws	1,000.00	.....	.....
Tax Compilation	.....	.....	10,000.00
TOTAL—Legislative Reference Bureau	$95,000.00	$94,000.00	$104,000.00

LEGISLATIVE MISCELLANEOUS AND COMMISSIONS

General Fund Appropriations

Surety Bond Premiums for Officers of Senate and House of Representatives	.....	$600.00	$600.00
Expenses to Delegates to American Legislators Association	$2,500.00	2,500.00	2,500.00
Expense of Electoral College—Deficiency	1,000.00	.....	.....
Commission on Inter-State Cooperation	5,000.00	5,000.00	5,000.00
Commission on Delaware River Basin	25,000.00	25,000.00	25,000.00
Joint State Government Commission	65,000.00	.....	150,000.00
Local Government Commission	10,000.00	.....	.....
Inaugural Committee	5,000.00	.....	.....
Interstate Commission on Crime	3,000.00	3,000.00	3,000.00
Joint Legislative Committee	1,000.00	.....	.....
Commission to Study Economic Condition of Colored People	10,000.00	.....	.....
Committee to Investigate Civil Service—Unemployment Compensation	10,000.00	.....	.....
Support of Interstate Legislative Reference Bureau	10,000.00	10,000.00	10,000.00
TOTAL—Legislative Miscellaneous and Commissions	$147,500.00	$46,100.00	$196,100.00

JUDICIAL DEPARTMENT

General Fund Appropriations

Supreme Court	$528,296.00	$538,746.00	$548,746.00
Superior Court	374,000.00	374,000.00	374,000.00
Court of Common Pleas	3,152,200.00	3,168,200.00	3,168,200.00
Orphans' Court	618,000.00	618,000.00	618,000.00
Municipal Court of Philadelphia	221,000.00	221,000.00	221,000.00
County Court of Allegheny County	121,000.00	121,000.00	121,000.00
Juvenile Court of Allegheny County	20,000.00	20,000.00	20,000.00
Judicial Department—Miscellaneous	182,000.00	157,000.00	157,000.00
State Reporter	28,000.00	30,000.00	30,000.00
TOTAL—Judicial Department	$5,244,496.00	$5,247,946.00	$5,257,946.00
TOTAL APPROPRIATIONS	$413,794,178.13	$342,492,407.50	$355,085,436.50

SECTION TWO

REVENUES AND RECEIPTS

GENERAL FUND REVENUES AND RECEIPTS

Sources	Budget Office Estimate 1941-1943	Appropriations Committee Estimate 1941-1943
BONUS, TAXES, PENALTIES AND INTEREST		
BONUS		
Bonus—Domestic	$225,000.00	$225,000.00
Bonus—Foreign	500,000.00	500,000.00
Total Bonus	$725,000.00	$725,000.00
TAXES ON CAPITAL STOCK, SHARES AND LOANS		
Capital Stock Taxes—Domestic	$44,175,000.00	$46,444,000.00
Capital Stock Taxes—Foreign	15,500,000.00	15,550,000.00
Tax on Shares—Trust Companies	3,550,000.00	3,575,000.00
Tax on Shares—State Banks	325,000.00	340,000.00
Tax on Shares—National Banks	3,550,000.00	3,575,000.00
Tax on Stock—Building and Loan	.....	.....
Loans Tax—Corporation—Domestic	5,250,000.00	5,700,000.00
Loans Tax—Corporation—Foreign	450,000.00	460,000.00
Loans Tax—Cities, Boroughs, Townships	950,000.00	990,000.00
Loans Tax—Counties	3,100,000.00	4,000,000.00
Loans Tax—School Districts	1,150,000.00	1,150,000.00
Loans Tax—Poor Districts	1,200.00	1,200.00
Tax on Electric Cooperative	1,150.00	1,150.00
	$78,002,350.00	$81,786,350.00
TAXES ON INCOME, RECEIPTS, PREMIUMS, AND COMMODITIES PRODUCED		
Gross Receipts Tax—Transp. etc.	$7,000,000.00	$8,185,000.00
Gross Receipts—Private Bankers	15,500.00	16,000.00
Gross Receipts—Boxing and Wrestling	89,000.00	85,000.00
Insurance Premium—Domestic—Casualty	230,000.00	240,000.00
Insurance Premium—Domestic—Marine	2,000.00	2,000.00
Insurance Premium—Domestic—Fire	184,750.00	190,000.00
Insurance Premium—Domestic—Excess	50,500.00	50,500.00
Insurance Premium—Foreign—Life	11,050,000.00	11,800,000.00
Insurance Premium—Foreign—Casualty	2,375,000.00	2,450,000.00
Insurance Premium—Foreign—Marine	3,000.00	4,000.00
Insurance Premium—Foreign—Fire	40,000.00	40,000.00
Insurance Premium—Foreign—Brokers	2,000.00	2,000.00
Tax on Net Income—Saving Fund	255,000.00	270,000.00
Anthracite Coal Tax	.....	.....
Emergency Profits Tax	.....	.....
Emergency Relief Sales Tax	.....	.....
Malt Beverage Tax	15,000,000.00	15,600,000.00
Liquor Floor Tax	.....	.....
Distilled Spirits Tax	18,000.00	18,000.00
Rectified Spirits Tax	13,600.00	14,000.00
Wines Tax	2,000.00	2,000.00
Total Tax on Income, etc.	$36,330,350.00	$38,968,500.00
TAXES ON LEGAL DOCUMENTS AND TRANSFERS OF SECURITIES		
Stock Transfer Stamp Tax	$730,000.00	$800,000.00
Tax on Legal Documents	597,650.00	640,000.00
Total Taxes on Legal Documents	$1,327,650.00	$1,440,000.00
BUSINESS LICENSE TAXES		
Retail Mercantile	$5,250,000.00	$5,750,000.00
Wholesale Mercantile	1,350,000.00	1,400,000.00
Restaurants and Eating Houses	515,000.00	515,000.00
Billiards, Bowling Alleys, etc.	600,000.00	640,000.00
Brokers	280,000.00	290,000.00
Auctioneers	81,000.00	85,000.00
Public Amusements	140,000.00	150,000.00
Peddlers	350.00	350.00
Public Service Liquor and Malt Beverage License	.....	.....
Appraisers' Fees	25,750.00	25,750.00

GENERAL FUND REVENUES AND RECEIPTS

Sources	Budget Office Estimate 1941-1943	Appropriations Committee Estimate 1941-1943
Business License Deductions—Commissions	67,250.00*	75,136.00*
Business License Deductions—Expense	775,000.00*	839,200.00*
Total Business License Taxes	$7,399,850.00	$7,941,764.00
PENALTIES AND INTEREST ON TAXES AND BONUS	$674,000.00	$700,000.00
INHERITANCE TAXES		
Resident Transfer and Estate Tax	$42,045,000.00	$43,350,000.00
Non-Resident Transfer Tax	305,000.00	305,000.00
Direct Inheritance Tax	12,400.00	12,400.00
Collateral Inheritance Tax	380,000.00	400,000.00
Expense Deduction	1,525,000.00*	1,019,070.00*
Total Inheritance Taxes	$41,217,400.00	$43,048,330.00
SPECIAL EMERGENCY TAXES		
Amusement Tax	.....	.....
Cigarette Tax	$24,750,000.00	$25,800,000.00
Gasoline Tax	31,668,000.00	37,236,000.00
State Personal Property Tax	27,600,000.00	20,700,000.00†
Corporate Net Income Tax	61,347,500.00	66,385,624.00
Documentary Stamp Tax	.....	.....
Gross Receipts Tax—Transp, Power etc.	10,500,000.00	11,900,000.00
Escheats	.....	.....
Loans Tax—Domestic	5,250,000.00	6,150,000.00
Loans Tax—Foreign	450,000.00	450,000.00
Inheritance Tax	.....	.....
Tax on Shares—Banks and Trust Co.	5,750,000.00	5,250,000.00‡
Distillers' Tax	.....	.....
Liquor Tax	17,260,000.00	18,260,000.00
Total Special Emergency Taxes	$184,575,500.00	$192,131,624.00
TOTAL BONUS, TAXES, PENALTIES AND INTEREST	$350,252,100.00	$366,741,568.00

* Represents a tax reduction of $6,900,000.00.

† Represents a tax reduction of $750,000 from an estimated revenue of $6,000,000.00

‡ Indicates Deduction.

LICENSES AND FEES (TOTAL)	$9,527,421.00	$9,527,421.00
FINES AND PENALTIES (TOTAL)	887,239.00	887,239.00
MISCELLANEOUS REVENUE (TOTAL)	2,236,330.00	2,236,330.00
INSTITUTIONAL REIMBURSEMENTS		
Schools for the Deaf	32,000.00	32,000.00
Schools for Vocational Education	385.00	385.00
Medical and Surgical Hospitals	834,183.00	834,183.00
Mental Hospitals	8,028,824.00)	
Institutions for Feeble Minded and Epileptics	737,966.00)	2,266,790.00*
Penal and Correctional Institutions	4,587,315.00	4,800,000.00
Soldiers' and Sailors' Home	.....	.....
County and State-Aided Institutions	208,000.00	208,000.00
Federal Reimbursements (Soldiers Home)	64,894.00	64,894.00
Miscellaneous	.....	.....
TOTAL INSTITUTIONAL REIMBURSEMENTS..	$14,493,267.00	$8,205,952.00
LIQUOR STORE PROFITS (Transfer)	$36,000,000.00	$40,000,000.00
REVENUE TRANSFERS FROM SPECIAL FUNDS		
State Insurance Fund	.....	.....
Soldiers' and Sailors' Memorial Bridge Fund	.....	.....
TOTAL REVENUE TRANSFERS	.....	.....
TOTAL REVENUE EXCLUDING BORROWINGS FROM SPECIAL FUNDS	$413,396,357.00	$427,598,510.00

* Represents a deduction of $6,500,000 due to taking over Mental Hospitals.

REPORT OF COMMITTEE OF THE HOUSE OF REPRESENTATIVES

APPOINTED BY VIRTUE OF RESOLUTION 25

ADOPTED FEBRUARY 19, 1941

TO INVESTIGATE THE GAS EXPLOSIONS OCCURRING IN THE TWENTY-SIXTH WARD OF THE CITY OF PHILADELPHIA ON FEBRUARY 11, 1941

Your Committee, consisting of Paul D'Ortona, Daniel DiGenova, Charles Melchiorre, Joseph Skale, Harry P. Voldow, Samuel M. Rosenfeld, Francis J. Falkenstein and John P. Corrigan, respectfully reports:

That upon organization Hon. Paul D'Ortona was selected as Chairman and Hon. Charles Melchiorre was elected Secretary of the Committee. Immediately thereafter the Committee selected James F. Masterson, Esq., of the Philadelphia Bar as its counsel.

The Committee and its counsel immediately proceeded to the scene of the explosions on Greenwich Street between 11th Street and Passyunk Avenue, and made an extensive investigation of the premises lasting several hours.

The Committe then called upon Coroner Charles H. Hersch of Philadelphia County to secure his co-operation and to make sure that the records of the City and the Philadelphia Gas Works Co. which had been impounded by the Coroner would be available to the Committee.

The Committe then retained William H. Gravell, an engineer and Dr. Louis Gershenfeld, a well known Professor of chemistry, to advise the Committee on the technical ends of the investigation.

A meeting of the Committee and its counsel and engineer was called for the purpose of outlining a method of procedure.

Subpoenae were issued and served on various witnesses who lived in the neighborhood, to appear at public hearings of the Committee to be held on February 27th and 28th, 1941 in Room 483 City Hall, which room had been obtained by the Committee through the courtesy of Common Pleas Court No. 7 of Philadelphia County. In order to avoid taking the witnesses away from their employment these meetings were scheduled and held during the evenings of February 27th and 28th.

The Committee also scheduled public meetings for March 5th, March 27th, April 4th, April 18th and April 25th, 1941 and heard all told approximately 100 witnesses, and their testimony covered about 650 pages. Witnesses from the different Departments and Bureaus of the City of Philadelphia and the Philadelphia Gas Works Company were called and testified, and from their investigations gave their reasons for the cause of the explosion and the consequent fires, deaths, injuries and damages.

The testimony heard by the Committee showed that on February 11, 1941, at about 5 A. M. Carmino Trerotola who lived at 1112 Greenwich Street was awakened by his wife, who complained that she smelled the odor of gas, Mr. Trerotola then went to the kitchen of his home where was located a gas range, and he noticed the odor of gas very heavy and the pilot light on the range was out. He examined the pilot and found no gas was coming from the pipe. He then opened the doors and windows and went down the cellar, obtained a wrench and turned the gas off at the valve on the gas pipe leading into the meter. He noted the odor of gas very strong in the cellar. He turned to go up stairs to take his family out of the house, and just as he reached the stairs, there was a flash of fire immediately succeeded by an explosion. Mr. Trerotola was burned all over his body, but managed to get up stairs, and found that the walls of his home had been blown out. He somehow got out of the house as did his son, Rocco, who is 18 years of age. His wife and his two daughters were trapped in their bed room and burned to death. The body of the youngest daughter was found in the cellar and the bodies of his wife and the older daughter burned beyond recognition were later found in the ruins on the second floor.

John Diano and his brother lived in 1114 Greenwich Street. John Diano was awakened by his alarm at 4:50 A. M. that morning; he smelled gas and told his brother to get up. As he was going from the second floor to the first floor the explosion occurred and he was knocked down and dazed. He managed to get his brother out, and as he was getting out another blast occurred, which threw him out into the hallway. He then assisted in getting other persons out of their homes, and within twenty minutes of the first explosion another explosion occurred which leveled properties 1105-7 Greenwich Street, which is on the North side of the street immediately across from 1112-14 Greenwich Street. John Diano was buried under the debris but scrambled out. He testified that they had been smelling gas on the street for two years before the explosion, but that he never had any water in his cellar, nor was there ever any trouble with the sewage.

Sabastino Caccamo and his family of five children lived at 1105 Greenwich Street. Mr. Caccamo woke early on the morning of February 11th, smelled gas, wakened his wife and got his children up. Mrs. Caccamo went to the window and called across the street to 1112 Greenwich Street, shouting that she smelled gas. As she was endeavoring to close the window she heard the explosion which occurred at 1112-14 Greenwich Street, and she and her husband got their family out of the house before the second explosion occurred. Just as Mr. Caccamo was at the front door the second explosion followed and he was blown to the center of the street. This witness had had considerable trouble with water in his cellar a year before the explosion, and he testified that there had been a cave-in in the street below his home and the water backed up into his cellar weakening his foundation walls.

This witness had a petition prepared which was signed by the neighbors, and a copy of which was sent to Mayor Lamberton of the City of Philadelphia complaining of the conditions in the cartway of Greenwich Street where the cavity had been filled with cinders and not repaved for several months.

This witness also testified that he had smelled gas in Greenwich Street a year before the explosion and stated that after the first cave-in had been repaired a second cave-in occurred opposite his home, and that it had remained there for months before it was repaired.

Mr. Caccamo's married daughter, Lena Gazzara, testified that in February, 1940 the street caved in and they had considerable water in the cellar, and that after the water leak had been repaired the sewage backed up in

their drains, and that a petition objecting to the condition of the road way and water had been prepared, at the instance of her father, by one Rocco Prete, and that her mother obtained the signatures of various residents on the street, and the petition was to be sent to the Mayor.

The Leonardi family lived at 1107 Greenwich Street at the time of the explosion. Harry Leonardi, the only one available to testify, since the other members of the family were confined in a hospital, testified that the first explosion knocked him out of bed; he was dizzy; he saw the flames across the street, tried to wake other members of his family and help them down stairs. He stated that he got as far as the kitchen of his home, and that that was the last he remembered.

Dominic Solvibile, 1517 E. Passyunk Avenue, which is directly opposite to Greenwich Street, heard the first explosion, looked out his window, saw someone running, and saw the flames. He dressed and ran to the street; he saw that 1112-14 Greenwich Street had collapsed. He then assisted in getting persons out of 1108 Greenwich Street, and as he was standing on the sidewalk of 1108 he heard Joseph Leonardi open the door and call for help. He entered premises 1107 Greenwich Street and found Harry Leonardi, brother of Joseph Leonardi, trying to get out and Joseph struggling with his father. Mrs. Leonardi was up against the kitchen door. The witness grabbed Harry, pushed him out of the house, and helped Joseph with the father. He got Mrs. Leonardi and was helping her out when patrolman Clarke entered the building. Clarke and the witness were carrying Mrs. Leonardi out and had gotten her to the sidewalk, and Clarke started back into the building to go upstairs. Other persons were helping the witness with Mrs. Leonardi, when the explosion occurred, and the next thing the witness remembered was picking himself up in the middle of the street from under debris. He had been fully clothed when he entered the building, and when he picked himself up in the street he was practically nude. He had been blown completely across the street from the entrance of 1107 Greenwich Street.

This was the explosion which killed patrolman Clarke and the Insurance patrolman Ruhl. Patrolman Clarke's body was later found in the cellar of 1105 Greenwich Street, and Ruhl's body was under the debris caused by the collapse of the front wall of 1107 Greenwich Street.

Fireman Percival Samuel Parker testified that he went into 1107 Greenwich Street and met Battalion Chief Cost and officer Clarke carrying a woman out from the entry. The witness took the place of the Battalion Chief in carrying the woman out and Ladderman Coyle took the place of Clarke. The two firemen were carrying the woman out of the house when the explosion occurred. The witness Parker was blown across the street and covered with debris. Coyle likewise was blown to the center of the street and covered with bricks and debris caused by the explosion. Other firemen dug Parker out, and in pulling him out his boots were left in the debris.

This witness testified that there were flames coming out of both the water and gas vents on both sides of the street, and that the smell of illuminating gas was very heavy.

Charles A. Coyle testified that when he arrived on the scene he went into premises 1116 Greenwich Street, and the family in the house were in their night clothes. This witness escorted them out of the house. He testified that he saw Mr. Trerotola who had gotten out of his house, sitting in a chair in 1116 Greenwich Street and his son Rocco was kneeling with his arms wrapped around his father who was yelling to get his wife and daughters out. This witness was then called into 1107 Greenwich Street and as he entered people were coming out carrying a woman. He saw Frank M. Ruhl, fireman attached to the insurance patrol, coming out. He and Parker took the woman and carried her out and put her down near the steps and someone gave them a coat to cover her as she was partly nude, and as they were doing that the house blew up. This witness was blown into the street. As he was lying partly in the street and partly on the sidewalk his face was near a gas vent from which flames were issuing. He was severely burned. After he was dug out from under the debris he was taken to the hospital. He stated that insurance patrolman Ruhl was caught under the falling wall and killed. This witness described the flames which shot across the street from 1112 Greenwich Street as though under pressure, just as it might come from a blow torch. He stated the flames were coming clear to the other side of the street.

Louis DiScali lived at 1119 Cross Street, which backs on Greenwich Street. This witness testified that about one week or ten days before the explosion they complained to the Philadelphia Gas Works Company of gas leaks and the odor of gas; that the gas company came down and changed their meter.

Mrs. Lucia DiScali wife of Louis DiScali testified that she heard the explosion and saw the flames of the property backing up to her yard. She corroborated her husband that a week before the explosion they complained of gas leaks, and that shortly before the explosion the gas company, without request from them replaced the meter, and that subsequent to the replacing of the meter they again complained of the smell of gas and that the gas company came and fixed the meter.

Salvator Sinaldi, who lived at 1102 Greenwich Street, testified that he was thrown out of bed by the first explosion, and was getting his family out of the house when he heard the second explosion. This witness saw patrolman Clarke go into 1107 Greenwich Street, and stated that shortly thereafter the explosion occurred leveling 1107 to the ground. He described the scene as like a panic, people running back and forth in all conditions of undress.

This witness testified that about a year before the explosion there was a smell of gas in the neighborhood and that he called the gas company and complained of it; that the gas company employes came down and put a temporary main from the witness' home to 1112 Greenwich Street, and that they dug a trench in the street from 1112 to 1107 Greenwich Street, and ran that line to the North side of the street, and that that is how they got their gas. He stated that later a permanent main was laid and the temporary main through the cellars of the houses was removed.

This witness further stated that he smelled gas before he explosion, but thought it was gasoline.

Mrs. Jennie Rinaldi, wife of the previous witness, corroborated her husband with respect to the various explosions, and testified that on previous occasions she had smelled gas in the house, and complained to the gas com-

pany. She stated that there had been a water cave-in in the street, and that the water came through the walls, and that the City came and repaired he water leak and pumped the water out of the cellars. She further stated that everyone complained of the odor of gas and that the gas company came down and cut off the gas and put in temporary mains as described by her husband. She testified that after the cave-in which occurred in February, 1941, there was a later cave-in opposite to 1105 Greenwich Street, and that this cave-in was filled with water, and that this occurred sometime in September or October of 1940. That a lantern was put on the cave-in and that it was filled with cinders.

Rocco Anthony Marinucci, who lived at 1120 Dickinson Street, described the various explosions, and testified that they had trouble with the gas about five months before the explosions, and that his family had become sick from the smell of the gas, and that they reported it to the gas company on three occasions. On the first two occasions the gas company ignored the reports, and on the third they sent workmen there who examined the pipes and stated that they had water in the line and that they would have to get their own plumber to fix it. The witness employed a plumber who looked over the lines and informed that it was all right, but the witness stated that they still smelled gas after that.

Gaetano Porpore, brother-in-law of the previous witness, who lived at 1120 Dickinson Street, testified that they had trouble with gas leaks from the winter of 1940, through the summer of 1940, and during the winter of 1940-41, and that his wife, her sister, and mother-in-law were over-come; that he complained to the gas company four or five times; that they sent some workmen who tested some of the things and who told them they were crazy, that they were smelling gasoline and not gas. He stated that he last complained about eight months to a year before the explosions. He also stated that the last time repairs were made on Greenwich Street was a few months before the explosions, but he did not know whether they were made by the gas company or the water department.

This witness further testified that he smelled gas around Greenwich Street and around his home a few days before the explosions. That the smell of gas was all around the section.

The Pellicano family lived at 1116 Greenwich Street. The mother, Philamena Pillicano, described the explosions and how she got her six children out of the house. She testified that they smelled gas on the previous summer in Greenwich Street as they sat on the front steps. She stated that a couple of times she reported it to the U. G. I. and that they sent a man around who told them there was nothing the matter.

She testified that her daughter Vincentina complained on several occasions, when she was paying the bill, of the odor of gas on Greenwich Street.

James Diaddorio, 1110 Dickinson Street, described the several explosions, how he got his family out, and testified that he smelled gas on Greenwich Street during July, August and September, 1940.

Caroline Coia, who lived at 1212 Dickinson Street, testified that she smelled gas in the neighborhood for several years previous to the explosions.

Anthony Damasco, 1029 Greenwich Street, described the explosions, and testified that he smelled the odor of gas in Greenwich Street the year around, and that he smelled it two or three days before the explosions.

Madeline Latour, 1120 Greenwich Street, testified that she smelled gas for two years previous to the explosions. She also testified that six months before the explosions the pressure of the gas was so low that they could not cook on the gas range; that they complained to the gas company who came down and cleaned out the pipes but that in the evenings, immediately before the explosions, they could smell gas in the bed rooms of their home. They thought, she said, that it was coal gas and changed their fuel, but that the smell persisted. She also testified to the cave-in which occurred in October, 1940 and saw water running in the hole.

Joseph Ciliberti, 1122 Greenwich Street, testified that last summer when they sat on the steps of their home they could smell gas on Greenwich Street; that the last time that he had smelled gas on the street was about two or three weeks before the explosion.

Emielo Yannelli, 1112 Dickinson Street, testified that he smelled gas in Greenwich street every week during the summer of 1940; the last time about September, 1940.

Diovanni Di Benedetto, 1124 Greenwich Street, testified that he smelled gas in Greenwich Street during the summer of 1940.

Primo Pontuto, 1118 Greenwich Street, testified that he smelled gas on Greenwich Street almost all of the time; that he never had any gas smell in the house, but always on the street.

Joseph Capriocci, 1103 Greenwich Street, testified that he smelled gas on Greenwich Street last summer.

Guiseppi Tortortelli (notes 123) testified that he had Rocco Prete (a former witness) prepare a petition, after having been asked to sign a complaint, and that he got the petition addressed to Mayor Robert E. Lamberton, requesting that the conditions in Greenwich Street be rectified, and that after signing it he gave it to Mrs. Caccamo to have signed by the people on Greenwich Street.

Louis Menna, who lives at 1120 Dickinson Street, testified that he smelled the odor of gas in Greenwich Street, but was not sure that it was gas, but complained to the gas company about the odor of gas after the explosions, and stated that it was the same odor he had smelled in Greenwich Street before the explosions.

Angelo Maiuri, 1108 Greenwich Street, testified that he woke up about 4 A. M., put the gas on to cook breakfast; the gas started to sputter and flames shot up and down; he called his father and told him that the gas seemed to be working funny, and stated he was in the kitchen, heard the explosion and ran out. He testified that the water came out slowly when they turned it on; and that they had difficulty with the pilot light on the gas range previous to the explosions.

A number of other citizens witnesses were called but their testimony was simply a corroboration of the facts testified to by the other witnesses as above set forth.

Also a great number of firemen and policemen testified, and corroborated the conditions testified to by the neighborhood witnesses, particularly in that there was a very strong odor of gas in the neighborhood and that the flames from the burning buildings and from the gas and water vents in the street were gas flames.

The City of Philadelphia produced a great number of

witnesses from its various bureaus and departments with respect to Greenwich Street and the water pipes lying thereunder.

Fred Matheas, of the Bureau of Water, testified that there had been complaints of water leaks on February 22, 1940 at 1105 Greenwich Street, and on February 25, 1940 at 1102 Greenwich Street. He stated that these leaks were caused by a broken six inch water main opposite 1105 Greenwich Street; and that repairs to the main were made February 24, 1940 by placing a skinner band around the break. He stated, however, that the street had been undermined and washed away and on the 25th the main broke again, and that this break was repaired on February 27th. The cave-in caused by the break washing the dirt away was repaired by filling in the cave-in, but apparently the main again broke and the ferule broke leading into 1107 Greenwich Street. These repairs were all made at about the same time, and there was no further complaint until April 5, 1940, when because of a broken sewer lateral water backed up into the cellar of 1105 Greenwich Street. This sewer lateral was repaired. Then on July 18, 1940 the water main again broke at a point 103 feet West of the West houseline of Passyunk Avenue; the complaints having come from 1103, 1105, 1107 Greenwich Street. This break was about 38 feet East of the previous break, and was repaired on July 22, 1940.

The next complaint was on July 20, 1940 from 1102 Greenwich Street. This, however, was caused by a leak in the service pipe which was repaired by the owner on August 1, 1940.

This witness further testified that the six inch water main was laid in Greenwich Street in August, 1898.

He also testified that he arrived on the scene about 10 o'clock and found a hole in Greenwich Street about 40 feet long, and the width from curb to curb. That on the West end the cavity was about 4 feet deep and on the East end it was about 8 feet deep; that there was a gradual slope from the West to the East. He stated that the ground was solid clay soil and that when the pipes were uncovered the gas pipe was broken in about four places, and the water pipe in five places, and that part of the gas pipe pierced the sewer, and that the water pipe had fallen on the gas pipe. He testified that there was no free water or puddles of water in the excavation, nor anything about the excavation that would indicate to him that there had been a cavity or cave-in previous to the explosion. That the water pipes were in good condition when uncovered and showed no signs of leaks, and that the broken parts were not corroded or rusted, but that they showed evidence of fresh breaks. He further testified that about a week after the explosions repairs were made to the water main in Garrett Street in the 1100 block, where the street had been undermined by a water leak. Garrett Street is a small street just north of Greenwich Street.

Max Barofsky, an engineer from the Bureau of Bridges and Sewers, testified that on February 24, 1940 the sewer in Greenwich Street was examined due to the water break, and two breaks were found in the sewer just East of the manhole in the center of the street which was just west of 1105 Greenwich Street, where the water break had occurred. The sewer was repaired from the inside and some laterals leading into 1105 and 1108 were repaired, but that was the only break in the sewer of 1940 or previous to the explosion on February 11, 1941. This witness had charge of the examination of the sewer after the explosion and stated that the examination disclosed the dirt in the sewer to be 3 inches deep at the manhole at Passyunk Avenue, and continued for a distance of about 90 feet where the depth increased to 14 inches, making it impossible for the workmen to go any further. This sewer is an egg-shaped sewer being 2 feet 6 inches high by 1 foot 8 inches wide. A man examining it from the manhole at Dickinson Street was able to crawl about 35 to 40 feet when he was stopped by dirt in the main, which was about 9 inches deep.

He also testified that on the 15th of February, 1941 a break in the sewer was located about 12 feet west of the manhole in the center of Greenwich Street. The place where the sewer was broken was in the deepest part of the excavation.

With reference to the condition of the sewer after the explosion, this witness was corroborated by two of the workmen who entered the sewer and made repairs. These witnesses also stated that the debris in the sewer consisted of clay, gravel, black dirt, and few pieces of charred wood.

Gerardo Cedrona, foreman for the Philadelphia Highway Department, in charge of street repairs, testified that he was instructed by the District Engineer to uncover the pipes after the explosions, and that he spread his men over the area with instructions to call him when they located any pipes. They first uncovered a break in the gas main in front of 1114, "right at the connection of the gas main and the service pipe." He stated that this service pipe led into 1112 Greenwich Street, and that a two and a quarter inch nipple was snapped off, one half of the pipe was broken and one-half was corroded. He testified that he and his men found three breaks in the gas main itself, before he was put in charge of another phase of the work. He testified that the City Water Bureau only have a few men who are experienced. He stated that there was some water at the bottom of the excavation.

Ralph Miller, Supervisor of Maintenance, Second Highway District, for the City of Philadelphia, testified that an asphalt patch was placed in Greenwich Street in front of premises 1114 and 1116; that on February 24, 1940, a cave-in in front of premises 1103, 1105 and 1107 Greenwich Street was made safe by placing cinders in the hole to bring it up to the level of the street; that on February 26, 1940, barricades were placed at 1105 Greenwich Street and on February 28, 1940, 1102, 1105, and 1107 Greenwich Street the steps were reset and the cave-in was again made safe. He testified that again there was a settlement and on March 13th to March 27th inclusive barricades were erected on Greenwich Street from Passyunk Avenue to Dickson Street, and lights were put on the barricades, as the street was unsafe; that on March 28th cinders were spread on the cave-in and the barricades were removed. He testified that the cinders were allowed to stay in that position and the street was declared safe for traffic. He further testified that again on April 10th another cave-in was made safe, and on May 17th a gang of workmen were sent into Greenwich Street to reset the curb in front of 1103, 1105 and 1107 and repairs were made to the sidewalks. One month later, he testified, on June 17th permanent asphalt repairs were made. On

August 1, 1940, a ditch in front of premises 1104 Greenwich Street was made safe, and on August 21, 1940, this ditch was permanently paved. On January 3, 1941, there was a complaint of a depression in Greenwich Street along the curbing in front of 1102 and 1104, but no repairs had been made. When asked what in his opinion caused the cave-in in front of premises 1102, 1105 and 1107 Greenwich Street on February 28, 1940, he stated that it was caused by a water break at that time.

Dr. Edward J. Burke, City of Philadelphia chemist, testified that he was present when the pipes were removed from Greenwich Street, and that in his capacity as City Chemist he examined the various pipes. The Committee to better understand his testimony and to permit the witness to demonstrate on the actual pipes heard the doctor's testimony in the basement of the Philadelphia City Hall where the pipes were stored.

Dr. Burke testified that the water and gas pipes were removed under his direction, turned over to him, and were under his control ever since, and have been located in a room in the basement of City Hall which has been locked and he has the key. The gas service pipe which extended from 1112 Greenwich Street has been kept by him in the Chemical and Optical Laboratory—in a closet which is under his control.

The Committee then went to the room in the basement of City Hall were the pipes were located, and Dr. Burke pointed out the various gas and water pipes, indicating the breaks that occurred at the time of the explosion, and those that were made manually to remove the pipes, and certain breaks that were made by corrosion and erosion in the gas main and the gas service connection to 1112 Greenwich Street. The witness indicated the piece of gas main which was in front of 1112 Greenwich Street and pointed out a hole in this main which he described as a tap hole where the service pipe connected with the main. He indicated another piece of gas pipe (specimen No. 6) which was found protruding from the sewer, and also pointed out another piece of pipe which was the gas service pipe feeding premises 1107 or 1109 Greenwich Street, directly across from 1112. He testified with regard to the service pipe to premises 1112 Greenwich Street as follows:

"This is a small piece of gas service pipe which extended from 1112 Greenwich Street underneath the street. The end was eighteen inches above the gas pipe specimen number three. This hole in gas pipe specimen number three was eighteen inches below this point of the gas service pipe. Eighteen inches below the roadway surface there is a bend in this pipe in order that this nipple could come in contact with and be screwed into the small hole. Above the nipple there is a 'T' and the middle part of the 'T' comes to an 'L'. This particular pipe has been one where corrosion and erosion has taken place over a considerable time. There is a wearing away of sections of pipe facing number 1110. That is worn to a point or to such an extent that the thickness of this pipe is practically paper size.

BY MR. MASTERSON:

Q. Was it that size normally?

A. Normally, it would be different, about one-quarter of an inch. A small portion of the threading is visible. At this point where the greatest amount of erosion has taken place the threading is invisible, it has been completely worn away, that is at a distance one-quarter of the total circumference of the pipe a small piece of that threading may be found in the hole of gas pipe specimen number three."

He testified that the corrosion had eaten through the service pipe about three-fourths of the circumference, and that there was a space of about eight millimeters between the edge of the service pipe and the main, and stated that the condition the pipe was in would cause a leak over a long period of months.

Dr. Burke illustrated by photographs the positions of the gas main and service pipes as they were in the ground after the explosion and before they were removed.

Dr. Burke then described the various combinations of gases used in the manufacture of illuminating gas, and testified that the volumne of gas which caused the explosion must have been considerable judging by the violence and the force required to destroy the properties and cause the terriffic damages in the street.

The witness' opinion as to the manner in which the explosion was caused was that the separation in the service pipe from the gas main in front of premises 1112 Greenwich Street permitted the gas to leak out, and as the hole became larger greater amounts of gas accumulated until a sufficient amount worked its way to the cellar of 1112 where the first explosion occurred, and that that explosion probably ripped the service pipe apart from the main in front of 1112 and caused other breaks in the gas main from which gas leaked, and that gas seeking the line of least resistance filtered into the cellar of 1107 where the second explosion occurred, and that the gas then continued to leak out of the main and accumulated under the street until it mixed sufficiently with air to form an explosive gas, which was exploded by the sparks or flames from the surface fire.

This witness testified that the gas main and service pipe in the street opposite 1112 Greenwich Street became in a defective condition when the corrosion had taken place to the point where there was a hole formed in the pipe, and that both the service connection and the tap hole in the main were corroded and eroded in approximately the same manner. He also described the condition of the water pipes as having been in good condition, with the original tar paint visible on them; that the joints were in good condition; the outside coating was in good condition; that there was some sediment in the interior; that you could see in some of the pipes the inside coating; that there was a slight corrosion in some of the pipes, but it was not nearly as bad as the corroded condition of the gas main.

It was observed by the Committee that the water pipes taken out were only those which were exposed by the excavation after the explosion; the water pipes opposite premises 1102, 1104, 1106, 1108, and 1105 Greenwich Street that had previously broken were not exposed and their condition was not observed by this witness or by the Committee.

Mr. Rushworth, Supervisor of the Street Division of the Philadelphia Gas Works Company, testified that his territory embraced the 1100 block of Greenwich Street; that

on February 24, 1940, one of his men read a news item in the Evening Bulletin describing a street cave-in and water leak in the 1100 block on Greenwich Street, and that as a result a gang of men was sent down and the foreman called him on the telephone; that he went down and saw that the street surface in front of 1104 and 1106 had fallen into a cavity and that the surface where the asphalt paving was missing had been filled with cinders; that they had no notice of and had not seen the cave-in before it was filled; that an examination showed that the soil was soft over an area of forty-five feet along Greenwich Street and extended three feet north of the south curb across into the north footway; that they decided that because of the condition of the cinders and the soft soil to relocate the main; that the main was cut off and a piece of main about on hundred and seventy feet put through the cellars of the houses up to 1110 Greenwich Street. This witness further added that when they tested the cinder fill they found water running under the paving. The water was running and the leak was supposed to have been repaired. This witness did not report to the City of Philadelphia the presence of the water, and apparently made no report to the gas company that running water was under the fill, which if not stopped might undermine more of the street and affect their pipes.

Ernest F. Stolpe, Supervisor in the Street Division of the Philadelphia Gas Works Company, testified as to the relocation on July 18, 1940, of the gas main on Greenwich Street from the street to under the south sidewalk on Greenwich Street. At that time the witness found water leaking in the excavation in the center of the street over the water main. He stated that water was leaking but was not running on the street, and that for three days while the witness was working there nothing was done to repair the water leak; that he returned to the work on the 22nd of July and he thinks that at that time the water leak had been repaired, but he was not sure. He stated that at that time the water leak was in front of premises 1104 and 1106 Greenwich Street; that there was a hole in the street which had been filled with cinders and that it was there the water was running, although it did not come to the surface of the street. He testified that he had a man notify the Water Bureau.

Paul Brown, Assistant Supervisor of the Customer's Service Department of the Philadelphia Gas Works testified that on the night of February 24, 1940, he received a telephone call that a temporary line or main was to be run on Greenwich Street and that he went down; that a about 1102 Greenwich Street there was quite a good bit of water coming from under the paving and running down to the gutter; that the gas crew had dug a hole to cut off the gas main and that it was necessary to use a pump attached to a compressor to get rid of the water; that the water was rushing out which indicated a very active leak; that he did not notify the Water Department since one of the neighbors told him that the Highway Bureau had dumped cinders into a hole that had been there and that they said they would be back; that to his knowledge no one had ever reported a cave-in or cavity on Greenwich Street.

Thomas V. Flynn, Superintendent of the Street Division of the Philadelphia Gas Works Company, testified that he had no reports from any of their departments, the Water Bureau or the Highway Department or any other departments of the city of any cave-in on Greenwich Street: that in February, 1940, Mr. Rushworth called him on the telephone at his home and told him of the condition on Greenwich Street which Mr. Holcomb had seen in the Evening Bulletin; that as soon as he knew of the condition he dispatched a gang and that under the supervision of Mr. Rushworth and Mr. Brown a temporary main was laid through the cellars of the homes; that this had to be done because the ground was soft and that it was unsafe for their main; that he was given a verbal report that this was due to a water leak, but that no report or record in writing was made. He stated that the gas company made a practice of notifying the Water Bureau, the Highway Department, the Bridge or Sewer Department or any City Bureau of anything that their men see wrong in the street, such as a bad depression, cave-in, water leak, water running in the man-hole, etc., because they feel that it is their duty to do so, but that a one-hundred per-cent record of such reports is not kept. He testified that neither the Highway Department nor the Water Bureau notified them of the cave-in or water condition on Greenwich Street and that it was just luck that one of their men saw it in a newspaper item.

Hudson W. Reed, executive Vice-President of the Philadelphia Gas Works Company, testified that on the day of the explosion at about 12:30 P. M. in company with Mr. Laurer, President, and Mr. Newhall, assistant to the president, he called on Mayor Lamberton of the City of Philadelphia, and discussed the matter with the Mayor and explained the cause of the explosion as being due to a wash out of earth from a water leak which left the gas pipes dangling and caused them to break; that the leak in the water main washed the earth into the sewer through a break in the sewer, and state that what occurred was a typical case of hydraulic mining. He was unable to give an opinion as to the length of time it would require to cause a cavity of these dimensions, but stated that in this particular case it would have taken months, depending upon the size of the leak, the amount of water coming from the leak, and the drainage space, and the size of the hole in the sewer. He testified that his opinion was based on what he saw after the explosion and the fact that at each end of the cavity there was a cave under the street; the one towards Dickinson Street was ten feet underneath and that no explosion could have blown that dirt away.

Howard T. Jayne, Safety Inspector for the Philadelphia Gas Company, testified that he did not know of any inspection that had been made of the gas main in Greenwich Street previous to the explosion.

C. L. McAllister, Supervisor in the Casualty Insurance Department of the Philadelphia Gas Works Company, testified that on the morning of the explosion, at about 9:30 A. M., he received a call from one of the company's men at the scene reporting the breaking of a number of windows and asking that a glazer be sent down; that he communicated with a glazer and ordered him to go down and put in the lights; that he did not know how much glass was broken. He testified that he did not know who gave him the order as he had received several calls, but thought it might have been Mr. Douglass.

Wharton W. Weir, Inspector for the Philadelphia Gas

Works Company, testified that he arrived at the scene of the explosion at about 6:20 A. M. that he saw a great deal of debris in the cartway and in the vicinity of the houses; that he saw the flames and admitted that some of the flames gave an indication of gas flame; that he saw gas flame where the asphalt joined the curb in front of premises 1112 or 1110 Greenwich Street. He testified that he was present when the third explosion occurred and stated that the center of the street for a distance of about thirty-five feet seemed to rise up about two and a half feet and then the whole thing collapsed; that there was a dull report; that after the explosion the street collapsed and went down into a cave or cavern about six feet deep; that he rushed over and saw the broken water main with water coming from it.

Blackwell Newhall, assistant to the President of the Philadelphia Gas Works Company, testified that on the morning of February 11th he called on Mayor Lamberton of the City of Philadelphia, in company with Mr. Laurer, President of the Philadelphia Gas Works Company, and Mr. Reed, Executive Vice-President of the gas company, and that Mr. Laurer advised the Mayor that the catastrophe was caused by a water leak that had washed the soil away from the gas pipe; and stated that this conclusion was based on reports they had received from the men in the field.

Harry D. Lehman, Manager of the Customer's Service Department of the Philadelphia Gas Works Company testified that on February 21, 1940, they received a complaint from 1103 Greenwich Street of a gas leak; that as a result of that complaint the meter was changed; that on June 28, 1940, they had a complaint of a gas leak in the cellar of 1102 Greenwich Street, and their repairman found a leak on a 1¼ inch coupling on the service extension. The next order, he testified, was on February 11, 1941, when a report of an odor of gas was received. This was the date of the explosion. There was, on February 26, 1941, another report of an odor of gas and the gas company employees found a slight odor of gas in a manhole. He further testified to a complaint on October 4, 1940, by a customer at 1120 Greenwich Street about getting a very poor supply of gas to his range. Workmen found that the fuel lines were trapped under the shed. The condensate was cleaned out. On November 4, 1940, there was another complaint from 1120 Greenwich Street of a noisy meter, but the workmen again found accumulated condensate, which was cleaned out. He also testified to a complaint of a customer getting no gas to his range at 1120 Dickinson Street on October 26, 1940. Workmen there also found the lines trapped. He testified to a complaint from 1134 Dickinson Street on June 11, 1940, that there was a leak at the gas range. Workmen found that the pilot was out and that it was corrected by putting in a new part. He then testified that there had been a previous complaint from 1134 Dickinson Street of a leak at the range and the workman found no leak but adjusted the range. This it appears was only one week before they replaced a part on the pilot light on the same range.

This witness then testified that complaints had also come in from Cross Street, another street in the immediate vicinity. That on January 13, 1940, a complaint came in from 1109 Cross Street of a leak at the gas range; that there was no leak but some difficulty with the pilot. On September 3, 1940, a complaint came in from premises 1113 Cross Street of a leaking meter; workmen put in a three-quarter inch union on the fuel line. On October 31, 1940, 1113 Cross Street again complained of a fluctuation of gas at the range and that they could not use the range; workmen cleaned out a deposit in the pipes. On March 21, 1940, 1115 Cross Street complained of an insufficient supply at the range. Workmen again cleared out a stoppage in the service pipe and changed the meter. A great number of other complaints, from houses on the various streets in the immediate neighborhood, almost all of which required the workmen from the Philadelphia Gas Works Company to clear stoppages in the service pipes were testified to, and are set out in detail in the notes of testimony at page 389 to 399 inclusive.

H. Bruce Anderson, Engineer of Distribution for the Philadelphia Gas Works Company, testified that he is a mechanical engineer; that the gas main in Greenwich Street was laid in 1900; that it replaced an old three inch main which was laid before the Philadelphia Gas Works Company took over the gas works in that section. He stated that he arrived at the scene of the explosion on the morning of February 11, 1941, at about 10 A. M. and that he saw two houses down on the south side of Greenwich Street, and on the north side houses were down and burned, but he could not tell how many; that in the street from curb to curb for a distance of thirty feet, in front of the houses which had been demolished on the south side, there was a deep cavity. He stated that there was a cavity under the asphalt extending about 10 feet and the cavity gave the appearance of being freshly washed; that it glistened as if water had been there. He stated that gas cannot explode in a street filled with earth, and that there must have been a cavity there before the explosion. He gave as his opinion that a water leak started and carried a great many cubic yards of earth away from the gas and water mains, taking away the foundations from the pipes and finally the gas main broke, escaping gas filled the cavity and got into the houses through the cellar walls. He suggested that the actual explosion may have been set off by a heater fire or a little pilot light on the gas range of one of the houses. He admitted that to create so much damage there must have been a great quantity of gas escaping. His reasoning is as follows: (page 465, 466)

"My conclusion was that the cavity must have been there when the explosion occurred under the street, because you cannot have any explosion without a cavity or space for the gas to explode in, and if the cavity were there the earth that occupied it must have gone some place. I have heard you asking questions of the witnesses of the possibility of the earth going up in the air. Anticipating such a question there is not the slightest indication that any earth whatsoever came out of that cavity. If there had been any earth that came out of the cavity, it is reasonable to suppose that some of it would have spattered over the faces of the houses. Not one bit of it happened. There is no evidence of it. Now when earth disappears, from underneath the street surface, and it occasionally does, these foremen that you have heard testify a few minutes ago and myself

and Mr. Flynn know only one place where that earth can go and that place is down a sewer. The sewer is the only way we know of escape for earth that is once on the street surface unless it be quicksand or subterranean river. The sewer is the only place which earth of that large cubical quantity can escape to, and so what I believe happened there is that a water leak started sometime, at which time is not known, the water carried away a great many cubic yards of earth underneath that street and as it carried that earth away the gas and water mains were further undermined. The foundations were taken away from them and finally they could not stand it any longer and the gas main broke. The water main must have broken ahead of the gas main because the only possible way earth can get away is through the sewer. That cavity was there and finally the gas main broke. With the existence of a cavity gas could then go through the cellar walls in those houses. How it was exploded, no one can tell. Heater fire may have supplied the spark to cause the explosion or a pilot light on the gas range. That is my idea of what happened."

He stated that illuminating gas becomes explosive when mixed with from 6% to 30% of gas to 94% to 70% of air, and that the greater the amount of gas in the mixture the greater the violence of the explosion.

This witness stated that in his opinion the cavity under the street must have existed for a considerable length of time before the explosion, because the amount of dirt that was washed away would require a considerable period of time to wash through the sewer, depending upon the extent of the leak and the force of the water attacking the earth.

His explanation of the length of time elapsing between the first two explosions and the third explosion, which occurred under the street, was that the gas accumulated in the large cavity under the street and remained there until a quantity of air from the street or from the opening in the sewer mixed with the gas, caused it to reach an explosive proportion, and was ignited by a spark from the flames in the neighborhood. He stated that gas cannot impregnate earth and cause an explosion.

Mr. Anderson further testified that there was no pool of water in the cavity and that the only water was that coming from the broken water pipe. He estimated that to wash away the cubic contents of this large cavity, which he estimated to be 40′ x 14′ x 7′ would require weeks if it was a large water leak under pressure, and from two to three months if it was a small water leak; but he was quite definite that in his opinion the cavity had existed for a sufficient length of time to undermine the gas and water pipes and cause them to break, which in his opinion was the cause of the explosion.

This witness inspected all the gas main and water main pipes in the basement of City Hall, and testified particularly with regard to the connection between the gas main and the gas service line going into premises 1112 Greenwich Street. He stated that in his judgment the cause of the break in that pipe was force, either weight imposed on the gas main from above or other force from the explosion. He testified that he saw evidence of surface corrosion, but nothing to indicate that the corrosion had gone all through the pipe. He further said there was no absence of thread on either the hole going into the main or the service pipe. He stated that there was evidence of thread in the tap hole, which is the remaining part of the thread missing from the service connection. He said you could not see or feel this thread because the piece of service pipe on which the thread was cut was still in the tap hole of the main. He said that the service pipe being made of wrought iron would probably break under stress quicker than the cast iron main. He stated that he thought he saw evidence of a fresh break on both the service pipe and the main at the tap hole, and that the only corrosion on the service pipe was surface corrosion.

He further testified that the thinness of the pipe indicated by Dr. Burke was in some measure due to "stretch" and that the original thickness of the pipe is less than one-tenth of an inch. He also stated that wrought iron rusts more quickly than cast iron, which in his opinion does not rust at all. He stated that in his opinion there was no evidence of serious corrosion of the gas main pipes in the basement of City Hall, except some surface corrosion, but no evidence of corrosion on the inside of the pipe. He disputed the testimony of Dr. Burke with respect to the bending of the service pipe connected to the main and stated that the bending was probably caused by the weight of the asphalt and dirt over the pipe after the explosion. He denied there had been any leak before the break in the gas main, and reiterated that the break in the gas main was due to the undermining, which suspended the gas main in the air without proper support, caused the break, and the gas then issued into the cavity and worked both ways, North and South, into the cellars of the houses on both sides and filled the cavity in the street.

He contradicted the testimony of Dr. Burke that if the wrought iron connection corroded it would affect the thread in the cast iron pipe, and stated that from his experience cast iron does not rust. He differentiated between the appearance of a pipe which is cut or broken apart and one in which corrosion had set in causing a break, by stating that it depended upon whether you saw the pipe immediately or later, because corrosion could form on the edge of the fracture in a very short time after the fracture, and that in the case of the service pipe the fracture edge showed so little corrosion, that in the opinion of the witness, the pipe had been broken.

Dr. Anderson testified that there was no regular method of inspecting the gas mains except by taking advantage of the openings made during the year to do various kinds of services to consumers, and taking advantage of openings made by the City of Philadelphia, the Water Bureau, and other utilities in the construction of sewers and work of that type. He testified that there was no record of any inspection of Greenwich Street except when some work was done there in 1940, which went up to premises 1110 Greenwich Street, but that the rest of the main from 1110 westward was not inspected and no record of any such inspection made by the company. He testified that no man-holes are located in the system which would permit an inspection; that on the low pressure gas mains there are very few valves, and they are rarely used to turn off the gas; and that there are no valves located in the general vicinity of the explosion.

He testified that the reason no valves are maintained was that it would be a hazard rather than a safety feature, because they would be misused by unauthorized persons who might want to turn the gas off. He stated that having safety valves in the system would not facilitate inspection of the gas mains and would not be feasible.

This witness testified that he was unfamiliar with Regulation Circular 9-A, Rule 7, of the Public Utility Commission, which provided (record 505)

> "Each utility shall inspect its equipment and facilities, including the necessary tests for water and leaks in its lines in accordance with good practice in a manner satisfactory to the Commission and shall maintain its equipment as specified in Rule IX, and shall keep a complete record of all such inspections and tests and shall file with the Commission a statement of the condition of its equipment, and in such form as the commission may require."

He later said that he had heard of the requirement and thought that the company had complied with it.

This witness testified as to the mud in the sewer and stated that the water could be seen in the man-holes at Passyunk Avenue and Dickinson Street, and that it was running in opposite directions, which indicated that the sewer was blocked in Greenwich Street by the dirt that had been washed into the break in the main, and that all the dirt which was missing from the cavity was washed through the sewer.

He testified that while frost on the surface has some effect on the pipes that are laid less than three feet under the ground—which he contended is the frost line for this section—this particular gas main was located between two feet eight inches and two feet ten inches under the surface of the street.

This witness further stated that in examining the water pipes removed from the hole, he found evidence in a number of breaks that indicated to him that the breaks had been in existence for several weeks before the explosion. He explained that by saying that the ends of the breaks differed so much in appearance; were discolored and had on the breaks a form of deposit which could not be removed. He testified: (record 541)

> "The west end of Dr. Burke's number 2 is what we consider has every indication that a break had existed there for some time. At the west end of Dr. Burke's number 4 pipe we found what we considered to be a very good indication that break had been in existence there for some time. At the lead joint, which was towards the east end of Dr. Burke's number 4, we believe there is evidence that the lead on the bottom of that joint had been pulled out for about three-eights of an inch for quite sometime. There could have been a leak at that joint for quite a while."

He also testified that generally both the gas and water pipes were in good condition.

Mr. Anderson also testified that he thought there was the proper co-operation between the City and the various utilities in reporting things discovered by the various companies and bureaus which affected the equipment of the others. However, he admitted that there was something definitely wrong in 1940 when the City failed to notify the gas company of the cave-in in Greenwich Street which was reported to Mr. Rushworth by an employe who read of it in a newspaper.

He stated that he felt that the inspections made by the Philadelphia Gas Works Company were reasonable and adequate, and he did not think any wholesale inspection was justified, since he felt that the company keeps its mains in very good condition, and nothing he had seen or heard indicated anything to the contrary to him. He later produced the record of inspections for the year 1940, which he considered a typical year, which is as follows:

1. Gas Main Examinations on work of installing new services when main is not installed at the same time—303.

2. Gas Main Examinations on work of renewing services —4263.

3. Gas Man Examinations on work of reconnecting services to mains—55.

4. Gas Main Examinations on work of repairs to services—47.

5. Gas Main Examinations on work of abandoning mains —5783.

6. Gas Main Examinations on work of abandoning mains —109.

7. Gas Main Examinations on work of renewing mains which are to be put back in the same location as the old one—216.

8. Gas Main Examinations on work of renewing mains in different locations—155.

9. Gas Main Examinations on work repairing mains which does not include the work of renewing mains under the items I have given—1347.

10. Gas Main Examinations on work of installing new main extension from existing mains—307.

11. Gas Main Examinations on work of visiting bridge gas mains—1237.

12. Gas Main Examinations on work of investigating various construction work—149.

13. Gas Main Examinations on work of investigating surface indications of under ground trouble—60.

These examinations are apparently made by the laborers, handymen, or gang foremen who are doing the work involved. They make no report unless they find trouble; they made no record of the inspection except when trouble is found, and when no report of trouble is made it is assumed the main is in good condition; there is no record kept off the inspection and no reports have ever been made by any inspector who made an inspection and found the main in good condition. These so-called reports of inspections are merely report of types of work done, and it is assumed that an inspection of the main has been made and that it is in good condition unless there is a report of trouble.

This seems like a most cursory and hap-hazard method of inspection and certainly is not an inspection in the true sense of the word. There is no individual upon whom the duty is imposed to see that the mains are properly inspected, and although this witness is responsible for the condition of the equipment, he makes no report to the Public Utility Commission in accordance with their Rule 7 as above set forth. This witness testified that he knows of no request by the Public Utility Commission for a report as to the condition of the equipment of the Philadelphia Gas Works Company in accordance with Rule 7.

He did testify that there was a record showing that the gas main in Greenwich Street was broken in 1933, opposite the premises 1114 Greenwich Street, at a point where the service line entered the main. This break was repaired by putting a sleeve around the main, and the service pipe was attached to a tap hole in the sleeve. The break at that time was caused by some settlement of a sewer lateral. There was no inspection of the gas main or service connection of 1112 Greenwich Street at that time.

William H. Gravell, consulting engineer, retained by the Committee, examined the scene, inspected the pipes, and listened to all of the testimony, and filed his written report to the Committee, a copy of which is attached hereto, and stated that in his opinion the explosion was caused by the negligence of the Philadelphia Gas Works Company and the City of Philadelphia, and in his report gave his reasons therefor.

From the testimony adduced at the various hearings from neighborhood witnesses, firemen and policemen whose duties required them to be at the scene of the explosions, public officers and workmen who had from time to time been engaged in doing work in the 1100 block of Greenwich Street and the immediate vicinity, and from officials and workmen of the Philadelphia Gas Company, as well as from personal investigation by the members of the Committee and its technical advisers, the Committee has reached the conclusion that the catastrophe was avoidable, and that it was the result of negligence and neglect on the part of both the Philadelphia Gas Work Company and the City of Philadelphia as hereinafter more fully explained.

As to the Philadelphia Gas Works Company, numerous witnesses testified that they had complained of the smell of gas around Greenwich Street for a period of two years before the date of the catastrophe; their records showed that they had a great number of complaints of failure of gas in the gas ranges in the immediate vicinity due to stoppage in the service pipes; that there were a great many complaints and repairs of joints being pulled loose, and leaks at the joints; that there were complaints of failure of pilot lights to stay lighted; complaints of fluctuation of gas at gas ranges; complaints of smell of gas in the houses; complaints of persons being overcome and made sick of the odor of gas; that it knew of the water leaks and made repairs to its main; that an inspection of the gas main removed after the explosion showed that it was corroded, and at the joint the threads on the pipe were barely distinguishable, and towards the end were entirely rusted away; that during a period when certain houses were having difficulty with their gas flow the gas company installed a temporary main through the basements of houses on the south side of Greenwich Street and then continued the temporary piping under the street to premises on the north side; that the trench dug for the purpose of erecting this temporary line was filled with cinders, and this trench dug through the solid earth and then filled with loosely packed cinders acted as a pathway for the escaping gas to the houses on the north and south sides of Greenwich Street directly in line with the trench, and it was these particular houses which exploded and burned, and it was in these particular houses in which the dead were found.

The testimony showed that when the main was relocated on Greenwich Street a new pipe was put in under the sidewalk on Greenwich Street up to 1110, and was connected with the old main that had been in Greenwich Street since 1900. In 1933 a break in the main occurred in front of the premises 1114 Greenwich Street, which break was repaired by putting a sleeve around the main, but no inspection was made to ascertain the condition of the main between 1114 and 1112 Greenwich St. If the main had to be relocated in 1940 up to premises 1110 it would seem that ordinary care would have required the company to inspect that part of the main in front of premises 1114 Greenwich Street, which its records would show had been broken in 1933 and had been fixed by putting a sleeve around the main, and such an inspection would have undoubtedly shown the deterioration and corrosion in the main and the service pipe in front of premises 1112 Greenwich Street, and would have indicated the necessity of extending the new main to at least premises 1114 Greenwich Street, where their main had previous cracked.

The fact that there had been so many complaints of trouble and so much odor of gas in the neighborhood should have indicated that an examination of the entire main on Greenwich Street was necessary, but the company contented itself with making whatever temporary repairs it could without exposing the main and trying to find out what the real trouble was and correcting it.

An inspection of the gas main and service connection pipes by the Committee itself confirms the testimony of Dr. Burke and the report of Mr. Gravell that the pipes were in a dangerous corroded condition and must have been in such a condition for a long period of time. In the words of Mr. Gravell: "The connection from 1112 to the Cast Iron Main, was Wrought Iron or Soft Steel. It has been carefully examined and shows a very badly corroded condition which could not have resulted from a few days exposure. In fact it undoubtedly took years to reduce this pipe to its present state of corrosion so that very little strength remained."

Ordinarily, reasonable co-operation between the City of Philadelphia and the Philadelphia Gas Works Company would, in our judgment, have prevented this terrible explosion. The lack of co-operation is evident from the fact that the only notice the Philadelphia Gas Works received of the original cave-in on Greenwich Street in February, 1940, was the newspaper item read by one of their employes; and when the repair was supposed to have been completed, and the crew of the gas company examined the soil to determine whether it was safe for their main, Superintendent Rushworth saw running water in the cinder fill, but failed to notify the City of Philadelphia so that it could re-examine the main to determine whether the repairs to the water main had been proper or whether another leak had developed.

This testimony is further corroborated by civilian witnesses who saw water in the hole opposite premises 1105 Greenwich Street after the hole had been filled with cinders.

The experience of the Highway and Water Department officials in connection with the 1100 block Greenwich Street was certainly sufficient to put them on notice that there was something wrong under the surface of the

street which required a thorough investigation and extensive repairs rather than the make-shift, haphazard investigations and inadequate repairs that were made.

The facts present a picture where the rights of citizens were ignored and neglected by both the Philadelphia Gas Works Company and the City of Philadelphia. Mr. Anderson of the gas company attempted to show a method of inspection of the gas mains by citing the record of all work done by the gas company of any kind, character or description that had anything to do with its equipment, with the exception of repairs or renewals of gas ranges, meters, or other facilities in consumers homes; even to testifying that mains that were abandoned were inspected and a record of the inspection kept. It is apparently conceded that no inspections were made as required by the Public Utility Commission, and certainly no tests of its equipment were made in accordance with the Commission's rule. The assumption that its equipment was in good condition because its laborers, handymen or gang foremen did not report any corrosion, erosion, breaks, etc. does not in the opinion of fthe Committee amount in any sense of the word to a proper inspection of its equipment, considering the dangerous substance it carried in that equipment.

As to the City of Philadelphia, there is no doubt that there were leaks in the water main in Greenwich Street several times within the year preceding February 11, 1941; that earth and soil were washed away and that it was necessary for the Philadelphia Highway Department to block off the street with barricades, and put lights thereon because of the unsafe condition of the street because of cave-ins; and that they were required, as shown by its own records, to fill in the cave-ins with cinders. The fact that it was necessary for the City to fill in these cavities on a number of occasions was certainly notices to it that there was serious trouble present, and yet it contented itself with filling in the cave-ins without making a thorough inspection of its water mains and sewer to determine the cause of the cave-ins and eliminate the defect.

It is worthy of comment that after the first repairs were supposed to have been completed in February, 1940, the witness Rushworth in examining the soil found evidence of running water under the paving, and had it been reported to the City the second break may have been avoided.

It is important to note that there is no systematic check on the water mains or sewers under the City streets. From the testimony it appears that there is a hit or miss method of testing the flow of water in the main, during certain hours of the early morning, when it appears that too much water is being used in a given neighborhood. Even after the repairs that were made to the water main in Greenwich Street, and the continued cave-ins, not even this test appears to have been made to determine where there was a leak. The continued succession of cave-ins was certainly notice to the City that the ground was unstable and that their water pipes in a dangerous condition, likely to break and cause other more serious and disastrous cave-ins—which is what eventually happened. No inspection was made of the sewer until after the explosions, when it was found that there was a hole about three feet long and eight inches wide.

The City of Philadelphia apparently inspects its water system for leaks, and while the method used is a good one, inspections are not made frequently enough in view of the age and condition of the pipes in the water system. As everyone knows, the water system of the City of Philadelphia is in very poor condition and extremely antiquated, and measures have been taken to renovate it, which the Committee trusts will be followed through.

FINDING OF FACT BY THE COMMITTEE

The Committee, after hearing the testimony of the witnesses and its own personal inspection of the scene of the explosion and the pipes of both the gas and water mains and connections thereto, and for the reasons set forth in the foregoing report, find that the Philadelphia Gas Works Company and the City of Philadelphia are jointly responsible for the explosions, and the resulting deaths and injuries which occurred on the morning of February 11, 1941, in the 1100 block of Greenwich Street in the City of Philadelphia.

RECOMMENDATIONS OF THE COMMITTEE

1. We recommend legislation be enacted creating a Board of Inspection in the City of Philadelphia under the control of the Director of Public Works of the City of Philadelphia, whose duties and functions shall be to investigate and inspect complaints concerning gas and water mains, and order and affect replacements or repairs to all gas and water mains or any and all connections thereof found to be in defective or dangerous condition.

2. That there be an immediate inspection of all mains thirty years old or over, and that thereafter water and gas mains be inspected once every five years. That the inspection be similar to that required by rule 7 of the Public Utility Commission for other gas and water companies, and in addition thereto, modern engineering methods be used to make the examinations adequate and complete, and a permanent written report of such inspection be kept as a public record by the Board of Inspection.

3. That where any citizen suffers any property damage or personal injury because of failure or difficulty in the gas or water mains or connections thereto, that the Board of Inspection shall make an immediate investigation to ascertain responsibility, and to effect an immediate correction of such dangerous or defective condition.

4. That in any action for damages brought against such city or any lessee thereof because of property damage or personal injuries sustained by such person because of the defective or dangerous condition of any water or gas main or any connection thereof, the plaintiff shall make out a prima facie case by establishing the fact of such damage and the casual connection thereto with such dangerous or defective main or connection thereof.

5. That said Board of Inspection shall be given the power to make and enforce such rules and regulations which it shall deem necessary or proper for the safe distribution of gas and water.

PAUL D'ORTONA
Chairman
CHARLES MELCHIORRE
Secretary
DANIEL DiGENOVA

HARRY P. VOLDOW
JOHN P. CORRIGAN
JOSEPH SKALE
FRANCIS J. FALKENSTEIN
SAMUEL M. ROSENFELD

EXHIBIT—GRAVELL REPORT

WILLIAM H. GRAVELL
Consulting Engineer
Architects Bldg.
Philadelphia

May 5, 1941

Gas Explosion and Fire on February 11, 1941, in The 1100 Block, Greenwich Street, Philadelphia
Engineering Report

To the Chairman and Members of the Legislative Committee appointed pursuant to House Resolution No. 25, adopted February 19, 1941, to investigate gas explosions in Philadelphia:

On February 11, 1941, about 5 A. M. an explosion occurred in a dwelling—1112 Greenwich Street, which set fire to 1112 and 1114, resulting in their destruction, with the death of three occupants. Less than an hour later another explosion totally wrecked 1105 and 1107 Greenwich Street, killing a policeman and a fireman. About two hours later there was a third explosion in the cartway located nearly midway between the above four dwellings. Many injuries resulted from these explosions.

It is not the province of an engineering report to fix blame, to moralize on negligence, to recommend penal laws nor disciplinary action. It is the duty of the engineer making such a report to examine the site, to review evidence, to put resulting data in perspective with that somewhat nebulous background:—standard engineering practice and to recommend a procedure aimed at preventing a repitition of such a serious tragedy.

The houses enumerated above were from 60 to 70 years old. Judging from their remains and from similar houses in the street, they were of fair if not the most durable construction for buildings of this class. It is probable that gas was introduced at a later date. Certainly electricity was much later. Water may have been supplied with their first occupancy. They were not likely supplied with sewer connections for some time after building. Yet all these utilities have since been in operation for a long time. The gas main in this street appears to have been laid about the turn of the century.

The soil on which these houses were built is probably an old natural fill consisting of sand, gravel and clay. It is a poor and quite porous soil. It has been dug up frequently, as for instance when gas repairs were made and when the water pipes were repaired. A substantial cavity seems to have existed where the street explosion occurred, possibly over a foot or more below the paving.

The explosions were due to illuminating gas which had leaked out of breaks in the lines outside the house lines. The odor of gas was reported on numerous occasions. Repairs were made from time to time and certain pipes replaced.

Illuminating gas is a mixture of hydrogen, carbon monoxide and certain hydro-carbon gaseous compounds, all of which are very inflammable. They are explosive when mixed with air, within certain limits, say approximately 5 to 15 percent gas to 95 to 85 percent of air. There are other ingredients not inflammable not explosive, such as carbon dioxide gas and water vapor, but in small quantity. These gases and vapors are practically without odor. Therefore a volatile oil is added which gives the very characteristic odor to illuminating gas. This being a suspended vapor is filtered out when the gas passes through sufficient thickness of soil or other porous material. The amount of gas in the ground, in any cavity and in fact reaching the houses may be much greater than inferred only from the odor.

The gas pressure does not seem to have dropped enough to be appreciable to the users in this street until the resident of 1112 shortly before 5 a. m. on February 11th investigated the gas odor and noted that his gas stove pilot was out. It is likely therefore that something happened that night to increase the flow from a break, thereby reducing the pressure in the house gas piping.

The gas main in the street was above the water main and about 3½ feet below the cartway grade, both of these pipes were above the sewer level.

In this latitude it is good engineering practice and it is so incorporated in certain laws as necessary, to place permanent structures below the frost line, namely 3′-6″ below permanent grade. This was done when these three utility structures were laid. The gas main was just about at the minimum safety depth for protection against frost; any loss of protection above would encroach on this safety limit. This unquestionably was what happened. The air cavity, probably containing water, above the gas main reduced the protection so that undue stresses were produced on this main and service connection to 1112. A break resulted or an old break was opened up, the service connection separated from the main and the porous earth, possibly made more porous due to the recent trenching, allowed the gas to enter the cellar of 1112 and was set off by a flame in the heater, the hot water heater or some other source, not beyond proper requirements of a household.

Once 1112 and 1114 were fired, flames appeared from burning gas escaping from cracks and vents. It was only necessary for the gas leaking into 1105 and 1107 to reach the dangerous mixture, so that an explosion could result. The same is true of the explosion in the street cavity.

The connection from 1112 to the Cast Iron Main, was Wrought Iron or Soft Steel. It has been carefully examined and shows a very badly corroded condition which could not have resulted from a few days exposure. In fact it undoubtedly took years to reduce this pipe to its present state of corrosion so that very little strength remained.

There are several causes for corrosion in cases like this. First rust takes place where moisture and air are present together, as in the case here. Then there may be active alkalies or acids in the soil or carried there by leaky house connections to sewers. Organic acids are notably harmful to iron. A very general cause of deterioration has been introduced since this installation was first made: Electric leakage which causes electrolysis of metal. Wrought iron or steel is particularly subject to this. Water and gas lines of metal are grounded by construction in the ground and are excellent electric conductors. The grounding of electric service lines to water and gas pipes,

leakage from trolley rails and various other electric lines, although perhaps minute, yet over a long period of time will cause a great amount of corrosion.

Now this soil from its porosity was nearly ideal for the leakage of water, gas and electricity. Leaks from the water supply mains, or from surface water augmented settlement in this poor soil. Underpinning work was necessary to preserve walls in this street. Water and gas pipes were dug up and repaired from time to time. It is known that in the winter of 1936, during a foundation construction at 9th and Mifflin Streets, not far from this site, showed solid freezing of earth to a depth of 2′-6″ below grade. There probably was less cover than that over the gas main in Greenwich Street. Had there prior to the Eleventh been sufficient strength in the service connection at 1112 to sustain the weight of the main after the nearly complete corrosion, then the action of frost would account for its final breaking away with the dropping down of the main in the disturbed earth or washout cavity below.

The City Authorities have shown that in the past inspection of sewers, fire hydrants and the testing for water leaks have been accomplished and repairs made.

The officials of the Philadelphia Gas Works Company have not shown that any organized efforts have been made to follow up possible trouble. Reports are received of leaks, usually detected by the familiar odor. In fact, this seems the usual practice in other cities. However, the Company and its officials were given much evidence of trouble from bad underground conditions, deterioration and repairs to their own, city and other utilities in this vicinity and particularly in this street. In fact in 1933 a leak where the service connection to 1114 joins the main was repaired, yet there was no suspicion that 1112 or other connections under similar conditions as that of 1114 might need attention.

It is recommended that the City of Philadelphia as owner and lessor of the Gas Works properties and installations and the Philadelphia Gas Works Company as lessee and operator of this property establish a mutually responsible agency for the reporting and co-ordination of all pertinent data, the following up of all reports and suspicions of trouble and the instituting of some procedure for inspections and investigations based on modern methods which may have been pursued separately by these two parties, or elsewhere in the United States. This Board should be placed under the Department of Public Works of the City, whereby the City Authorities will be responsible for the carrying out of a procedure mutually agreed upon for the prevention of calamities like that which has brought forth this investigation. Should loss of life or limb, or property damage result thereafter, this Board shall determine responsibility and preserve all data for the review of higher authority.

This Board referred to in the foregoing paragraph, and under the jurisdiction of the Department of Public Works of the City of Philadelphia, shall institute a study, together with detailed inspections, of lines and service connections which have been in use for thirty years or more, starting with the oldest or those where it is known that trouble may be expected. This procedure shall also govern for localities or installations which, like that on Greenwich Street, have shown trouble from time to time, such that suspicion is aroused as to their security. A complete report with necessary plans and details and records of work done shall be made at least once a year starting with a preliminary report as of October 31st of this year. This report certified to by the President of the Philadelphia Gas Works and the Director of Public Works of the city of Philadelphia shall be transmitted through the Mayor of the City of Philadelphia to such agency in the Commonwealth as the General Assembly shall determine.

Respectfully submitted,

WM. H. GRAVELL (Sgd.)
Wm. H. Gravell, Reg. Engr.
#264, Penna.

MINORITY REPORT OF HOUSE COMMITTEE TO INVESTIGATE GAS EXPLOSION

Pursuant to House Resolution No. 25 adopted February 19, 1941, to investigate gas explosions in the Twenty-sixth Ward of the City of Philadelphia, the following minority report is respectfully submitted:

The majority report reviews the testimony of the various witnesses and no attempt will be made in this report to do so again.

It is crystal clear that the concentration of gas in Greenwich Street was responsible for the unfortunate explosion under investigation. It is equally clear that such concentration of gas was caused by the large cavity in the street which had developed over a long period of time. The only logical conclusion that can be drawn from the testimony of the various witnesses, including the experts who were produced by the City of Philadelphia, the Philadelphia Gas Works and the expert retained by the Legislative Commission, is that the cavity in the street was caused by the washing away of the earth under the surface of the street into the sewer. There was clear evidence of a bad break in the sewer. There was also some testimony of a leak in the main. The earth either worked its way into the sewer, causing the hole in the street, or it was washed by the leak in the main into the sewer forming a cavity in which the gas concentrated.

The undermining and removal of the earth supporting the gas mains caused the gas mains to buckle, filling the cavity with gas.

Due to the washing away of the earth the cavity in the street extended to the house line on either side. Later the gas escaped from the large cavity in the street into the cellars of the houses on either side, became mixed with air and ignited in some unknown manner, causing the explosion.

It is respectfully submitted that from all the testimony, and the inferences to be drawn therefrom, that no blame whatsoever can be placed upon the Philadelphia Gas Works for the explosion.

There was no evidence presented to show any negligence or carelessness on the part of the Philadelphia Gas Works. In fact the contrary is true. The evidence indicates that the gas company handled complaints of leaks as they arose in an expeditious manner and in accordance with a well-established practice.

It is equally clear that the City of Philadelphia is in no way responsible for the explosions. There was no evidence of any kind to indicate that the City could have

foreseen or prevented the unfortunate occurrence in Greenwich Street. It is the belief of your committee that the City should be exonerated from any blame whatsoever.

Your committee further disagrees with the recommendations of the majority report relative to corrective legislation. The legislation recommended would impose tremendous financial burdens upon the gas company and upon the City of Philadelphia and instead of relieving or remedying conditions similar to that occurring in Greenwich Street, it would defeat its own purpose in that there would be more frequent excavation in the streets, thereby increasing the possibility of dangerous conditions beneath the surfaces of streets. In the main the recommendations are impractical and denote a total lack of understanding of the problems involved, and would impose additional financial burdens upon the gas company and the taxpayers.

Your committee desires to take notice of the impulsive and discourteous attitude of the Coroner for the County of Philadelphia in appointing a so-called "Blue Ribbon Jury" to conduct a superficial investigation of the gas explosion in the midst of the study by the Legislative Body. Such conduct on the part of the Coroner was inexcusable. He deserves criticism for his lack of respect for a Legislative Body.

A report of this investigation would not be complete without comment relative to the efficient manner in which the catastrophe was handled by the Philadelphia Police and the Philadelphia Firemen. Particularly worthy of comment is the heroic action of the members of the Philadelphia Fire Department. Despite the presence of gas in the midst of a terrific fire the firemen saved the lives of many persons by their fearless conduct. This is another noteworthy deed to the credit of the Philadelphia Firemen who are conceded to be the finest in the United States.

Your committee concludes that the unfortunate explosion in Greenwich Street was unavoidable and could not have been prevented or foreseen.

Members of the Committee

THOMAS H. LEE
JAMES J. O'DARE
WILLIAM A. FLETCHER
EDWIN A. LEE.

REPORT TO THE GENERAL ASSEMBLY OF THE BITUMINOUS COAL STUDY COMMISSION

BITUMINOUS COAL COMMISSION

On the Part of the Senate, 1937 to 1939
CHARLES EALY
GLEN R. LAW
JOHN J. HALUSKA, Chairman

On the Part of the House of Representatives, 1937 to 1939
BLAKE R. SHUGARTS, Vice-Chairman
MATTHEW WELSH
JOSEPH BAINE
E. KENT KANE

On the Part of the Senate, 1939 to 1941
CHARLES EALY
A. H. LETZLER
JOHN J. HALUSKA, Chairman

On the Part of the House of Representatives, 1939 to 1941
MATTHEW WELSH
E. KENT KANE
C. G. KRISE
EARL E. HEWITT, SR.

To the Honorable, the Members of the General Assembly:

The Bituminous Coal Study Commission was created by a concurrent resolution of the General Assembly, and approved by the Governor of Pennsylvania on the 5th day of June, A. D., 1937. This resolution reads as follows:

Section 1. Be it resolved, &c., That a commission is hereby created which shall consist of three members of the Senate to be appointed by the President Pro Tempore of the Senate and four members of the House of Representatives to be appointed by the Speaker of the House, whose duty it shall be to make a thorough study and investigation of the proposal incorporated in Senate Bill No. 632 of the Legislative Session of 1937, to ascertain whether it would be economically feasible to enact such legislation requiring operators of bituminous coal to move all cars to and from the face of the workings, or whether its enactment would result in so increasing mining costs as to effect the production of bituminous coal in this Commonwealth, and to make reports of its findings and recommendations to the General Assembly in the year 1939.

Section 2. The commission shall organize by electing a chairman, vice-chairman, and secretary. The members of the commission shall serve without compensation, but shall be reimbursed for all expenses incurred in the performance of their duties. The commisson shall have power to appoint such assstants as are deemed necessary and to fix their compensations. The commission shall have power to sit after the adjournment of the 1937 Session of the General Assembly.

Section 3. The sum of seven thousand five hundred dollars ($7,500), or so much thereof as may be necessary, is hereby specifically appropriated to the commission for the payment of the expenses of the commission, for the compensation of the assistants appointed by the commission, for supplies, postage, telephone, telegraph, and incidental expenses, for compiling and printing a report, and for all other necessary and proper expenses of the commission.

The President Pro Tempore of the Senate appointed as the three members of the Senate:

John J. Haluska, Cambria County
Charles Ealy, Somerset County
Glen R. Law, Mercer County

The Speaker of the House of Representatives appointed as the four members of the House:

Blake R. Shugarts, Clearfield County
Matthew Welsh, Fayette County
Joseph Baine, Allegheny County
E. Kent Kane, McKean County

The Commission organized by the election of Senator John J. Haluska as chairman, and Blake R. Shugarts as vice-chairman.

I.

APPEARANCES BEFORE THE COMMISSION

The Commission acknowledges its indebtedness to the following persons who, by appearance, correspondence,

and other forms of assistance, supplied the Commission with valuable information, much of which is incorporated in this report:

Officers and members of 42 Local Unions located in Cambria County.
Robert M. Newcombe, Representing the Central Coal Operator's Association.
Robert Hill, Local No. 36, Nanty Glo, Pa.
H. L. Good, Irwin District, Westmoreland County, Pa.
Tom Jeffrey, Sup't., Rochester and Pitt. Coal Co., Waterman, Pa.
Anthony Hall, Foreman, Rochester and Pitt. Coal Co., Waterman, Pa.
Anthony Anderson, Pres. of Local, Rochester and Pitt. Coal Co., Waterman, Pa.
John Popp, Loader, Rochester and Pitt. Coal Co., Waterman, Pa.
Mr. Cannon, Representing the Western Penna. Coal Operators.
Joseph Jones, Local No. 2008, St. Benedict, Pa.
W. B. Trimble, Pres., Indian Creek Coal Co., Indian Head, Pa.
J. E. Lowery, Sup't., Indian Creek Coal Co., Indian Head, Pa.
Earl Miller, Pres. of Local No. 6309, Indian Creek Coal Co., Indian Head, Pa.
Patsy Capriotti, Loader, Indian Creek Coal Co., Indian Head, Pa.
Walter Jones, Secretary-Treasurer, Central Penna. Bituminous Coal Producers' Assn.
John Covicas, Local No. 3648, St. Michaels, Pa.
J. J. Coffee, Sup't., Bird Coal Co., Kelso, Pa.
Andrew Starvish, Loader, Bird Coal Co., Kelso, Pa.
J. W. Gray, Foreman, Penna. Coal and Coke Co., Winburne, Pa.
Joseph Dingey, Committeeman, Penna. Coal and Coke Co., Winburne, Pa.
Fogle Bros., Garret, Pa.
James George, Sup't., Rock Hill Coal and Coke Co., Robertsdale, Pa
Eldon McClune, Motorman, Rock Hill Coal and Coke Co., Robertsdale, Pa.
George Mosler, Local No. 1386, Nanty Glo, Pa.
Steve Kish, Local No. 621, Vintondale, Pa.
Mr. Stover, Cosco Gas Coal Co.
Sterling Moshannon Coal Co., Houtzdale, Pa.
L. S. Rush, Boss, Fair Oak Coal Co., Confluence, Pa.
Harry Hillard, Loader, Fair Oak Coal Co., Confluence, Pa
George H. Humphrey, Local No. 6411, Johnstown, Pa.
John Nobelski, Local No. 1318, Jamestown, Pa.
Mr. Seman, Hillman Coal and Coke Co.
Lee Campbell, Committeeman, Clearfield Bituminous Coal Co., Grassflat, Pa.
John M. Bugosh, Committmen, Clearfield Bituminous Coal Co., Grassflat, Pa.
Paul Peachman, Committeman, Yorkshire Coal Co., Madera, Pa.
L. F. Crouse, Sup't., Monroe Coal Co., Revloc, Pa.
Robert Banfield, Committeeman, Monroe Coal Co., Revloc, Pa.
George H. Balog, Loader, Monroe Coal Co., Revloc, Pa.
J. B. Moore, Foreman, Consolidation Coal Co., Acosta, Pa.
Rex Redrick, Pres. of Local, Consolidation Coal Co., Acosta, Pa.
Frank Niemiec, Loader, Consolidation Coal Co., Acosta, Pa.
Roy Keck, Butler Coal Co.
Mr. Smith, General Manager, Rochester and Pitt. Coal Co., McIntyre, Pa.
Lawrence Reading, Sup't., Rochester and Pitt. Coal Co., McIntyre, Pa.
Frank Kelly, Committeeman, Rochester and Pitt. Coal Co., McIntyre, Pa.
Levy Thomas, Sup't., Tuscoria Coal Co., Holsopple, Pa.
Andy Andrews, Check Weighman, Tuscoria Coal Co., Holsopple, Pa.
James Sechler, Pres. of Local No. 6203, Garret, Pa.
J. F. Simpson, Sup't Clearfield Bituminous Coal Corp., Dixonville, Pa.
John Ledbeder, Foreman, Clearfield Bituminous Coal Corp., Dixonville, Pa.
Steve Macuga, Loader, Clearfield Bituminous Coal Corp., Dixonville, Pa.
James Lytle, Sup't., Lytle Bros. Coal Co., Robinson, Pa.
James McEllwee, Pres. of Local, Lytle Bros. Coal Co., Robinson, Pa.
Bernard Bush, Committeeman, Lytle Bros. Coal Co., Robinson, Pa.
Atlantic Mining Co., Houtzdale, Pa.
William McCuen, Sup't., Mine No. 51, Ellsworth, Pa.
Arthur Sowell, Pres. of Local, Mine No. 51, Ellsworth, Pa.
William Mayo, Sup't., Koppers Coal Co., Melcroft, Pa.
Lloyd Erhard, Pres. of Local, Koppers Coal Co., Melcroft, Pa.
Raney Barmariotti, Cutter, Koppers Coal Co., Melcroft, Pa.
Walter Hamrock, Loader, Koppers Coal Co., Melcroft, Pa.
Robert Tedrow, Local No. 998, Tire Hill, Pa.
Dwight R. Shaffer, Local No. 998, Tire Hill, Pa.
Archibald Miller, Sup't., Loyalhanna Coal Co., Cairnbrook, Pa.
Thomas Latvich, Pres. of Local, Loyalhanna Coal Co., Cairnbrook, Pa.
H. C. Ford, Sup't., Davis Coal and Coke Co., Boswell, Pa.
Fred Moore, Foreman, Davis Coal and Coke Co., Boswell, Pa.
Ralph Watkins, Loader, Davis Coal and Coke Co., Boswell, Pa.
J. Nicoski, Local No. 998, Tire Hill, Pa.
F. R. Boyd, Sup't., Hillman Coal and Coke Co., Jerome, Pa.
John Lees, Pres. of Local No. 1113, Hillman Coal and Coke Co., Jerome, Pa.
Waser Suproon, Loader, Hillman Coal and Coke Co., Jerome, Pa.
E. A. Bankert, Time Keeper, Keystone Coal Co., Mooween, Pa.
James Alexander, Loader, Keystone Coal Co., Mooween, Pa.
John Flinn, Foreman, Consolidation Coal Co., Jenners, Pa.
Terry Russell, Motorman, Consolidation Coal Co., Jenners, Pa.
Mike Salamanta, Loader, Consolidation Coal Co., Jenners, Pa.
James Meehan, Sup't., Varssia Coal Co., Heshbon, Pa.
Barney Sutton, Loader, Varssia Coal Co., Heshbon, Pa.
Fred Bass, Sup't., Clearfield Bituminous Coal Co., Commodore, Pa.
George Daniels, Loader, Clearfield Bituminous Coal Co., Commodore, Pa.
Charles Gates, Pres. of Local, Clearfield Bituminous Coal Co., Commodore, Pa.
Charles Estep, Sup't., Reitz Coal Co., Central City, Pa.
Nick Bruno, Pres. of Local, Reitz Coal Co., Central City, Pa.
Pius Yeaglin, Sup't., Royal Quemahoning Coal Co., Stoystown, Pa.
Edward Burnett, Loader, Royal Quemahoning Coal Co., Stoystown, Pa.
John Simpson, Sup't., Diamond Smokeless Coal Co., Hysota, Pa.
Leno Lappi, Check Weighman, Diamond Smokeless Coal Co., Hysota, Pa.
J. D. Helman, Sup't., Imperial Coal Co., Coalport, Pa.
Harvey Trent, Committeeman, Imperial Coal Co., Coalport, Pa.
James B. Marshall, Foreman, Bird Coal Co., Ginter, Pa.
Mike Janocko, Committeeman, Bird Coal Co., Ginter, Pa.

W. S. Merow, Foreman, Kristianson Johnson Coal Co., Lance, Pa.
William Thompson, Boss, Diamond Smokeless Coal Co., Boltz, Pa.
Tony Furman, Pres. of Local, Diamond Smokeless Coal Co., Boltz, Pa.
Bill Smith, Check Weighman, Diamond Smokeless Coal Co., Boltz, Pa.
J. B. Yonidy, Boss, Rochester and Pitt. Coal Co., Clune, Pa.
Mike Pasternick, Pres. of Local, Rochester and Pitt. Coal Co., Clune, Pa.
Metro Balue, Loader, Rochester and Pitt Coal Co., Clune, Pa.
John Kowalsky, Committeeman, Leland Coal Co., Beccaria, Pa.
Cliff Nevling, Committeeman, Leland Coal Co., Beccaria, Pa.
Frank Lambert, Foreman, Proctor Mines, Force, Pa.
Carlo Bonesa, Loader, Procter Mines, Force, Pa.
George Linzy, Sup't., Mine No. 9, Heilwood, Pa.
Mr. McCloskey, Pres. of Local, Mine 9, Heilwood, Pa.
C. L. Buhite, Sup't., Cramer Mines, Stopville, Pa.
Joseph Staples, Committeeman, Cramer Mines, Stopville, Pa.
Jack Tabane, Loader, Cramer Mines, Stopville, Pa.
Robert Percell, Foreman, Consolidation Coal Co., Gray, Pa.
John Miehankie, Pres. of Local No. 6456, Consolidation Coal Co., Gray, Pa.
Earl Hoover, Loader, Consolidations Coal Co., Gray, Pa.
Art Anderson, Pres. of Local No. 448, Rochester and Pitt. Coal Co., Lucerne Mine, Pa.
John Marince, Foreman, Morrisdale Coal Mining Co., Morrisdale, Pa.
Frank Roach, Committeeman, Morrisdale Coal Mining Co,. Morrisdale, Pa.
John Hewitt, Committeeman, Morrisdale Coal Mining Co., Morrisdale, Pa.

II.

THE COMMISSION'S APPROACH TO THE PROBLEM

The resolution creating this Commission was adopted after the presentation of Senate Bill No. 632, by Senator John J. Haluska of Cambria County, endeavoring to abolish car pushing in the bituminous coal mines of Pennsylvania by human power. It is maintained by those employed in the bituminous coal mines that the most hazardous work in these mines is the moving of empty and loaded cars in and out of the working-places by man power. It is claimed that this phase of work is the greatest single cause of injuries sustained by the coal miner.

In substantiation of these assertions, a survey taken in what is known as the Fifteenth Bituminous Coal District of Penna., shows that out of approximately 270 injuries in this district during a recent period, 105 were attributed directly to the handling of mine cars to and from the working place. Taken from the compensation records, the following data, pertaining to the above mentioned injuries, are here quoted:

Table I.

Case No.	Nature and Cause of Injury	Days Lost
1.	Brush burns, contusion of knee. Dropping load from place.	5
2.	Broken ribs. Dropping car down heading, brake would not hold.	56
3.	Three broken teeth. Pushing car to fore, looked over car.	11
4.	Sprained back. Pushing car, hoist rope jerked, slack rope.	13
5.	Sprained knee. Pushing car, slipped, fell.	6
6.	Contusion of chest. Pushing car on curve, car ran back	5
7.	Sprained back. Pushing car, slipped.	7
8.	Fracture of left arm. Dropping car into place, car jumped back.	46
9.	Contusion of foot. Throwing car over switch, car fell on foot.	74
10.	Finger caught between car and prop. Pushing loaded car.	6
11.	Sprained back. Pushing car.	31
12.	Sprained back. Pushing car, slipped and fell.	27
13.	Contusion of knee. Pushing car, fell.	11
14.	Sprained back. Shifting car on track.	11
15.	Squeezed between loaded and empty car. Dropping car down heading.	47
16.	Supposedly hernia. Pushing car.	10
17.	Hand caught. Dropping car out of place, put sprag in wheel.	1
18.	Sprained back. Pushing car, felt pain.	107
19.	Sacro iliac sprain. Stumbled while pushing car.	15
20.	Stoved arm. Dropping car into place, car caught onto another.	12
21.	Finger lacerated. Caught between car and prop.	18
22.	Squeezed between face and car. Took brake off.	54
23.	Thumb crushed, loss of nail. Caught between bumpers of cars.	39
24.	Fracture of arms. Dropping car out of place, car derailed.	42
25.	Hernia. Pushing empty car.	139
26.	Sacro iliac sprain. Pushing Car, slipped.	30
27.	Lacerated finger. Pushing car, derailed.	11
28.	Left hernia. Pushing car, felt pain.	96
29.	Finger crushed. Pushing car.	4
30.	Sprained back. Pushing car.	62
31.	Cut ear, contusion of side. Dropping car, car got away.	41
32.	Sprain of lumbar muscles. Pushing car.	27
33.	Sprained back. Pushing car, Slipped, fell.	15
34.	Recurrent hernia. Pushing car.	152
35.	Sacro iliac sprain. Pushing car.	4
36.	Sacro iliac sprain. Pushing car.	10
37.	Sprained back. Pushing car.	32
38.	Chest hit by prop. Pushing car, prop hit car and rebounded.	28
39.	Bruised foot. Pushing car, jumped track catching foot.	5
40.	Bruised knee. Pushing car.	17
41.	Strained muscles of back. Pushing car.	13
42.	Amputation of finger. Pushing car.	43
43.	Hand caught. Pushing car.	4
44.	Sprained back. Pushing car.	14
45.	Laceration of finger. Pushing car, finger caught on coal.	7
46.	Foot fracture. Dropping car, hit another load.	84
47.	Wheel ran over finger. Pushing car, foot slipped.	20
48.	Contused knee. Pushing car, fell.	25
49.	Contused knee and brush burns. Pushing car, fell.	25
50.	Sprained back. Pushing car, foot slipped.	6
51.	Contusion of eye. Putting car on track, struck face.	4
52.	Sprained back. Pushing loaded car, foot slipped, fell.	45
53.	Contusion of toe. Lifting empty car, car fell.	31
54.	Sprained back. Lifting empty car.	50
55.	Bruised finger. Dropping car, caught between coal and car.	17
56.	Fingers cut. Pushing loaded car, hand caught against prop.	23
57.	Sprained right shoulder. Pushing car.	4
58.	Sprained muscles of left shoulder. Pushing car.	4
59.	Contusion of foot. Pulling car out of place, rope gave, caught.	5
60.	Sacro iliac sprain. Putting car on track, slipped.	5
61.	Sacro iliac sprain. Lifting car, slipped.	38

Case No.	Nature and Cause of Injury	Days Lost
62.	Left inguinal hernia. Pushing car, injured left side.	84
63.	Bumped and bruised back. Pushing empty car into place.	167
64.	Sprained back. Lifting empty car on track.	11
65.	Finger caught. Putting car on track.	26
66.	Side abrasion. Pulling car out of place, struck by hoist rope.	15
67.	Sprained wrist. Switching car, hand caught.	35
68.	Bruised knee. Pushing car, fell.	6
69.	Sprained left side. Slowing car in working place.	19
70.	Sprained muscles of leg. Pushing car.	12
71.	Sprained muscles of chest. Pushing car.	5
72.	Sprained muscles of abdomen. Pushing car.	4
73.	Lacerated finger. Putting car on track.	7
74.	Sprained back. Pushing car.	6
75.	Foot torn off at ankle. Caught in hoist.	128
76.	Sacro iliac sprain. Pushing car, slipped.	4
77.	Sprained right knee. Pushing car.	5
78.	Sprain of lumbar muscles. Pushing car.	38
79.	Contusion of fingers, sprained back. Pushing car, slipped.	38
80.	Sprained back. Pushing car.	6
81.	Crushed finger. Lifting car on track, finger caught.	24
82.	Lacerated leg. Dropping empty car, leg caught.	47
83.	Sprained knee. Pulling hoist rope, slipped.	13
84.	Sprained muscles of lumbar region. Pulling car.	18
85.	Contusion of chest. Shoving brake on car, fell.	11
86.	Sacro iliac sprain. Lifting car.	2
87.	Sacro iliac sprain. Pushing car.	1
88.	Sprained ankle. Following car.	3
89.	Contusion of foot. Dropping car, caught.	5
90.	Laceration of finger. Pushing car, caught.	34
91.	Lacerated elbow. Dropping car.	38
92.	Toes caught. Pushing car.	23
93.	Hurt knee. Pushing car, slipped.	53
94.	Finger cut off. Pushing car.	37
95.	Bruised arm. Pulling car, struck with rope.	5
96.	Leg caught between two cars.	14
97.	Sacro iliac sprain. Pushing car.	9
98.	Bruised hand. Brake flew back.	2
99.	Contusion of shoulder. Pulling car, squeezed.	46
100.	Sacro iliac sprain. Pushing car.	2
101.	Sprain of lumbar muscles.	2
102.	Sacro iliac sprain. Pushing car.	7
103.	Hernia. Pushing car, felt pain in right groin.	6
104.	Sprained right foot. Pushing car.	13
105.	Sprained back. Pushing car.	21
	Total Days Lost	2836

The Commission determined to exercise great pains in studying these and other reports. The facts in the case were obtained first hand by journeys through coal mines in various counties by the Commission, as well as by others connected with the investigation, by conversation with workers, and by conference with operators and mine officials. All means were employed in an effort to get acquainted with the allegations made by those employed in this industry.

III.

PROBLEMS CONFRONTING THE COMMISSION

The Commission learned early that a great evil exists in the coal mining industry, but was constantly aware of the necessity of determining the effect of legislation upon both industry and those who labor at this hazardous occupation. Legislative enactment aimed at the improvement of working conditions may possibly result in a detriment to the industry, and ultimately to everyone concerned. The coal producing industry of Pennsylvania in recent years has enjoyed varying degrees of success, and obviously the periods of decline and low production were attended by distressing uncertainties. Such a state of conditions in our basic industry, to say the least, is certainly not conductive to the general welfare of the Commonwealth. The Commission was compelled, therefore, to dwell into facts and figures at all times when investigations were made. The statistics set forth in the following section are very pertinent to the problems under consideration.

IV.

PENNSYLVANIA STATE PRODUCTION OF BITUMINOUS COAL

The investigation shows that in the year 1937, the total capital invested in the bituminous coal mines of Pennsylvania was between $550,000,000 and $600,000,000, and that the total number of mines was 1,456, of which 919, or 63%, were working. It is further revealed that 133,414 miners were employed, producing 110,417,947 tons of coal, distributed among the various counties as follows:

Table II.

County	Tonnage	No. of Employes
Allegheny	15,213,350	15,544
Armstrong	2,945,132	3,766
Beaver	89,777	221
Bedford	471,506	944
Blair	227,667	484
Bradford	8,092	16
Butler	700,448	1,441
Cambria	14,807,485	21,177
Centre	473,490	801
Clarion	1,254,862	1,850
Clearfield	3,168,807	5,776
Clinton	40,912	67
Elk	606,955	1,103
Fayette	20,464,526	21,557
Fulton	139,525	245
Greene	4,157,344	3,954
Huntingdon	482,907	1,029
Indiana	6,710,349	8,104
Jefferson	2,131,721	2,804
Lawrence	264,255	496
Lycoming	60,009	142
McKean	7,277	22
Mercer	314,812	643
Somerset	5,218,592	7,915
Tioga	162,059	576
Venango	17,116	59
Washington	19,399,990	20,589
Westmoreland	10,878,982	12,039
Total	110,417,947	133,414

It is particularly illuminating for the present study to note the variations in production over a period of years. A specific comparison is here given:

Table III.

Year	State Tonnage	No. of Miners
1900	79,318,362	108,735
1937	110,417,947	133,414
1938	77,040,426	133,487

The 1938 output was the lowest since 1900, with the exception of the depression year 1932.

For further comparison, authentic figures on the variation of tonnage of nine coal companies, operating in the county of Cambria, follow:

Table IV.

	1926	1937	1938
Barnes Coal Co., No. 14-15	997,310	749,789	369,952
Carrolltown Coal Co., No. 9, and Cherrytree Coal Co., Emeigh ..	764,079	452,390	452,641
Sterling Coal Co.	79,039	343,367	262,503
Duncan - Spangler - Delta, and Joseph H. Reilly Shaft	132,691	63,419	15,862
Penna. Coal and Coke Co., No. 21-22-17	867,435	604,626	501,107
Rich Hill	203,239	153,879	115,997
Hastings Fuel	28,163	100,070	80,512
Lanark Coal Co.	.....	99,807	98,253
McCombie Coal Co.	41,291	66,820	59,049
Totals	3,113,247	2,634,167	1,955,876

In justification, the decline in 1938 in the state's production should be compared with the following total bituminous coal production in the entire United States:

Table V.

Year	Total U. S. Tonnage
1937	428,687,000
1938	325,479,000
Decrease	103,208,000

In considering the future course of our state's coal industry, it is very pertinent to note, further, that the virgin, or the best of this state's coal, comprising over 50%, has already been mined.

V.

REPORTS OF INVESTIGATORS

The information gathered in and around the bituminous coal mines of Pennsylvania, relative to the handling of mine cars in the working places, reveals a veritable conglomeration of conditions of all degrees of safety and satisfaction: from desperate working conditions to comparatively safe and easy ones, from disgruntled workers and defiant officials to happy workers and pleasant and cooperating officials. It was found, too, that these various conditions may be due, in a measure, to the nature of the mines. Thus, for example, an operator whose coal production cost is relatively high because of the make-up of his coal cannot maintain the more favorable conditions of his more fortunate competitor without some risk of financial embarrassment. In a great number of cases, however, it was very apparently not a question of feasibility for improvement of conditions, but rather an attitude of non-interference.

A vast majority of the contacts made by the investigators shows that the handling of cars in the working places is a dangerous and energy-racking task. Such conclusions were drawn only after an unbiased analysis of the facts are carefully observed and set down by the investigators. The highlights of a number of typical cases are now presented.

CASE NO. 1

No. of miners	350
No. of cars	800
Height of coal	3 ft. to 4 ft.
Length of rooms	Up to 350 ft.
Weight of empty cars	1725 lbs.
Weight of loaded cars	4200 lbs.
No. of motors	10
No. of hoists	44

The number of hoists in this mine is inadequate and a considerable amount of difficult pushing is necessary. It was reported that "the men are fighting with one another for the hoists." A mine official "didn't have any time to talk about such a thing as car pushing."

CASE NO. 2

No. of miners	600
No. of cars	1000
Height of coal	3½ ft. to 5½ ft.
Length of rooms	Up to 350 ft.
Weight of empty cars	4000 lbs.
Weight of loaded cars	8000 lbs. to 9000 lbs.
No. of motors	5
No. of hoists	6

The pushing here is extremely difficult as the cars are large and "have bent axles and the brakes drag. It takes five or six men to push the cars into place." A number of injuries were reported. The number of hoists is, of course, utterly inadequate.

CASE NO. 3

No. of miners	135
No. of cars	158
Height of coal	2½ ft. to 3 ft.
Length of rooms	Up to 425 ft.
Weight of empty cars	1350 lbs.
Weight of loaded cars	3800 lbs. to 4400 lbs.
No. of motors	4
No. of hoists	10

There is plenty of car pushing and it requires all that "three men can do to push a car into the face, and we had cases of men unable to come to work the next day from car pushing. The Company told the men that they couldn't put more hoists in on account of financial difficulties."

CASE NO. 4

Height of coal	3½ ft.
Length of rooms	Up to 350 ft.
Weight of empty cars	1800 lbs. to 3000 lbs.
Weight of loaded cars	3000 lbs. to 7500 lbs.
No. of hoists	None

The men do all the pushing, and it often takes "five or six men to push these cars." The men were told that "if they don't push the cars they will get men who will."

CASE NO. 5

No. of miners	300
Height of coal	3½ ft.
Length of rooms	Up to 250 ft.
Weight of empty cars	2400 lbs. to 2800 lbs.
Weight of loaded cars	6000 lbs. to 6500 lbs.
No. of hoists	34

"The men sit down to rest as much as five or ten minutes after pushing cars into their place."

CASE NO. 6

No. of miners	150
No. of cars	300
Height of coal	3 ft., 3 in.
Length of rooms	Up to 400 ft.
Weight of empty cars	2100 lbs.
Weight of loaded cars	5000 lbs. to 6000 lbs.
No. of motors	3
No. of hoists	35

Many of these men have no hoists at all and the pushing "is a man-killer." A mine official asserted that if they are compelled to install more equipment it will "drive the operators out of the state."

CASE NO. 7

Height of coal	5½ ft.
Length of rooms	Up to 250 ft.
Weight of empty cars	3100 lbs. to 4100 lbs.
Weight of loaded cars	9000 lbs. to 10,000 lbs
No. of hoists	None

Most of the mine trouble is car pushing. The cars are large and it requires "six or seven men to push them." Many injuries are reported.

In contrast to the above cases, many were found which add much milder tones to the picture. Indeed, a number of them may well be considered a pride to the industry. The following are given to round out the picture.

CASE NO. 8

No. of miners	70
No. of cars	300
Height of coal	3½ ft. to 4 ft.
Length of rooms	Up to 200 ft.
Weight of empty cars	2200 lbs.
Weight of loaded cars	4700 lbs. to 5000 lbs.
No. of motors	5
No. of hoists	20

According to an official the men prefer pushing to using a hoist, but the men say that the hoists are not much good. The grades are generally not steep and the men admit that "the push is not so bad."

CASE NO. 9

No. of miners	93
No. of cars	150
Height of coal	4 ft. to 4½ ft.
Length of rooms	Up to 500 ft.
Weight of empty cars	2200 lbs.
Weight of loaded cars	5200 lbs. to 6200 lbs.
No. of motors	9
No. of hoists	38

The men push cars occasionally, if they can, to save time, but they "have hoists to use now, and the men are not getting hurt any more."

CASE NO. 10

No. of miners	1024
No. of cars	1600
Height of coal	3 ft. to 4 ft.
Length of rooms	Up to 250 ft.
Weight of empty cars	3300 lbs.
Weight of loaded cars	9000 lbs. to 11,000 lbs.
No. of motors	37
No. of hoists	34

There had been trouble, but recently new motors and hoists were installed. A committeeman reports that now "our conditions are pretty good and we have no kick coming." A mine official volunteered that "the better the working conditions are . . . the less trouble . . . and the more money we make." And "if there is anything we can do for you (the investigators) we will be glad to help you."

CASE NO. 11

No. of miners	300
No. of cars	600
No. of hoists	25
No. of conveyors	20

This mine is highly modernized. Conveyors are used throughout, and car pushing is completely eliminated. The men declared that the conditions are good and that they are well treated.

The eleven cases presented are but a few of all those reported, and these were selected to give a good cross section of the situation as it exists generally throughout the state's bituminous field. Moreover, this picture is in complete corroboration with the observations of the members of the Commission during their excursion through several mines.

Since the bituminous coal mines were opened in Pennsylvania, the manual handling of cars, commonly called car pushing, has been an integral duty of the miner, and compensation therefore has been included in the tonnage rate. Because of changing mining methods, increasing mechanization and other economic changes, car pushing has been materialy and substantially reduced and the rate of reduction therefor will be accelerated in the future. Indicative of this trend, it is to be noted that in Pennsylvania, where the mines are old and the seams are thin, that car pushing has been eliminated for over thirty-three and one-third per cent of the tonnage due to the installation of conveyors and mechanical equipment. In addition thereto, thousands of room hoists have been installed to handle the cars against the grade and further, motors are used in many mines to handle the cars to and from the face.

In addition to large mines there are some thirty-five hundred small mines, employing a mere handful of men, which are not equipped to install motors or car handling equipment, and the owners thereof would be unduly embarrassed financially, and in numerous cases actually forced out of business, if required to eliminate the manual handling of cars. It is conservatively estimated that in the Pennsylvania field less than twenty per cent of the coal is handled manually by the miner.

This Committee realizes that there has been a marked diminution in car pushing and further realizes that it cannot be wholly eliminated, but urges that the operator exert his best effort to accelerate the elimination of car pushing so far as practical in and about the bituminous coal mines of Pennsylvania.

Many other investigations were made and the Committee finds that since the investigation started a large number of mines have installed electric hoists and storage battery motors, and that a large number of small operations have provided that mining cars be placed to and from the working place by mule haulage.

The Committee realizes the hardships of the men that must place their mining cars to and from the working place by man power and the danger involved in such work. The Operators are also concerned about this dangerous procedure and many of them are abolishing car pushing by man power as quickly as their finances permit.

The Committee is very much concerned with their findings of this investigation and feels that any legislation

affecting this great industry might be advantageous to the large Operations and that the ultimate result would mean the closing of hundreds of small operations throughout the Bituminus Coal Fields in Pennsylvania.

Therefore, the Committee finds that this problem should be a matter to be finally determined between the Leaders of Labor and the Coal Operators at the next Scale Conference Meeting, and so suggest. This report should be beneficial to all concerned and after the findings are analyzed by both Operators and Miners, it seems apparent that an agreement could be reached between these two groups.

This conclusion was arrived at by the Committee, only after deliberate thought and study, and after receiving a cross-section of opinions from Operators both large and small and Local Unions and their Members from various counties located in Bituminous Coal Fields.

REPORT OF THE LEGISLATIVE COMMITTEE TO INVESTIGATE THE HOUSING SITUATION IN THE CITY OF PHILADELPHIA

Commonwealth of Pennsylvania, House of Representatives, June, 1941

Honorable SAMUEL M. ROSENFELD, Chairman
Honorable JOSEPH M. O'BRIEN
Honorable CHARLES E. VOORHEES.

FOREWORD

Housing provides conditions favorable or unfavorable to health, morality, domestic content, and the dignity and joy of life. Self respect, and the normal gladness which is the natural antidote for moral contagion are effectively fostered or as effectually prevented by material surroundings. They do not gain by extravagance and ostentation, but by comfort and comeliness.

In multitudes of cases the wretchedly housed pay enough to entitle them to better quarters. It is often said that the worst tenants are the most profitable. Left to unregulated competition the homes of laborers are found in many cases to be unfit for human habitation.

This report arises out of the study of a practical situation and in carrying out its functions, the committee affords Pennsylvania legislators and interested persons the opportunity to view a problem in its actual light.

With a realization that the General Assembly is about to adjourn, attempt is being made to present only a compendium of a perplexing human problem with a hope that it may promote comprehension and insight.

Press of time and lack of funds have prevented the compilation and analysis of extensive statistical data collected by the committee, and this report is therefore submitted as a preliminary report to be revised at a later date if funds are made available.

The indebtedness of the committee is beyond my capacity to acknowledge here. Thanks are due to committee counsel John Morgan Davis, Esq. and Sidney Schulman, Esq. who gave unstintingly of their time and have made possible the completion of this study. To President Judge James Gay Gordon, Jr. the committee is grateful for the use of his court room for conducting the hearings.

SAMUEL M. ROSENFELD, Chairman.

REPORT OF HOUSE COMMITTEE APPOINTED PURSUANT TO RESOLUTION No. 14, SESSION OF 1941

The Committee appointed pursuant to Resolution No. 14, Serial No. 35 of the Session of 1941 to investigate housing conditions in the City of Philadelphia, submits the following report.

The Committee, consisting of Hon. Samuel M. Rosenfeld, Chairman, and Representatives Joseph M. O'Brien and Charles Voorhees, all of Philadelphia, organized immediately upon its appointment on February 24, 1941, and conducted public hearings in the City of Philadelphia on March 14th, 21st, 28th, April 4th, 10th, 18th, 25th and May 2d, 9th, 16th and 23d. The scope of the investigation, as originally outlined by the Committee, was as follows:

To conduct a full and impartial hearing with an opportunity for all interested parties to be heard for the purpose of obtaining a complete and accurate picture of all phases of the housing situation in Philadelphia; to inquire into the scope and enforcement of existing housing and sanitation legislation; to determine whether such legislation is adequate and to recommend to the Legislature such amendments or further legislation as may be found necessary by the Committee.

The Committee, through its investigation, hopes to obtain complete information as to

(a) The defense housing situation, particularly with reference to immediate and future needs, the probable effect on rent levels and means of preventing a repetition of unwarranted rent rises such as occurred during the World War, and the methods by which such housing needs, as may be disclosed by the investigation, can be immediately and effectively supplied; to determine whether the agencies concerned with such defense program have adequately met the situation and whether any legislation is needed to assist the program.

(b) To inquire into the need for low rent housing accommodations; to determine how such need can best be met; to inquire into whether the Philadelphila Housing Authority, the Mayor and City Council have taken the necessary and proper steps to obtain such housing; to determine how far such need may be supplied by the Public Housing Program of the Philadelphia Housing Authority; to inquire into how far rehabilitation and private enterprise may supply such need; to inquire into the adequacy of existing legislation covering these subjects.

(c) To conduct an injuiry into the scope, operation and effect of the housing and sanitation codes, the building codes and the Fire Marshal Acts in order to determine how far enforcement or non-enforcement of these acts affect the housing situation; to inquire into the conduct of the various departments; to deermine whether the Mayor and City Council have adequately recognized the budget needs of such enforcement agencies; to inquire into the tenement house situation; to determine by what means the unlicensed tenement house situation, with its hazards to health and life, may be remedied; to inquire into the adequacy of existing legislation and to make such recommendations as are necessary.

(d) To inquire into the condition of relief and W.P.A. tenants in order to determine the relationship between poor housing conditions and inadequacy of income; to determine whether the present relief grants for housing and shelter are adequate to supply proper housing; to determine what methods may best be adopted to improve the housing situation of such persons.

(e) To inquire into the methods of combatting the spread of blighted and sub-standard areas within the city; to determine how such blight may be halted and how far city planning may be used in such a program; to determine how effective our present city planning statutes are, and what changes might be needed in existing planning legislation; to examine into the function of a public housing program; to determine whether the city requires legislation to promote the existence of rehabilitation housing corporations.

During the course of its investigation, over sixty witnesses were examined and dozens of reports and documents bearing on the subject matter were considered. Despite the voluminous evidence, press of time has prevented adequate consideration and discussion of certain of the subjects originally outlined in the scope of the Committee's report, such as planning, zoning and the prevention of blight and deterioration, and it is the earnest hope of the Committee that these subjects may later receive adequate attention, either by a joint commission or some other agency.

THE FINDINGS

Housing Conditions Generally

Probably the most enlightening and most striking report on housing conditions in the City of Philadelphia is found in the 1939 Real Property and Low Income Survey conducted by the W.P.A. under the auspices of the Philadelphia Housing Authority. Other valuable information is found in the annual reports of the Philadelphia Housing Association (a private non-profit organization for the improvement of housing conditions in the City of Philadelphia), the 1934 survey of the City Planning Commission, and surveys made by the Department of Public Assistance and other agencies.

The method used for the 1939 Real Property and Low Income Survey was worked out by the most competent experts in the County for the use not only of the Philadelphia survey, but of similar surveys undertaken throughout the United States. The agencies which pooled their experience and knowledge to produce this method were the Coordinating Committee of the Central Statistical Board, the Works Progress Administration, the Division of Economics and Statistics of the Federal Housing Administration. The use of this method guaranteed impartial and reliable results, in no way influenced by local desires or needs.

The City was divided into census tracts and enumeration districts, and trained enumerators visited 545,519 family accommodations in Philadelphia and obtained identical information for each of these family units. These facts, evidencing the reliability and impartiality of the information, are stressed as some witnesses have attempted to dismiss or discredit the findings by characterising it as "new deal" or a W.P.A. project.

It is obviously impossible to include in this report all of the findings of the survey. Some of the outstanding findings reveal that 81,262 families, with more than 300,000 persons, were found to be living under substandard housing conditions. In addition, 7,869 vacant dwelling units were found to be substandard. Of all family accommodations in Philadelphia 17.3%, or almost one out of every five, were found to be substandard.

Typically substandard units were defined to include only those units needing major repairs or unfit for use, lacking private flush toilet, bathing unit or running water, no central heating equipment, electricity or gas for light. Units having more than one family in a unit were considered substandard as to occupancy, if the rental was less than $40.00 per month.

According to these standards, 10%, or over 51,500 of all family accommodations were overcrowded, 10% had no toilets, and 11.3% lacked private bathing facilities. While these figures indicate the need of several hundred thousand persons for better living quarters, very few family accommodations were available for low income families. Of the more than 80,000 families found by the report to be living under substandard conditions, more than 54,000 were living in units renting for less than $25.00 per month.

A separate study of the income of these families revealed that 36.5% of them were receiving public assistance. The median family income of the remaining 63.5% was $1167.00 per year, which means that many were earning still less. Families with such incomes cannot, under any circumstances, afford more than $20.00 to $25.00 per month for rent. There were, in 1939, only 23,917 vacant family units in Philadelphia, of which 7,869 were substandard, leaving 16,048 standard vacant units. Of these, only 2,877 or 18% could be rented for less than $25.00 per month.

For the 54,234 low income families now living under substandard conditions, there were thus only 2,877 standard vacant units renting for less than $25.00 per month available in 1939. This number has, since the 1939 report, been undoubtedly considerably reduced, and the rents have been increased.

In summary of the report, it might be concluded that nineteen out of twenty low income families, now living under substandard conditions, cannot obtain decent, safe and sanitary living quarters in the homes now available in Philadelphia.

The Social Effects of Bad Housing

The Committee had presented to it much testimony and many reports on the social and economic effects of bad housing. The present Director of the Department of Public Health and other witnesses testified to the relationship between bad housing and diseases, such as tuberculosis. The Department of Public Safety and the Crime Prevention Association testified as to the relationship of crime and juvenile delinquency to bad housing. The high cost of governmental services in such areas, far in excess of the tax receipts, was vividly presented.

Since it is impossible to include in this report all the statistical evidence obtained, reference is made to the source material found in the 1934 City Planning Survey, the reports of the Philadelphia Housing Association, the Department of Health and the Crime Prevention Associa-

tion, and two reference works, "Slums and Blighted Areas" by Edith Elmer Wood and "Introduction to Housing Facts and Principles" by Edith Elmer Wood.

These reports and statistics all show that the death rate in slum areas is higher than for the rest of the city, tuberculosis and communicable diseases are higher, the rate of juvenile delinquency and crime is higher, and fire losses are higher. (See 1940 Report of Department of Public Health and Tables from City Planning Report.)

It is not contended that bad housing alone is responsible for all these social evils, but it is undoubtedly a contributing factor.

The Economic Costs of Slums

Not only are slums costly in their social effect, but there is real evidence that they are economically costly. Studies made by the Philadelphia Housing Association in 1934 show a staggering burden of governmental losses which slums impose upon Philadelphia. In one slum area of forty-five acres, the maximum return of all taxes if paid was $67,329. This area shows for the same year governmental costs for health, fire services, crime, street cleaning, lighting, garbage removal and education were $193,000. If there is added other governmental costs, on a per capita basis, the above figure would be increased by about $143,800, making the total cost of the forty-five acres approximately $336,800. Studies indicate these conditions prevail in other cities throughout the United States. (See "Slums and Blighted Areas" and "Introduction to Housing Facts and Principles")

That these slum areas are poor taxpayers is further illustrated in some of the sites of the Philadelphia Housing Authority program. The tax delinquencies on the Poplar Project at 9th and Poplar Streets at the time the Authority undertook its slum clearance project was $93,-530. On the Southwark Site, rejected by City Council, delinquencies to the end of 1930 were $39,545. These figures, discussed in detail later, indicate that something must be done to prevent the economic waste to the City of these blighted areas.

The Improvement of Housing Conditions

The conditions just described have been part of the picture of every large American community for generations. Philadelphia, planned originally by Penn as "Ye Greene County Towne, which will never be burnt and always be wholesome" has long departed from that happy hope. The absence of public controls over land, building, subdivision and sanitary conditions led to the bandboxes and alleys which now make famous Philadelphia slums.

Legislation designed to improve housing conditions has undergone three phases of development. First, the period of restrictive, regulatory and punitive legislation dealing with health, sanitation and safety, and now administered by the Housing and Building Codes and the Fire Marshal's Office. Then came so-called preventive legislation in the form of zoning laws and planning boards designed to prevent future blight. The third and present stage is that of participation by the government in a public housing program designed to eliminate the slums by the provisions of adequate, safe and sanitary dwellings for low income families at rentals they can afford. (For an excellent history of housing and housing legislation in Pennsylvania, see Vol. 13, Temple Law Quarterly, p. 166 (1939) "Housing in Pennsylvania" by Sidney Schulman)

An examination of the agencies designed to improve housing conditions in the City of Philadelphia reveals that in all three aspects Philadelphia has failed miserably.

The Inspection Services

(a) The Division of Housing and Sanitation, which is charged with the administration of the Housing and Sanitation Code of 1915, which if adequately enforced would materially improve conditions, reveals, by the testimony of the Division Head himself and an examination of its records and reports, the complete inability of the Division, due to lack of personnel and adequate funds to properly cope with housing conditions. The Division Head, in his annual reports, has repeatedly pointed to his needs and has as consistently been ignored by City Council for reasons unwarranted.

In the 1938 Report of S. Davis Wilson, Mayor of Philadelphia, at Pages 527-28, the Division of Housing and Sanitation reports as follows:

> "Although the housing inspection force has remained the same as it was in the year 1921, the number of tenement and rooming houses has increased from 8,256 to more than 18,500. The receipts in the year 1921 amounted to $20,065.50 and in the year 1938 amounted to $35,267, the total number of applications received being 11,660. . . .
>
> "During the year 1938 regular inspections were made from cellar to attic, of 8,980 tenement, rooming and lodging houses which left uninspected 9,522 multiple dwellings. No comment is necessary on the insufficiency of the inspection force, as these figures disclose, that it was not possible to inspect even one-half the total number of multiple dwellings listed on the records of the Housing Section. The amount of inspection fees which were lost during 1938 through lack of inspectors would, no doubt, reach $20,000. It is not only the loss of these fees, however, as the fact that so many multiple dwellings are uninspected for such a long period of time—for more than two years—and that there may be some properties in the condition of the houses on South Fifteenth Street which collapsed about two years ago, and the fact that all of these buildings could be inspected at no cost whatsoever to the city. The increased receipts of application fees would more than pay for additional inspectors and office employes."

The Housing and Sanitation Code of 1915 requires City Council to appoint "sufficient inspectors." Nevertheless, the 1939 budget provided for only twenty-five inspectors for the entire Housing Division, of whom only five were available for tenement housing inspection. This number has recently been slightly increased, due to the motorization of the Housing Division permitting the transfer of a number of inspectors.

In 1937, there were, according to the Division's own report, over 4,437 known tenements which could not be inspected and licensed because of the shortage of inspectors. An analysis of the tenement and rooming house statistics for the year 1940 reveals the following important facts:

Total number of tenements on record	18,032
Total number of rooming houses on record ..	2,766
	20,798

Rooming house applications 1940	2,244
Tenement house applications 1940	10,988
Tenement house applications Jan. 1, 1941 to March 31, 1941	1,836
Total number of tenement applications	12,824

Of the tenement and rooming houses listed above, it was possible, due to the small force of inspectors, to inspect only 11,655 tenement houses and 1,258 rooming houses, thus leaving almost 8,000 known tenements and rooming houses uninspected and in most cases unlicensed.

Against the group of tenement and rooming houses inspected, the following orders were issued:

	Orders Issued	Orders Complied With
Make application for license	10,413	9,440
Produce certificate from Fire Marshal	10,351	5,175 (app.)
Install toilets	939	53
Install sinks	467	48
All other orders	11,805	1,976
Total orders issued	33,757	
Total orders complied with		16,682

As explained by the supervising housing inspector, the small proportion of orders complied with does not show the true picture, as it was not possible to make reinspections of any except the "bad cases."

Another startling point concerning the tenement house situation is the vast number of unlicensed tenements for which application is pending. Thus, according to the 1939 report, there were 13,272 tenement house applications, of which only 171 were approved, 2 rejected, and the balance of 13,099 marked as pending. Further testimony revealed that of the almost 18,000 current applications now pending, only 112 have thus far been granted, and 57 declared uninhabitable.

One of the principal reasons for this discrepancy between applications applied for and those granted lies in the inadequacy of the personnel to make inspections. Other reasons for failure to actually apply for issuance of the license after approval, and also the fact that in many cases the department finds itself unable to grant a license because the tenement fails to comply with the standards of Section 6 of the Housing Code of 1915, as to open space and other standards. In this respect, the Division Head pointed out that although the tenement complied with the zoning code, or a variation had been granted by the Zoning Board of Adjustment, he was powerless to grant a license.

The same inadequacy of inspectors in the tenement house division is also found in the housing division. Reinspection is practically impossible. In 1939, there were 9,905 regular inspections and 833 reinspections. The Housing Association and the various social agencies cooperate with the Division in forwarding complaints, and the Philadelphia Housing Association, a private organization, mantains its own inspectors to help improve conditions. Of the total of 29,276 orders issued in 1939, only 15,348 were indicated as complied with. Lack of inspectors makes prosecution impossible.

Under the Act of 1915, the Division if authorized to abate nuisances where the owner fails to comply with an order, and to charge the cost as a lien against the property, which lien is collectible as other city liens. However, there has been made available to the Department only the pitiful sum of $500.00, although the needs of the Division in this regard are unlimited.

Council, in its budget appropriation, has consistently turned a deaf ear to the needs of the Housing Division. Yet the Division is only self-sustaining from fees and fines, but actually returns a profit to the City, which last year was over $16,000 and has reached $45,000. Also, the failure to supply inspectors is shortsighted, as additional inspectors could more than earn their salaries by the license fees to be derived from the uninspected and unlicensed tenements known to be in existence. The Division Head estimated that in 1937 more than $9,000 in revenue was lost from the almost 5,000 unlicensed, uninspected tenements.

(b) The Fire Marshal's Office created under the Act of 1911 is also severely handicapped in the performance of its duties through lack of adequate appropriation and personnel. The annual reports of the Fire Marshal to the Mayor (1937-38) and his testimony before the Committee reveal that at least one hundred and fifty able-bodied men are needed for semi-annual building inspection. Yet the Fire Marshal has only a handful of men, the majority of them incapacitated firemen incapable of other than light duty.

The law requires inspection of all buildings with fire escapes four times a year. Yet the Fire Marshal confessed that the inadequacy of the staff makes it impossible to inspect them even once a year, or to follow up with reinspections. The Fire Marshal also blamed 65% of all fires in Philadelphia on substandard housing.

One of the principal fire hazards is caused by illegal conversions of dwellings. The greatest number of conversions, according to the 1939 survey, are found in the older sections of the City. The lack of dwelling construction and housing supply since 1925 has undoubtedly been one of the principal causes. Although the Building Inspector must issue a permit for conversion, there are admittedly thousands of illegal conversions, which, due to lack of inspection, escape regulation by the Fire Marshal, Building Inspector or Housing and Sanitation Division.

Through the efforts of this Committee and the Philadelphia Housing Association regulations designed to cut down these fire hazards have been issued by the Fire Marshal. Whether the Fire Marshal will be supplied by City Council with the staff to enforce the regulations remains to be seen. So far, City Council has turned a deaf ear.

The Fire Marshal also brought to the attention of the Committee what he considered to be inadequacies in the Act of 1911, and legislation has been introduced into this session of the Legislature, giving the Fire Marshal power to vacate dangerous dwellings and to "quarantine" them.

(c) The Bureau of Building Inspection faces the same difficulties as the other inspection services, in that it lacks personnel and funds to adequately enforce the law. The Bureau, although denied sufficient appropriation, is self-sustaining and returns a profit over expenses, which is turned over to the general fund of the City.

The Building Code of 1929, now superseded by the Ordinance of 1939, required at least thirty inspectors. The

Chief of the Bureau testified that although at least seventy-five inspectors would be needed to adequately perform the Bureau's duties, only twenty are available. Needless to say, not only is inspection inadequate, but reinspection and follow ups are impossible.

There are over 543,000 structures in the City which require inspection. Semi-annual inspection would be desirable, so that the Bureau could discover and prevent conditions such as caused the collapse of a tenement house at 15th and Rodman Streets in 1937, with the loss of five lives. Following this, the Bureau enlisted the service of police, firemen and sanitary inspectors and has, according to the Chief of the Bureau, demonstrated the value of sufficient personnel to maintain a reasonable periodic inspection service.

The demolition of dangerous dwellings has been proceeding in Philadelphia at a rapid rate since 1929. According to statistics publshed by the Department of Labor Bulletin No. 668, there were 7,556 demolition permits issued from 1929 to 1935. The statistics supplied by the Bureau of Building Inspection from 1936 are as follows:

	Demolition Orders Issued	Demolitions by Sheriff
1936	1278	273
1937	2473	520
1938	1428	491
1939	1724	404
1940	813	226
	7716	1914

Altogether, the Chief of the Bureau testified almost 19,000 structures have been demolished since 1928.

Due to the repeal of the Building Code of 1929, and the substitution of local codes by ordinance, the demolition practice has been rendered more cumbersome. Under the Act of 1929, where the owner refused to comply with a demolition order, the matter was referred to the Sheriff, who could, by filing a petition to remove a dangerous building, quickly obtain a court order. However, the Superior Court, in Philadelphia v. Bartell, 139 Superior Court 319 (1940), held that the City of Philadelphia could not by ordinance authorize a special proceeding to remove a dangerous building, such as has been formerly provided under Section 404 of the Building Code of 1929.

The Court held that only the Legislature could authorize such proceedings. The City is therefore now required to proceed in equity, with hearings, proof and notice and to proceed to final decree. This proceeding is cumbersome, and the procedure formerly provided under Section 404 of the 1929 Code should be restored by the Legislature.

Whether the Sheriff should retain control over demolition is doubtful. It would seem reasonable to permit the Building Inspector to supervise the demolition and the award of bids. Although the Committee has had no opportunity to fully investigate the practice of awarding contracts to demolition companies, from information which comes to it, it appears the City is being overcharged by "rigging" of bids. Although repeatedly requested the sheriff failed to furnish the committee with detailed information and data regarding demolition contract awards and therefore further comment in this particular is impossible. Another factor which increases the cost of demolition is that neither the contractor of the City is permitted to salvage any of the materials. If this be the law, as contended by the Sheriff's Office and the City Solicitor, it should be changed, as there is no reason why the City should not be permitted to salvage materials to pay for the cost of demolition.

Housing the Relief Client

There are at present about 220,000 persons in the City, or 11% of the population, dependent upon public assistance or W.P.A. Public assistance includes general relief, old age assistance, blind pensions and aid to dependent children, formerly designated "mother's pension." Although many now in W.P.A. will be absorbed by expanding industry, about 115,000 are considered by the Philadelphia County Board of Public Assistance as long term dependents, who will be unaffected by any improvement in employment conditions.

There are 21,000 on old age assistance, about 50,000 persons in the families dependent on blind pensions and mother's assistance, and about 40,000 persons on general relief in families where there are no employables.

Until October 1934, there were no provisions for rent payments by the Relief Administration. In 1934, the State Emergency Relief Administration introduced a rent allowance for relief families, which was admittedly inadequate, being based upon one and one-half the taxes on the property plus water rent. The rent relief grant at the present time varies from $5.85 for a single person to a maximum of $9.75 for the largest family.

The Philadelphia County Board of Assistance has made several surveys as to the shelter costs of its clients, all of which reveal that it was impossible to provide accommodations for relief families on the grant allowed, and that 71% of relief clients paid more than the Department allowed, depriving themselves of allowances for food and clothing to meet their rent budgets. The introduction of the Food Stamp Plan, requiring minimum expenditures for food, has further reduced the inability of the relief client to rob his food budget to pay for rent.

The following table, prepared in 1939, reveals the relationship between shelter allowance and actual costs:

Size of Family	Monthly Shelter Allowance	Average Cost of Minimum Shelter
1	$ 5.85	$ 7.50
2	8.70	10.55
3	9.75	12.80
4	9.75	15.05
5	9.75	17.30
6	9.75	19.20
7	9.75	21.05
8	9.75	21.80
9	9.75	22.55
10	9.75	22.55

No consideration was given to the sanitary and other housing conditions in computing average shelter costs, and of 74,565 dwelling units rented for $20.00 a month or under, 44,549 or over 60% were physically substandard. Since the rent allowance is so inadequate, families become delinquent in rent and move frequently; over 6500 change of addresses being revealed in the files of the County Relief Board.

Although denied by the representatives of the Philadelphia Real Estate Board, witnesses connected with the Department of Public Assistance, testified that reliefers were from the real estate viewpoint undesirable tenants, and were unofficially blacklisted, not because of their character, but because of their economic status.

The difficulty of obtaining accommodations for relief clients is illustrated by the vacancy figures of the Real Property Survey of 1939, which showed that there were only 5,032 dwelling units of any sort in Philadelphia renting for $10.00 per month, or less than one such unit for every ten relief families. Of these dwellings, 4,631 or 93% were found by the Survey or by the relief agencies to be substandard. There were only 25,407 dwelling units of any sort renting for under $15.00. So it is self evident that relief families, despite living under substandard conditions, are living in homes renting for over $15.00, or $6.25 more than their maximum rent allowance.

It was also found by the 1939 Survey that negro families, both relief and non-relief, paid higher rentals and occupied worse accommodations than similar white families. Personal investigation of a limited number of families by the Chairman of this Committee and counsel verified these facts. Similar studies made in other cities reveal the same condition. (See Public Housing News, Vol. 2, No. 39, Issue of May 24, 1941; also 1939 Real Property Survey)

The Philadelphia County Board of Public Assistance is probably Philadelphia's biggest single customer as far as rental is concerned, paying out approximately $8,000,000 per year in rent. Yet, it has no power to demand decent accommodations for its clients or to attempt to enforce standards. If the landlord is to be expected to supply adequate, decent housing for $9.75 per month, he must bear a burden which is out of proportion to the actual cost of the property. What has actually happened, however, is that the burden has to a great extent been borne by the City in loss of taxes. Although the relief rent allowance is supposed to cover taxes and water rent, relief clients occupy thousands of properties at exorbitant weekly rents, upon which properties taxes have been unpaid for years.

Other cities, notably Milwaukee and New York, supply adequate rent allowances and enforce housing standards. In Milwaukee, the properties are "rated" by the relief agency and rents are based on decent standards; no family being permitted to occupy unsafe or unsanitary quarters. In Philadelphia, the Head of the Division of Housing and Sanitation confesses his inability to enforce the Housing Code because families occupying substandard quarters can fined no other decent accommodations.

It has been estimated by the Department of Public Assistance that to bring rental allowances nearer to the minimum cost of rental, it would cost the State nine to ten million dollars a biennium. Since Philadelphia carries about one-third of the State burden, it would require for Philadelphia an increase of $1,500,000 to $2,000,000.

If, in addition to this increase, the County Relief Board were given adequate personnel to "rate" housing and to enforce standards much could be accomplished, but even this would not be enough to entirely improve conditions, as the shortage of housing accommodations for families of low income would make impossible the finding of decent accommodations.

SOLUTIONS

(a) Strengthening the Inspection Services

As already pointed out, enforcement of the Sanitary and Inspection Codes is not of itself a complete solution to the housing problem. Unless steps for increased regulation are accompanied by increase of decent housing accommodations available for low income families, strict enforcement may mean ejecting many low income families from their present substandard dwellings without giving them any place else to go. Also, enforcing extensive repairs will, in many cases, automatically mean increase of rents, which low income families will be unable to meet.

However, in those cases where the slum landlord profiteers in poor housing they should be ruthlessly prosecuted and the law enforced. The Committee is convinced that such practice of profiteering exists, and on a larger scale than imagined. Speculators buying up small substandard properties at distress prices find they can rent them without repairs, thus reaping a large income. Other so called "real estate managers" secure control for nominal rentals of slum property, in many cases tax delinquent, and then sublet or operate them as tenement houses.

In one tenement investigated by the Committee and found to be in a horrible and uninhabitable condition, the landlord rented the property for $20.00 per month and sublet "apartments" by the week for rentals totalling $67.50 per month. The Committee caused an investigation to be made by the Division of Housing and Sanitation which found serious violations of the Act.

(b) The Role of Private Enterprise

That private enterprise has thus far adequately failed to meet the housing problem of low income groups seems a fact incapable of denial. Yet, those who oppose governmental participation have consistently refused to face that fact. Statistics supplied by the United States Department of Commerce one construction activity in the United States from 1915 to 1937, and construction trends in the United States in 1937-1938 show that construction of non-farm dwellings declined from almost 919,000 to 60,000 in 1933.

Adding to this decline in housing has been the withdrawal of structures from use by demolition. Offsetting this has been a great number of conversions. Of all conversions in Philadelphia, 51.7%, according to the 1939 Real Property Report, have been made during the past ten years, when new construction has been far below normal. In fact, in many years in Philadelphia the demolition exceeded new family accommodations.

Thus, according to Bulletin No. 668 of the United States Department of Labor, showing construction activity from 1921 to 1938, in 1937 there was provided 2,221 new family accommodations, while, according to the Bureau of Building Inspection, 2,473 dwellings were demolished in that same year.

In 1938, new construction provided 2,069 family units, while there was demolished 1,428 buildings. An analysis of the new construction in Philadelphia from 1936 to

1940, prepared by the Philadelphia Housing Association (see tables attached) reveals some interesting statistics. From 1936 to 1940, there were 12,500 single family homes erected. During the same period, according to the Bureau of Building Inspection, there were 7,716 homes demolished During the same period, there were an estimated 7,420 units supplied through conversion.

A significant factor is that practically all of the new construction is offered for sale and not for rent. In 1936, out of a total of 2,053 single homes, only 57 were built for sale under $4,000. In 1940, only 9% of all new Philadelphia construction, amounting to 3,362 family accommodations, was offered for sale at $4,000, or under; 55% was offered for sale from $4,000 to $5,000; 25% for sale from $5,000 to $6,000, and 11% at $6,000 or over.

Nor has the provision of F.H.A. financing helped supply housing for low income families. Assuming that such families could raise the necessary down payment, the carrying charges would be beyond that permitted for low income families. According to figures supplied by the F.H.A., the total monthly charge on a $4,000 mortgage for a twenty-five year term would be $30.25, not counting repairs and other costs of home ownership, and would require a weekly income of at least $27.44 to qualify.

REHABILITATION

Rehabilitation has been so frequently advanced, especially by critics of the Public Housing program, as the solution by private enterprise of the housing problem, that your Committee has felt it necessary, in order that its report might be complete, to examine the various plans which have thus far been suggested.

The term rehabilitation has been so loosely applied as to acquire a number of quite different meanings. Rehabilitation to some means simply the modernization and repair of existing substandard structures, either vacant or occupied. Rehabilitation, as opposed to repair of single isolated units, has also been used in the broader sense of developing and rehabilitating blighted and deteriorated areas, either by new construction, by repair and modernization, or both. Since both types of rehabilitation usually require enabling legislation to be effective, brief reference will be made to some of the suggested proposals.

Rehabilitation of Existing Substandard Units

Rehabilitation, or more properly speaking, repair and modernization of existing substandard property has been suggested as a means of supplying the housing shortage and meeting the needs of low income groups. Recently, the Mayor of Philadelphia appointed a Committee on Rehabilitation to consider the problem. The report of that Committee recognizes the housing shortage, the needs of the low income group, the failure of private enterprise to presently meet that need, and suggests the utilization and rehabilitation of existing substandard tax delinquent property.

The Mayor's Committee proposes amendments to the tax lien acts expediting the present cumbersome method of tax sale, and permitting the City to sell tax delinquent property to persons demonstrating their willingness and ability to rehabilitate the property and to rent it for $20.00 to $25.00 per month or less. The number of such vacant, tax delinquent properties has been estimated by some members of the Mayor's Committee as 8,000 to 9,000. How many of these tax delinquent properties are actually available for rehabilitation under the method proposed by the Mayor's Committee is not known, and until a survey of tax delinquent property, now under way, is completed, no accurate figures will be available. These figures are entirely too optimistic and your committee believes the figure disclosed by the survey will be much less.

The survey will also disclose the locations of these tax delinquent properties, and whether they can be acquired in blocks or are scattered throughout the City in isolated units. In such case, rehabilitation of single properties will have little effect in improving a deteriorated or blighted area.

The Chairman of the Mayor's Committee in his testimony as well as the Mayor himself and other witnesses, recognized the limitations of hit or miss rehabilitation of single properties. He pointed out that one of the real and obvious problems in rehabilitation is to get the tax delinquent properties into stronger hands, possibly through the use of limited dividend corporations with power of eminent domain and subject to regulation by the State Commissioner of Housing, such as are provided for under the New York law.

The suggestion was also advanced by Mr. Thompson of the Mayor's Committee that rehabilitation must be done on a large scale, in accord with City Planning, and that the City might itself acquire tax delinquent property to be used for public purposes, or for rehousing.

That the danger of tax delinquent property falling into irresponsible hands, is a real danger, is disclosed by the present status of tax delinquent property upon which the Receiver of Taxes has levied the rents. Evidence produced before the Committee disclosed that there are now eight hundred such properties. An investigation by the Committee of a number of these properties picked at random revealed disturbing and shocking conditions. In one group of twelve properties in the 800 block on Kater Street, the records of the Receiver of Taxes indicated that he was receiving under his rent levy the sum of $5.00 per month per dwelling. The properties were found to be renting for $12 and $14 per month.

The Deputy Collector explained that he had permitted the agent to keep the difference for repairs. From the condition of the properties, no repairs had been made for years, and examination by the Division of Housing and Sanitation revealed serious infractions of the law in many cases.

The registered owner of the properties denied any interest in the rents, and it was finally revealed that although the properties were ten years delinquent in taxes, the bank which held the mortgage had not only applied the rents toward interest, but had received considerable upon its principal as well.

On three properties in the 500 block on Manton Street, the Receiver of Taxes records indicated he had levied upon and received $8 per month rent. The properties were found by the Committee to be actually renting for $16 and were eight years delinquent in taxes. Again it was explained the agent had been allowed to keep the difference for repairs, which from the obvious condition of the properties had never been made.

The Committee, in an attempt to find the disposition of the balance of rents, traced back through six successive agents without ever finding that the real owner had ever entered into the picture. In one case, a so-called "real estate operator" who "operated" twenty-five or twenty-six properties had rented the properties from an agent for $5 per month, put in some repairs and re-rented for $14 and $16. One of the properties had a condemned and dangerous wall, and the others were in disrepair. All were substandard.

In another property at 13th and Fitzwater Streets, the Receiver of Taxes records indicated he had levied upon and was receiving $18 rent. The property was found to be a tenement house, which, upon inspection, was found to be in shocking disrepair and in serious violation of the tenement code. The "real estate manager" who operated the tenement paid to another agent $20 per month rent, and sublet "furnished" apartments upon a weekly basis, netting him almost $70 per month.

Although the Committee was unable to investigate other of these tax delinquent properties, undoubtedly similar conditions exist. Since the Committee's disclosure of these facts, the Receiver of Taxes has ordered the Deputy Collector to levy upon the entire rents in cases where no repairs had been made as promised. The Deupty Receiver testified that although the City was really a landlord, it had no legal right to undertake repairs or to apply the rents for such purposes. Neither does the City have the right to enter into leases.

This failure of the City to assume responsibility for the condition of these dwellings, thus places it in the position of being one of Philadelphia's worst slum landlords. Although it would appear no legislation would be needed if the City really desired to correct these conditions, such legislation, if needed, should be enacted. Legislation recently passed in New York State permits the City to levy upon and apply the rents of tax delinquent properties for repairs, as well as for payment of taxes.

In passing, critical reference must also be made to the condition of the Receiver's records of tax delinquent properties. The Receiver has no master list of properties upon which rents have been levied for taxes, and was compelled to call in the various Deputy Collectors, who seem to have complete autonomy, and have them prepare for the Committee lists of such properties, which were submitted in an entirely unsatisfactory manner, being incomplete, untidy and unworthy of the business efficiency which should be expected from the City's records.

The plan proposed by the Mayor's Committee on Rehabilitation seeks enabling legislation removing what it terms the "legal bottlenecks" of the tax lien act of 1923. Under this Act, if taxes are more than a year delinquent, the City may offer the property at Sheriff sale. Mortgages are not discharged by such first sale, the Act providing for a second sale at later date in order to discharge the encumbrance.

Prior to the recent decision of the Supreme Court in City of Erie v. Piece of Land, 339 Pa. 321, it was held that mortgages were not discharged by tax sales under the Act of 1923. That decision held that the second sale discharged the mortgage lien.

The Mayor's Committee points out that in addition to the cumbersome procedure provided for obtaining a second sale, there are two further bottlenecks. First, the property, under the Act and City Ordinance, cannot be sold to rehabilitators at tax sale for less than the tax liens. Secondly, the Act of 1923, grants to the owner a year's equity of redemption after sale; thus, for all practical purposes, preventing prospective rehabilitators from acquiring the property.

The Mayor's Committee therefore recommends that the Act of 1923 be amended so as to permit the sale of properties tax delinquent for five years or more, which sale, whether the bid be less than the delinquent taxes or assessed value, shall give the purchaser an absolutely clear title, free of the encumbrance of the equity of redemption.

The plan proposed by the Mayor's Committee, however, fails to contain a number of essential safeguards to its abuse. First, there is no assurance that if the Act of 1923 be amended as suggested, such properties will not fall into the hands of the speculators and real estate managers, who now control much of the tax delinquent properties. If the properties are sold at public sale, it will be difficult to check on the bidders. If the City attempts to set up qualifications for bidders, by requiring them to demonstrate their financial ability and willingness to repair, the City could probably exercise better control by acquiring the properties themselves and then selling them to limited dividend companies or other stronger interests who would rehabilitate. Further, the plan proposed by the Mayor's Committee carries no assurance that the properties when rehabilitated will be rented at figures within the reach of low income groups.

Also, the plan fails to distinguish between occupied and vacant dwellings. Insofar as vacant, substandard properties are modernized and restored to use, the plan has some limited value, especially in times of housing shortage; insofar as the plan contemplates the rehabilitation of occupied, substandard properties, it will, in view of the already existing shortage of low rent homes available, probably have disastrous effects upon the present low income groups now occupying such properties. Any modernization of such properties must necessarily result in a substantial increase of shelter rents, which in many cases will mean dispossession of such low income groups. Unless such rehabilitation plans are accompanied by an expansion of the public housing program, or some other means of housing low income families, rehabilitation, while improving houses, will aggravate the plight of low income families.

Finally, as already pointed out, modernization of isolated, single, scattered units will do little to improve neighborhoods or to aid in resistance of blight and deterioration. It is doubtful how long a single rehabilitated property in a deteriorated block would itself be able to survive.

Recognizing the limitations of this approach, a number of other plans have been developed, to which only brief and passing reference can be made. New York has just enacted an "Urban Redevelopment Corporation Law," permitting the formation of redevelopment corporations which are granted the power of eminent domain in order to secure control of sufficient property adequate for redevelopment on a large scale basis. Power of condemnation is granted only for assembling property in areas officially declared substandard, and only after approval

of the development plan by the City Planning Commission; also, only after the corporation has secured control by option, purchase, ownership or some other manner of fifty-one per cent of the area.

The Act also limits taxes for a period of ten years, so as to exempt from local taxes any increments of value accruing by reason of the redevelopment and new construction. The corporations are subject to public supervision as to approval of projects, financial set up, management and rent structure, and dividends are limited.

Since the New York law has just been enacted, it will be a considerable period before it can be possible to ascertain the results. In the meantime, further study should be given to this and similar proposals in order to determine their applicability to Philadelphia.

Another rehabilitation plan presented to the Committee is that of the National Association of Real Estate Boards. The Board, while strongly opposing any further extension of the Public Housing Program, believes that the major problem of our cities is combatting blight, and recommends the creation of instrumentalities by cooperation of municipal, state and federal government with private enterprise, whereby such areas can be acquired under the right of eminent domain for the purpose of replanning and rebuilding them through private redevelopment organizations. The plan contemplates the aid of the Federal Government in purchasing and condemning land, and to lease or sell such land to private limited dividend corporations operating under F.H.A. supervision.

The F.H.A. Act would be amended so as to permit ninety per cent insurance of mortgages of such rehabilitation corporations at low rates of interest. The corporation would acquire the land from the Government under a fifty year lease purchase plan. After payment of taxes and operating costs, interest, amortization and land costs, the corporation would be permitted to earn dividends of not more than eight per cent in any one year until the debt for land cost had been repaid.

The redevelopment corporation would, under its charter, be free to buy, sell, lease or rent property under its control, and provided its operations were sound, the company would be free of prescribed rentals or prices, and would conduct its operations in accordance with market conditions. It would be the object of the company to sell as many homes and other types of property as possible to individual owners, thus gradually eliminating itself. The company in its deeds would develop restrictions and general control through a continuing maintenance organization as to preserve the character of the neighborhood, even after a large share of the property has passed from the hands of the company into individual private ownership.

Whether or not the plan proposed by the National Association of Real Estate Board will aid in the prevention of blight and help in the reconstruction of deteriorated areas, it is quite apparent that any measure of success it achieves will depend principally upon governmental aid in land assembly, financing and land usage planning.

From its investigation of the limited dividend companies in New York, enjoying partial tax exemption, and other similar developments in other states, the Committee is not convinced that such plans can contribute to the housing problem of the lowest income groups. Knickerbocker Village in New York is an example of slum clearance by a limited dividend corporation, which, because of its high rentals, was unable to rehouse any of the former occupants of the area.

Your Committee does not wish to appear opposed to the limited dividend corporation plan, but merely to point out that they are no substitute for the Public Housing Program. Limited dividend corporations, operating under proper public supervision, can be of great value in slum clearance and in replanning. Every slum site is not necessarily a desirable area for the erection of a public housing project. Many slum sites can be cleared and devoted to higher uses, either residential or commercial. In such a program, private enterprise properly controlled and publicly aided can play an important part. But accompanying such a program must be a parallel program of public housing or some other plan designed to provide accommodations for the dispossessed low income families.

One of the underlying factors in all these proposed large scale rehabilitation plans is the necessity of proper and effective city planning and zoning by an effective functioning City Planning Commission. In this respect, your Committee finds that Philadelphia has done little or nothing. The City Charter Act of 1919 authorized the City to appoint a City Planning Commission, which had only advisory powers. This Commission, created by ordinance in 1929, while granted extensive duties, was given no powers.

City Council, since its inception, has failed to supply it with any personnel or any funds. For a number of years, the W.P.A. conducted a City Planning Project in conjunction with the Commission and expended several hundred thousand dollars in the compilation of valuable basic material, which now lies unused.

Zoning, which is closely and integrally connected with planning, has likewise suffered from the failure to have an effectively functioning City Planning Commission. The Zoning Commission, appointed under the Enabling Act of 1929, made its recommendations to City Council, which by the Zoning Ordinance of 1933, enacted the Zoning regulations and maps and created a Bureau of Zoning. This Bureau, however, was never adequately supplied with funds by Council to employ planning and zoning experts. The Zoning Board of Adjustment, which is given power to hear appeals and to grant variances in cases of special hardship, is not equipped to properly control the zoning and replotting required by changing conditions.

If effective direction is to be given to the reconstruction of blighted areas within the City of Philadelphia, legislation creating a functioning and effective planning commissions will have to be adopted.

Public Housing in Philadelphia—Who Killed Public Housing and Why?

The Committee is convinced from the testimony and its investigation that one of the real hopes of improving housing conditions of a large portion of the lowest income groups lies in the Public Housing Program of the Philadelphia Housing Authority.

Under the United States Housing Act of 1937, the United States Housing Authority is empowered to make loans

to local housing authorities for the construction of low rent housing and slum clearance projects, which loans are repaid over a period of sixty years. The United States Housing Authority, in order to permit the local authorities to maintain the low rent character of their projects, also enters into an annual contribution or subsidy contract with the Authority, and the City is required to make a contribution by exemption of the properties from taxation. The Authority, however, in lieu of taxes makes payments to the City to compensate it for part of the costs of city services. Occupancy of the projects is limited by law to families of low income, and the local Housing Authority or the City are required for each new Housing Authority unit constructed to eliminate an equivalent number of slum properties by demolition, closing or repairs.

Under Mayor Wilson's administration, the Philadelphia Housing Authority undertook three housing projects. Three other proposed projects involving $17,000,000 of U.S.H.A. loan funds, the Southwark Project in the neighborhood of Front and Washington Street, the Germantown Project at Haines and Boynton Streets, and the Kirkbride Project at 48th and Market Streets, providing over 3,000 family units, were rejected by the Mayor and City Council in June of 1940.

The Committee received the testimony of the Mayor, of the opposing Councilmen, of the Real Estate Board, of the Housing Authority, and others in order to determine the basis and validity of such rejection. The Mayor's principal objections were that the program was "experimental," and the City should therefore mark time; that the tax exemption features of the project involved such financial loss as to be detrimental to the best interest of the City.

Echoing the Mayor, other witnesses, in addition, claimed the projects were too costly, wasteful, unsound, unamerican, undemocratic, were part of the "New Deal," and were not wanted by the community; that better housing would not improve conditions, as "people make slums and not slums people."

All of these arguments have been advanced and rejected in every major city of the United States. Nevertheless, your Committee has attempted to thoroughly investigate and to evaluate the objections.

Since the principal objection is apparently that of tax exemption, this will be considered first. A tax and assessment study of the existing and rejected public housing projects leads to the conclusion that the tax revenue loss to the City is extremely small, and that the losses are in reality "paper losses," as the tax levies in most slum areas are so far delinquent as to produce almost no revenue.

On the Poplar site at 9th and Poplar Streets, now under construction, the total City School Tax levy for the year 1938 was $36,790, while the total tax delinquency was $93,530; all of which had to be paid by the Authority to the City before it could acquire the site. While there is an apparent paper loss of $19,948 to the City, representing the difference between the City tax levy of $23,826 and the payments in lieu of taxes amounting to $3,078, the City is in reality the gainer, for it has collected over $93,000 in back taxes and has developed the neighborhood in such a manner that it may prevent further blight and tax delinquencies.

Similarly, although the rejected Southwark site showed a paper loss to the City of $11,567, the total tax delinquencies in 1939 were $39,545; all of which would have been paid had the program been allowed to continue. The Kirkbride site, which was also rejected, would have shown a net gain to the City of $4,530, because being occupied by the Pennsylvania Hospital, it was tax exempt.

The Tasker Project, recently completed, shows a net annual gain to the City of $142.00. This site was formerly waste land and, according to the testimony of expert witnesses, could not have even been profitably developed by private enterprise. Through the efforts of the Housing Authority, the area has now been opened for private development, with undoubted benefits to the entire City.

On the three rejected sites, the paper losses to the City would have amounted to only $19,806 per annum. Against this would be the immeasurable benefits to 3,000 families, savings in governmental costs, the clearance of slums, the redevelopment of such areas, and an arrest of the blight and deterioration spreading through such areas.

Other cities have found that the City has gained more than it has lost in tax exemption. Thus, the New York City Authority reports that on the last five of its projects, out of total tax assessed of $173,885, only $101,007 was collected, the rest being delinquent. In lieu of taxes, the City is receiving payment of $91,000. While this loss is apparently large, when measured against the taxes actually collected, the loss is only $10,000. This does not take into consideration the fact that the City has fireproof dwellings and save considerable in garbage collection, street paving maintenance, lighting, etc.

The City of Minneapolis reported to your Committee that on the Sumner Field Housing Project in that City, the comparative fire losses over a period of years in that area showed a startling reduction after the clearance of the slum area and its replacement by a housing project. In 1932, there were fifty fire calls, estimated at $260.00 each, on the site with a loss of $45,985. In 1939, during the first year of occupancy of the Sumner Field homes, there were six calls with a fire loss of $1,800.00. These figures bear out the figures of Chief Fire Marshal Clinton of Philadelphia that sixty-five percent of all fires are caused by substandard housing.

While no such figures are yet available in Philadelphia's slum clearance project, other testimony was presented to the Committee showing that the development plan of the housing project sites eliminated several thousand feet of streets and curbs, which would result in great savings to the City in upkeep. Also, the Authority, in addition, would have spent on the rejected sites $125,440 for streets, sidewalks and off-site utilities, and $149,000 for community buildings and facilities; all of these installations being available to and for the benefit of the community.

The City also lost an estimated $100,000 in wage taxes, which would have been collected from the labor involved in the three rejected projects. In regard to the wage tax, Councilman William Simon volunteered the statement that Philadelphia's wage tax is destined to be a permanent part of its tax structure. Despite this pay envelope levy of $17,000,000, Council is so unconcerned

over the welfare of its citizens that it refuses over $17,000,000 in federal funds to help provide decent housing accommodations for the wage earners whose taxes it takes.

Are the Projects Costly and Wasteful?

In respect to this charge, the Committee examined all the available evidence, and finds no evidence to support such charge. The construction costs of the Authority compare favorably with private enterprise. According to figures supplied by the United States Housing Authority, as of the week ending May 15, 1941, the average net construction costs of all U. S. H. A. aided projects was $2,707 per dwelling unit, and the estimated total over-all cost, including land, architects' fees, administration costs, etc., and non-dwelling facilities such as community buildings, amounted to $4,292.

Figures supplied by the Philadelphia Housing Authority show that the estimated anticipated costs of the three existing projects will average about $5,300 per dwelling unit. Savings already indicated over estimated costs should reduce this cost to about $5,000 per dwelling unit. As stated by the Chairman of the Authority, it is impossible to accurately compare the relative cost of public and private housing, as the type of construction and purposes are different. The housing projects are so constructed as to have a useful life of at least sixty years. The construction is of the best in order to keep maintenance low. The buildings, in accordance with the best planning practices, occupy less than twenty-five percent of the site, leaving open space for light, air and recreation.

Community facilities are provided and, in addition, the Housing Authority incurred costs for construction of off-site utilities, such as sewers costing on the Glenwood Project over $83,000, which cost should have, and in the case of private construction, would have been borne by the City

Keeping all these factors in mind, the construction costs of Public Housing compare favorably with that of private enterprise, and from the viewpoint of planning and of the facilities offered even surpass it.

Charges were also made by representatives of the National Association of Real Estate Boards that the monthly cost of each dwelling unit supplied by Public Housing Authorities was more than $51.00, while private enterprise could supply the same for half that amount.

The figures submitted by Mr. Arthur W. Binns, Chairman of the National Association of Real Estate Board's Committee on Housing and Blighted Areas, to substantiate his charges are wholly in error and misconstrue the facts. Audited figures submitted from the reports of the Philadelphia Housing Authority reveal that the average costs of the three approved projects are $29.30. Of this sum, an average of $10.44 is contributed by the United States Housing Authority, $13.56 is paid by tenants for shelter rent, and $5.66 for utility charges. These figures effectively demonstrate the inaccuracy of the charges of wastefulness and cost.

Sites—Several of the Councilmen based their objections to the Housing Program on the location of the sites of the proposed projects. Without passing on the merits of the sites, this objection has no real basis in fact. The resolution in support of the public housing program, which Council was asked to vote on, did not commit it to any sites, but merely requested Councilmanic support of the program as a whole. Further, the Philadelphia Housing Authority and the U. S. H. A. offered to Council fourteen additional sites, but Council evidenced no interest in this suggestion.

The opposition to the proposed sites was, according to the testimony of some witnesses, largely stimulated by local politicians and division committeemen. James McDevitt, Vice-President of the Housing Authority and President of the local Building Trades Council, testified that in his opinion political opposition had been responsible for the death of Philadelphia's Public Housing Program. Coupled with this political opposition was the admitted opposition of the Real Estate Board.

Other factors, in the opinion of your Committee, were mistakes of policy of the Housing Authority, both in failing to vigorously press for councilmanic approval of the projects during the administration of Mayor Wilson, and of failing to properly educate and enlist public support, so that the campaign of misinformation about the program might have been effectively combatted.

The funds for the three rejected projects were earmarked by the U. S. H. A. on September 28, 1938. The Southwark Project loan contract was approved by the President on March 29, 1939, and the Germantown Project on October 5, 1939. The Kirkbride site was acquired on December 18, 1939, and the loan contract approved in March, 1940. The projects marked time during the summer of 1939 due to the absence of the Chairman. In the meantime, the death of Mayor Wilson in late August, lost the Housing Authority his support, and the matters were allowed to drag until after the municipal elections.

Finally, on April 1, 1940, new ordinances for separate approval of the projects were introduced and the Housing Authority announced a public hearing on April 15, 1940, to hear objections to the site. The Housing Authority, after the hearing, concluded that the projects were beneficial to the community and desired by the majority of the inhabitants.

Representatives of the Philadelphia Real Estate Board, testifying before this Committee, said that the projects were rejected because "public sentiment had crystallized against them." What had happened was that misinformation and vilification of the program had done its work.

Had the Housing Authority benefited by the experience of other cities, it would have realized the value of public education and of neighborhood information offices and coordination of the various social and civic agencies of the community behind its program. As it was, it belatedly recognized the necessity for such action, but the information offices were opened too late, and the public support rallied around the Authority's program could not prevail upon a City Council which was politically pre-occupied with an ensuing Presidential campaign.

DEFENSE HOUSING

If the defense program is to function efficiently, industrial centers, such as Philadelphia, must be able to adequately supply the housing needs of workers engaged in

national defense. Our experience during the last crisis of 1917-18, graphically portrayed in the recently released report of the Twentieth Century Fund, indicates the disastrous effects of housing shortages upon production and industrial efficiency.

In order to determine whether Philadelphia's defense housing needs are being adequately provided for, your Committee has given exhaustive consideration first, to the labor market conditions in order to determine what demand for housing may reasonably be expected to result from Philadelphia's share in the defense program; and secondly, rental and housing market conditions, in order to determine whether the sources of supply are adequate. The Committee has called before it representatives of labor, industry, real estate, builders and the various government agencies concerned with the problem in order to obtain a complete picture of the situation.

Statistics supplied by the Department of Research and Statistics of the Federal Reserve Bank of Philadelphia indicate that in the Third Federal Reserve District, embracing the Camden and Philadelphia industrial area, prime defense contracts from June 1, 1940 to March 31, 1941 totaled $1,370,291,000. These figures do not include sub-contracts placed by other concerns within the Philadelphia area, do not include contracts under $10,000, of which there are a considerable number, nor do they include "secret contracts" placed by the armed forces. The total of these sub-contracts, secret contracts and under $10,000 contracts, while unknown, is estimated to be a considerable sum.

According to a labor market survey released in February, 1941, conducted among 218 Philadelphia companies having primary defense orders, 51,000 workers will be added before the end of the year, and it is estimated that an additional 117,000 jobs will be created in secondary manufacturing plants and in non-manufacturing establishments.

The labor market survey, as well as surveys conducted by the Office of Production Management, indicate that of the total of new jobs 110,000 will be filled by men and 50,000 by women. In order to check against these estimates, the Committee called before it representatives of leading Philadelphia industrial concerns, whose figures of estimated labor increases more than confirm the anticipated tremendous increase in labor needs.

As examples, the E. G. Budd Company, which on April 30, 1941, held $18,000,000 of defense contracts for its Philadelphia plant, increased its employees from 5,950 in August 1940 to 8,850 in April 1941, and will add at least 500 or more workers during the coming months.

Baldwin's, which holds $99,246,375 in defense contracts, had 3,400 employees as of January 1, 1940, and 6,575 as of April 20, 1941, and will require 10,600 before the end of the year. About fifty percent of its employees come from or live in Philadelphia.

Midvale Steel had approximately $39,000,000 in defense orders as of April 1941. During 1940, its employees averaged 3,893, and there are present 5,280, to which will be added another 1,300 within the next year.

Cramp's Shipyard in Philadelphia, which has just started production, now has 1,130 employees, and its cruiser contracts alone, not counting other work which it will undoubtedly receive, will require an additional 6,000 employees by 1943.

The Sun Shipbuilding Company, which now holds $187,000,000 in defense contracts alone, employed 7,103 as of January 1, 1940, and 8,329 as of January 1, 1941, expects to have 12,000 by the end of the year, and about 18,000 by April, 1942.

Representatives of the Shipbuilders Union testified that the need for shipyard workers in the Philadelphia area will increase from its present employment level of 37,700 to 87,000 in 1943, of which 53,000 will be employed by the Philadelphia Navy Yard alone.

To supply the total estimated need of 168,000 new workers to be hired during 1941 alone it is estimated, according to figures supplied by the Bureau of Employment Security in collaboration with the Pennsylvania Bureau of Employment and Unemployment Compensation, that there is a total available reserve of 117,000 persons (76,000 men and 41,000 women). Of the total of 76,000 men, it is unlikely that more than three-fourths will be able to meet the employers' demands as to age, citizenship, experience, physical experience and other factors. Since from the available labor supply, approximately 15,000 men will be drafted, it is estimated that about 70,000 men will have to be brought into Philadelphia before the end of 1941.

Few of the men required will be able to be drawn from the adjoining counties, since all of these counties are heavily engaged in the defense program; and, according to surveys made by the Pennsylvania Bureau of Employment and Unemployment Compensation, will have labor shortages and probably housing shortages of their own.

According to these reports, in Delaware County there will be a shortage of 10,000 men before 1941. In Chester, the supply seems about sufficient to meet its own demands. In Montgomery, there appears to be an oversupply of 8,000 men, but in Bucks County, even if Montgomery County's labor supply were utilized, there will be a labor shortage of almost 10,000. The New Brewster Aviation Plant at Hatboro, now under construction, will employ about 8,000, thus further increasing the shortage.

Even if all the unemployed were used, which is most improbable, there would still remain a shortage of 50,000. Some of the labor shortage will undoubtedly be met from the existing labor supply by the vocational training program and by the apprentice training program conducted by some of the larger industrial and shipbuilding plants. However, the knowledge that Philadelphia offers job opportunities will travel and may draw workers from other areas, who will be employed before apprentices are trained or all our own unemployed are absorbed.

Another factor to be considered in estimating the need for homes is that new jobs, wages and continued employment will mean more marriages, and a general increase in demand for living quarters by families now doubled together.

This increased demand for homes in Philadelphia has already evidenced itself in the declining vacancy rate and increasing rent levels. A survey made by the Philadelphia Housing Association shows that vacancies in all classes of dwellings show a reduction from 5% in August 1939 to 2.7% in April 1941. The W.P.A. Division of Re-

search fixed a gross vacancy rate in Philadelphia for April 1941 of 2.9 per cent and a habitable vacancy rate of 1.8 per cent. More than 25 per cent of these vacancies lacked some standard facility. In the lower rental brackets, vacancies are approaching the vanishing point.

According to a survey made by the Apartment Owners and Managers Association, in cooperation with the Federal Works Program, apartment vacancies are vanishing. The Philadelphia Record conducted a survey in June 1941, among local real estate agents and found little or no vacancies in homes renting at $40.00 or under.

Rents are also on the increase. A study of the Philadelphia Housing Association made in December 1940, indicated that 32% of the units renting for $30.00 a month or less showed a rent increase averaging 13%. The trend towards shortage and rent increases is unmistakable. The witnesses, representing the Philadelphia Real Estate Board, while stating that there was presently no shortage, agreed that such shortage was likely with the expansion of the defense program.

The Philadelphia Housing Association, after weighing all the surveys and evidence, reported its conclusions that accommodations would have to be found to house 30,000 new workers before the end of 1941. These needs can only be partially met by existing vacancies, by rehabilitation, by conversion and by new private construction. The existing vacancies in April 1941 were less than 5,000, and have probably declined sharply since then.

Even if every encouragement were given to rehabilitation, it is boubtful whether more than 2,000 substandard homes could be modernized before the end of the year. Conversion of single family homes into multiple occupancy amounted to 2,000 last year. Even doubling this figure to 4,000, which is unlikely, the total of all sources of housing supply mentioned above would amount to only 11,000 units. These figures are optimism figures.

New construction, either by private enterprise or by the Government, is therefore necessary. The Housing Coordinator's Office in Washington has estimated the needs of the Philadelphia area at 16,000 units, of which he hopes private enterprise will supply 12,000. Assuming that Philadelphia's new construction by private enterprise increases fifty per cent over 1940, this will account for only 6,000 units.

Since most of the new construction, as already pointed out, is for sale and not for rent, most of the 6,000 units would not be available to the migrating worker, unwilling or unable to make the necessary ten per cent down payment. However, recent amendments to the F.H.A. now permit the insurance of rental housing under Title 602.

Operative builders building under Title VI contemplate the rental purchase plan without down payment whereby the monthly rent will include not only the carrying charge, but an additional sum which will be credited as the equity payment after a period of three years.

According to the testimony of the Regional Director of the F.H.A., the total monthly charge on a $4,000 mortgage insured under Title VI would be $37.19, to which would have to be added an additional $12.00 towards the equity payment, thus making the monthly rental payment over $49.00 per month. This is obviously too much for most defense workers .

The Executive Director of the Home Builders Association of Philadelphia, testifying before the Committee, explained that in order to lower these costs one of Philadelphia's builders was undertaking a development of 350 units under Title VI, whose unit cost would be $3,450. The dwelling would have two bedrooms, a bath, living room, kitchen-dinette and modern heating and plumbing. The monthly carrying charge would be $37.50, of which $11.65 would be for amortization and $6.00 for accumulating the down payment. At the end of five years, the purchaser would take title subject to a mortgage of $2,450, and the balance of carrying charges would be $27.13 plus, of course, repairs and depreciation.

So far no other builders have taken advantage of Title VI. Since the builders are personally responsible on the insured mortgage, the risks of rental housing under this Title do not make such ventures particularly attractive.

The Committee has not examined into the type of structure which could be supplied for $3,450, or whether it would be a permanent benefit to the community. Assuming, however, that the operative builders would be interested in building under Title VI, that new construction totalling several thousand units was erected under that Title, there still remains an estimated housing shortage in required family accommodations over the estimated demands of 11,000 units. Of this number, 1,000 units of defense housing are under construction by the Federal Works Administration for the use of the Navy Yard employees, and another 1,400 units have been authorized in other portions of the City.

This number is entirely insufficient to meet the emergency, and in 1942, when the full impact of the defense program is felt by Philadelphia's industries, we will probably face a housing crisis.

The summary of supply and demand prepared by the Philadelphia Housing Association graphically illustrates the problem.

Supply and Demand of Family Accommodations by Rent Ranges

Family Accommodations	Under $35.00		Over $35.00		Total
Demand		19,000		9,500	28,500
Supply:					
Vacancies	1,500		3,500	5,000	
Rehabilitations	1,500		500	2,000	
Conversions	3,000		1,000	4,000	
New Construction	1,000		5,000	6,000	
Defense Projects	1,000		....	1,000	
Total	—	8,000	—	10,000	— 18,000
Deficit		—11,000	(Surplus)	+500	—10,500

The same opposition which met public housing is now being directed against government defense housing. Considerable effort has been and will be made to induce the government to erect temporary demountable housing, rather than permanent housing. While temporary housing is desirable in communities where there is no permanent need, in Philadelphia it would be a serious mistake. Not only is it almost as costly, but its standards of construction are not as desirable, and it offers no permanent benefits to the community.

According to detailed statistics presented to the Committee by W. Pope Barney of the Defense Housing Committee of the Philadelphia Chapter of the American Institute of Architects, the total cost of demountable hous-

ing is $3,753 per unit, which is $53.00 more than the cost per unit, including site improvement, of permanent housing constructed to the standard of the Glenwood Project of the Philadelphia Housing Authority.

The Mayor of Philadelphia has recently appointed a defense council, which includes among its subcommittees a housing committee. It is hoped that this committee will keep closely in touch with the situation and attempt to meet it realistically. A constant check should be kept on vacancies and provision made for listing available dwellings and rooms. Unless, however, the situation is met by creating an adequate supply of medium rental homes, some form of rent control will be necessary to protect the public.

Your Committee has examined into the proposed model Fair Rent Act suggested by the Consumer's Division of the National Defense Advisory Commission. This legislation, creating a fair rent board, does not automatically freeze rents, which would be undesirable, but is permissive only and permits regulation in those areas where it is found control is needed.

In the defense housing program the State Board of Housing, if adequately staffed and given sufficient funds, would make a real contribution. However, the Board is for all practical purposes a dead letter; its members have never been confirmed, and do not function. It has no appropriation and its staff consists of an executive director and secretary, who have single-handed attempted to carry on its functions. This condition should be corrected.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In the brief space of this report, it has been impossible to do more than highlight some of the more outstanding aspects of the investigation. Lack of funds and press of time make it impossible to arrange and attach to the report the many valuable tables, charts and statistical data bearing on the investigation which were presented for the consideration of the Committee. Those desiring fuller details of the matter are referred to the transcript of the testimony, the statistical reports and charts, and the selected bibliography of pertinent material attached to this report.

In summary, your Committee finds

(1) That Philadelphia suffers from a shortage of decent, sanitary and safe housing accommodations for low income families; that more than 80,000 dwellings are substandard, and that Philadelphia's slum areas constitute a menace to health, safety and morals. Due to the impact of the defense program, Philadelphia faces a housing shortage for defense workers of all income levels. Vacancy rates have already approached dangerous minimums and rents are on the increase. A housing crisis of major proportions faces Philadelphia in 1942, unless immediate steps are taken.

(2) That the inspection services of the various City departments, intended to improve housing conditions through housing and sanitation codes, building codes and fire regulations, are hopelessly neglected by the City administration, which fails to provide sufficient funds for personnel and administration. Consequently, adequate inspection, reinspection and enforcement of orders by prosecution or otherwise, is impossible. The City administration, in addition, refuses to supply the inspection departments with the necessary funds to abate nuisances where owners fail or refuse to act.

(3) The housing problem of low income families is further aggravated by the shortage of decent accommodations and the inadequacy of the rent relief grants. The present maximum rent relief allowance is $9.75 per month. Decent accommodations, even if available, could not be obtained for this sum. Relief families, in fact, pay more than $9.75; their average rent being $16.00, and such families are therefore compelled to use their food and clothing allowance to make up the difference. Undernourishment and ill health are thus the natural concomitants of such action.

(4) Private enterprise has not, and is apparently unable to solve the housing problem of low income families. Practically all of the new dwelling construction is for sale and not for rent, and the price range of new construction places it beyond the reach of low income families.

(5) Rehabilitation or modernization of existing substandard units as a solution has yet to demonstrate that such a program can be of sufficient size to achieve sufficiently low rentals to meet the problem of low income families. Rehabilitation of existing tax delinquent property may offer a partial solution, provided such properties are placed in strong ownership, which will agree to control of rents and limited profits; otherwise, there is a real danger that such property will fall into the same speculative and greedy ownership which now profits in slum misery. The City should consider the possibility of itself acquiring delinquent property and developing a municipal land policy which will make such property available for public housing slum clearance projects, or other low rent projects.

(6) Limited dividend corporations and other similar agencies, even with partial tax exemption, cannot solve the housing problem of low income groups. Such corporations may, however, render great service in slum clearance and supplying housing for medium income groups. Such programs of slum clearance by limited dividend or redevelopment corporations will have to be accompanied by public housing programs to rehouse dispossessed slum dwellers; otherwise, the housing problem of low income groups will be aggravated.

(7) Philadelphia's neglect of city planning and rezoning has made impossible the development of a coordinated plan whereby housing and slum clearance by public and private agencies may be utilized to combat the destructive forces of blight and deterioration, which are creeping over large portions of the City. The present City Planning Commission is ineffective and does not function. It has no power and can make only advisory recommendations which have been consistently ignored. It has never been given funds by City Council, which shares little understanding of planning principles. Zoning, which is an integral part of City Planning, likewise suffers from the indifference of City Council. Variances from the Zoning ordinance granted by City Council bear no relation to any coordinated plan for the harmonious development of the City.

(8) Public housing, which offered Philadelphia an opportunity to improve housing conditions, has been rejected by an administration politically hostile to what it considers "new deal" legislation, socially indifferent to the plight of its underprivileged citizens, and so budget conscious it permits an infinitesimal tax loss on public housing projects to blind it—not only to the social gains from a public housing program, but the actual savings in governmental expense, life and community health.

(9) Philadelphia has refused to fully recognize the housing emergency which is being created by the defense program. All agencies and methods which can help solve the problem should be coordinated. The opposition of real estate and other interests, which cannot obviously meet the entire need itself, should not be permitted to hinder or delay the Federal Government from undertaking such defense housing as is necessary to meet the growing shortage. The number of defense units now allocated is insufficient and should be increased. Such defense housing should be of a permanent and not a temporary nature, and should be so situated, planned and constructed as to contribute to the greatest extent possible to the solution of Philadelphia's long time housing problem.

Legislative Recommendations

(1) The inspection services should be strengthened by the enactment of a use and occupancy permit law requiring landlords of other than new construction to obtain a certificate of occupancy, certifying that the property meets the minimum requirements of law as to sanitation and safety. Such a law, by requiring owners to seek out inspection rather than wait till they are found out by the inspectors, will do much to end present abuses. A small fee of fifty cents has been estimated as sufficient to cover the cost of administering the law so as to provide speedy twenty-four hour service on applications.

(2) Provision should be made by city ordinance, or by enabling legislation, for semi-annual inspection of every property within the City of Philadelphia. An inspection fee of fifty cents or less would be sufficient to make such inspection service self-sustaining. Consideration should be given to the possibility of merging into one department the present inspection services—housing and sanitation, building and fire marshal. Objection has been made by the various department heads affected that each division is so specialized and requires special training on the part of its inspectors that the plan is not feasible. The Committee is not convinced that these objections are entirely valid and suggests that further study be given to the plan.

(3) The Fire Marshal's Act of 1911 should be strengthened so as to permit the Fire Marshal to order vacation of unsafe dwellings and to quarantine them. Although this power is granted to the Division of Housing and Sanitation in regard to unsanitary dwellings, the Fire Marshal has no such power in regard to dwellings constituting fire hazards.

(4) The Fire Marshal's Act of 1911 should be further amended so as to require the Fire Marshal to publish general regulations. At present it is impossible to ascertain just what regulations are in effect without consulting the Fire Marshal.

(5) The Building Code Enabling Act of 1937 should be amended so as to restore the demolition procedure of Section 404 of the repealed Code of 1929, which section permitted petition proceedings to remove dangerous buildings, instead of the cumbersome equity procedure now required under the decision of Phila. v. Buckell, 139 Superior Court 319 (1940).

(6) The acts concerning demolition of unsafe buildings should be amended so as to permit the City to utilize the salvage materials in satisfaction of its liens. The City should be permittted to sell such salvage, or to award bids permitting the contractors to deduct salvage from their costs. Under present practice, the City is not permitted to utilize salvage which remains on the premises.

(7) The Housing and Sanitation Code should be amended so as to bring in closer conformity the provisions of the Zoning Code and Section 6 of the Housing Act. Where certificates of variance have been granted from the Zoning Code, and such variance will not affect health and safety, the Director should be empowered in his discretion to permit similar variance from the Housing Code and to issue a tenement license. While ordinarily your Committee would oppose any relaxation of the tenement house code, this amendment has been urged as a desirable and necessary measure by the head of the Division of Housing and Sanitation and approved and recommended in principle by the Philadelphia Housing Association.

(8) The tax lien laws should be amended so as to permit the City, where it levies on rents in satisfaction of delinquent taxes, to make the necessary repairs required to correct violations of the Housing and Sanitation Code, Building Code and Fire Marshal's regulations, and to deduct such cost from the rents.

(9) The tax lien laws should be further amended to permit the City, without the necessity of cumbersome sequestration proceedings, to take possession of vacant tax delinquent dwellings, to rent the same and keep them in necessary repair, and upon payment of the taxes to account to and return possession to the owner or mortgagee.

(10) Legislation should be adopted increasing relief appropriations so that relief families may be granted adequate rent relief allowances, sufficient to purchase decent accommodations. In order that such increased allowance may not result merely in increased rent without improvement of housing conditions there should be full cooperation between the Department of Public Assistance and the public agencies charged with enforcement of housing standards in order that relief families may be furnished with decent and sanitary dwelling accommodations in accordance with similar practices in Milwaukee and New York.

(11) Legislation should be adopted amending Philadelphia's present City Planning and Zoning Acts. There should be created a strong, effective City Planning Commission with power to plan and rezone the City. Such Commission, in addition to its power over physical planning, should also be concerned with capital budget planning.

(12) The Housing Authorities Law should be amended so as to permit local housing authorities to act as agents of the Federal Government in the defense program, to

enable them to erect defense projects during the emergency.

(13) Enabling legislation should be adopted to supply State funds to local housing authorities. A $50,000,000 revolving loan fund should be made available to further the public housing program throughout the State.

Numerous other suggestions are under consideration by the Committee, but due to the press of time and the prospect of adjournment, these subjects should await further consideration by a continuing committe, the establishment of which is recommended to the Legislature.

Counsel for the Committee have been instructed and have already prepared legislation concerning the points discussed and the favorable consideration of the legislative body is respectfully urged.

In closing, the Committee again wishes to express its appreciation of the splendid work of its counsel, John Morgan Davis, and of Sidney Schulman, Associate Counsel and Housing Consultant.

Due to the decision of the Honorable Charles E. Voorhees to embark upon the sea of matrimony during the preparation of this report, he has been unable to join in its consideration and approval.

Respectfully submitted,
SAMUEL M. ROSENFELD,
JOSEPH M. O'BRIEN.

REPORT TO THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA ON THE ORGANIZATION AND ADMINISTRATION OF PENNSYLVANIA'S STATE GOVERNMENT BY THE JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

Capitol Building, Harrisburg, Pennsylvania
January, 1941

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939, P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

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	Edwin Winner

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* * * * *

COMMITTEE ON DEPARTMENTAL ORGANIZATION OF THE JOINT STATE GOVERNMENT COMMISSION

William E. Habbyshaw, Chairman

Edward R. Frey	Leo A. Achterman
G. Mason Owlett	Wilson D. Gillette
George Woodward	Thomas Lyons

LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania

Under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating the Joint State Government Commission), we submit herewith a report on the Organization and Administration of Pennsylvania's State Government.

ELLWOOD J. TURNER, Chairman,
Joint State Government Commission.

February, 1941

FOREWORD

The information contained in the following pages represents an effort on the part of the Joint State Government Commission and its Committee on Departmental Organization to present a "behind-the-scenes" picture of how the State Government of Pennsylvania operates. In this respect the material presented is to be considered as a manual or reference book on the State Government, rather than an analytical study of methods of operation.

Procedure

The work in connection with this report was begun in October, 1939, with the submission of a questionnaire to all branches of the State Government inquiring into their powers, duties, and methods of operation and administration. Following the return of the replies to this questionnaire, the Committee on Departmental Organization held a total of 52 hearings, at which time representatives of departments, boards or commissions appeared for questioning and further elaboration on their administrative procedures.

During the course of the above hearings, numerous suggestions were made to the Committee relative to the need for new or amendatory legislation to produce increased efficiency and greater economy of operation in the affairs of particular departments. These recommendations have been reviewed and, in addition to those developed by the Committee itself, are contained in a supplementary report which will be submitted to the members of the General Assembly. It is hoped that many of these recommendations will serve as a basis for legislation to be introduced during the 1941 Session of the General Assembly or future Legislative sessions.

The drafting of the report was undertaken by the Commission's staff during the latter part of 1940. In this stage of the work, numerous conferences were held with officials and employes of the various State departments, for the purpose of obtaining additional details on methods of operation.

Plan of the Report

With respect to each department, board or commission of the State Government, the Commission's report is confined to a standardized form of presentation. This consists of (1) the function of a department, board or commission, (2) its powers and duties as prescribed by Pennsylvania laws, (3) the organization plan and methods of operation followed in carrying out the prescribed powers and duties, (4) personnel employed to perform the job, and (5) the over-all cost of operation.

Although the Commission has not prepared an index to the material contained in this report, the Table of Contents (pp. 6789 to 6798) is presented in sufficient detail to enable the reader to ascertain the scope of the information presented with respect to each department. An Alphabetical Index to Chapters is set forth on page 6789 in order to facilitate the task of locating the discussion relating to any one department.

Throughout each chapter references are made to legal and source citations. For this report, the Commission has adopted the plan of placing all footnote references at the end of each chapter.

Further Studies Required

As a part of this report, it was the intent of the Commission to present three special studies relating to (1) the regionalization of the Commonwealth by State departments for the performance of their functions, (2) the office and other space occupied and rented by departments in various municipalities throughout the Commonwealth, and (3) the coordination of statistical services in the State Government. These studies were started under the supervision of technical assistance loaned to the Commission by the Pennsylvania State College and the University of Pennsylvania. Due to the pressure of other work, however, and the lack of sufficient time, it was impossible to complete these studies. It is recommended that they be continued at a later date.

Acknowledgment of Assistance

The Commission takes pleasure in acknowledging the helpful cooperation of the Pennsylvania Economy League. For a period of one year, the League made available without cost to the Commission, the technical and editorial services of its staff to aid in the preparation of this report. This assistance made possible the completion of the Commission's report.

The Commission extends an especial acknowledgment and appreciation to Harry P. Griffiths of the Pennsylvania Economy League for his conscientious effort, work and invaluable assistance in drafting various chapters and in directing and supervising the preparation of this report in all its phases.

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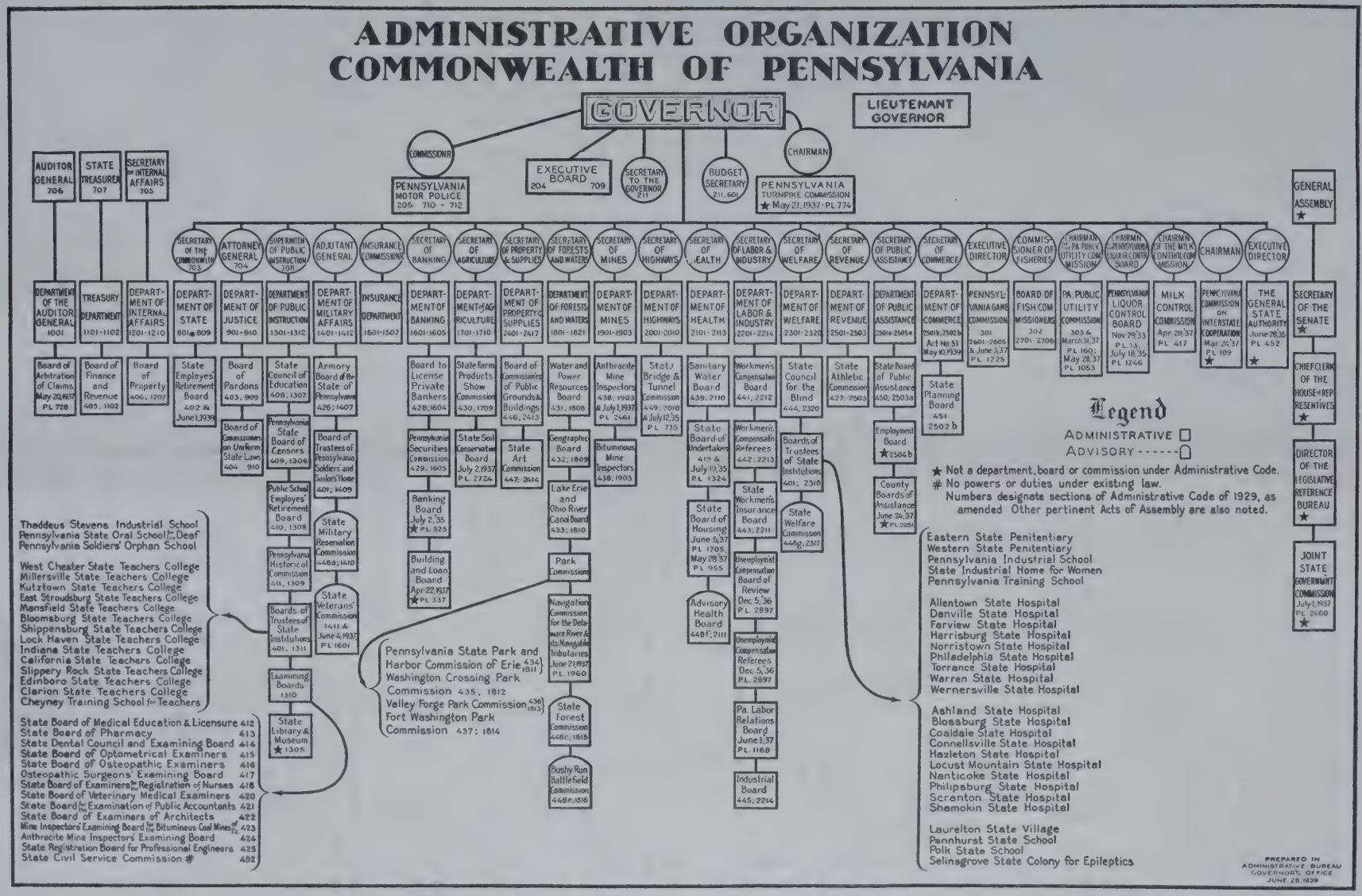
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SECRETARY OF COMMERCE
EXECUTIVE DIRECTOR
COMMISSIONER OF FISHERIES
CHAIRMAN PA. PUBLIC UTILITY COMMISSION
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Millersville State Teachers College
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Bloomsburg State Teachers College
Shippensburg State Teachers College
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Norristown State Hospital
Philadelphia State Hospital
Torrance State Hospital
Warren State Hospital
Wernersville State Hospital
Ashland State Hospital
Blossburg State Hospital
Coaldale State Hospital
Connellsville State Hospital
Hazleton State Hospital
Locust Mountain State Hospital
Nanticoke State Hospital
Philipsburg State Hospital
Scranton State Hospital
Shamokin State Hospital
Laurelton State Village
Pennhurst State School
Polk State School
Selinsgrove State Colony for Epileptics
PREPARED IN ADMINISTRATIVE BUREAU GOVERNOR'S OFFICE JUNE 28, 1939

INTRODUCTION

From a relatively humble beginning, under the first State Constitution of 1776, enacted within a few months after the Declaration of Independence by the colonies, the business of administering the governmental functions and services of the Commonwealth of Pennsylvania has expanded uninterruptedly until it now encompasses an operating expenditure of well over a half billion dollars in a biennium and on September 1, 1940, was engaging the full-time services of approximately 34,000 employes.

During this span of 164 years, the government of the Commonwealth has not only retained virtually all of the functions and purposes for which it was created but has vastly increased its activities as the developing economic and social life of its citizens has made the extension of governmental services either necessary or desirable.

A review of the kaleidoscopic changes which have occurred during this period shows that by far the greatest change and growth both in volume and prestige have taken place in the executive and administrative branches of the State Government. The Legislature, with its general powers to determine policies, define functions, and raise and distribute funds, continues to be the keystone of the democratic form of government of the State. These have constituted the basic powers of representative assemblies since their beginnings and have not changed materially in nature during this period. Similarly, the activities of the judiciary have continued to increase in volume but its functions have changed very little in characteristic relation to the whole structure of popular government.

On the other hand, it was inevitable that, with the increasing emphasis upon the performance of common services through the means of the common social agency of government, increasing power and responsibility should come to rest upon that branch of government charged with the daily execution of the laws and performance of the public services. This trend has resulted in a marked development of the executive and administrative arm of the government, the departmental organization and operation of which is described in detail in this report.

BACKGROUND OF EXECUTIVE AND ADMINISTRATIVE STRUCTURE OF STATE GOVERNMENT

Under the first Constitution of the Commonwealth, the executive powers were vested in an elected executive council of twelve members, one from each of the existing counties and the City of Philadelphia. For the purpose of providing a chief executive, members of the General Assembly and the executive council were required to elect annually by joint ballot one member of the council as president and one as vice-president. The General Assembly also elected a treasurer for the Commonwealth. In general, this Constitution assigned extensive power to the Legislature and only limited functions to the executives.

Since that time there has been, however, an almost steady trend in the direction of enlarging the power and authority of the executive branch of the government. Some of this increased influence has resulted from the extension of the appointing power of the executive, and some of it has resulted from the steady increase in administrative functions and services of the State.

The changing status of the executive was given its first real impetus in the Constitution of 1790 which, for the first time, vested the executive authority in a governor independently elected by the people. In addition to the power to appoint judges, justices of the peace, and, from a list of elected candidates, sheriffs and coroners, the Governor was also given the duty to seeing that the laws were faithfully executed. His powers were further extended through the authority to grant reprieves and pardons. His relation to the legislative branch was established through requirements that he inform the General Assembly regarding the condition of the Commonwealth, and submit suggestions or measures for its consideration. He was also given the power to veto its enactment, subject to overruling by a two-thirds vote of the Assembly, to convene the Assembly, and to adjourn it for a period of not more than four months, in case of disagreement on adjournment. This newly elected executive was given a term of three years and was permitted to succeed himself, although limited to a service of not more than nine out of a period of twelve years.

The extensive grant of power to an elected executive, particularly in relation to the selection of judges, was somewhat curtailed under provisions of the Constitution of 1838, wherein the period of service was limited to two terms of three years each in a period of nine years. Appointment of judges, instead of being for life or during the period of satisfactory service, was limited to a definite term of years and the appointments by the Governor were made subject to the advice and consent of the Senate. By amendment of this Constitution in 1850, judges of all courts of record were made elective and removed from the appointing jurisdiction of the Governor, except in the case of temporary filling of vacancies. The Constitution of 1838 also provided for the direct election of sheriffs and coroners by the voters of each county.

The present Constitution, as adopted in 1873, established for the first time an Executive Department to include the Governor, Lieutenant-Governor, Secretary of the Commonwealth, Attorney General, Auditor General, State Treasurer, Secretary of Internal Affairs, and Superintendent of Public Instruction. Five of these eight officers—Governor, Lieutenant Governor, Auditor General, State Treasurer and Secretary of Internal Affairs—were made elective. The other three were to be appointed by the Governor.

The inclusion of these additional executive officers, while it did not change the authority of the Governor as chief executive, gave constitutional status to other executive officers whose functions had gradually evolved during the period and had become recognized as essential to the conduct of the State's business and to the execution of its laws.

There were also in existence five administrative agencies; namely, Adjutant General, Board of Public Charities, Fish Commission, Insurance and Mine Inspection, created by statute prior to adoption of the Constitution of 1873 and not affected by it.

The principal changes in the new Constitution applying to the office of Governor covered an increase in the length of term from three to four years with the provision that he could not succeed himself, limited his power to grant pardons by creation of the Pardon Board, and extended his veto power to include specific items in appropriation bills.

This Constitution provided the framework under which the vast expansion of the State's administrative organization has since taken place. Some indication of the growth in the State's business was furnished in a report to the General Assembly by the Joint Legislative Committee on Finances, published in 1934 under the title "A Survey of the Government of Pennsylvania." A compilation shown in this report indicates that in the year 1900 biennial appropriations for all departments totaled $19,820,100. The departments receiving appropriations numbered 18 and the number of employes reported for 15 of the 18 departments was 217. By 1900 there had been added by statute since the adoption of the Constitution in 1873 five additional departments; namely, Agriculture, Banking, Factory Inspection, Game Commission, and Public Ground and Buildings.

During the period from 1900 to 1920 a still greater increase occurred both in the duties or services assumed by the State and in the number of agencies authorized to perform them. These agencies were created from time to time by statute, usually as independent boards or commissions empowered to perform one particular duty or function with little or no relation to already existing departments or agencies. This rapid and largely haphazard multiplication of State administrative bodies produced a demand for some definite action to unify and simplify the administrative organization of the Commonwealth, which culminated in the first comprehensive reorganization of the executive and administrative offices and agencies under the Administrative Code enacted by the General Assembly in 1923.

REORGANIZATION UNDER THE ADMINISTRATIVE CODE

Prior to the adoption of this Code, the executive branch of the State included a total of 139 independent agencies. Of this number 24 were designated as departments, 2 as independent bureaus, 18 as boards, 2 as councils, 49 as commissions, 31 as authorities for State institutions, and one additional officer not under any of the above classifications.

The reorganization affected through adoption of the Administrative Code of 1923 combined all of these previously existing scattered and independent or semi-independent boards, commissions, bureaus, etc. into 14 administrative departments, each under a responsible cabinet officer appointed by the Governor, in addition to the offices of the Governor, the Lieutenant Governor, 3 departments directed by elective State officials, and 3 appointive commissions. While many of the advisory or quasi-judicial boards and commissions were continued in existence, all but three of these were made subordinate to or were attached to one of the major departments. The administrative organization provided as a result of this action was as follows:

ELECTIVE OFFICIALS AND AGENCIES ASSIGNED

Governor
- Pennsylvania State Police

Lieutenant Governor

Auditor General

State Treasurer
- Board of Finance and Revenue

Secretary of Internal Affairs
- Board of Property

DEPARTMENTS AND COMMISSIONS WITH AGENCIES ASSIGNED

State and Finance
- State Employes Retirement Board

Justice
- Board of Pardons
- Commissioners on Uniform Laws

Public Instruction
- Council of Education
- Public School Employes Retirement Board
- Pennsylvania Historical Commission
- State Board of Censors
- Thirteen Professional Examining Boards
- Three Boards of Trustees of Institutions

Military Affairs
- Armory Board

Agriculture
- State Fair Commission

Forests and Waters
- Water and Power Resources Board
- Five Park Commissions
- Lake Erie and Ohio River Canal Board
- Geographic Board
- State Forest Commission

Labor and Industry
- Workmen's Compensation Board
- State Workmen's Insurance Board
- Industrial Board
- Workmen's Compensation Referees

Health
- Sanitary Water Board
- Anatomical Board
- Advisory Health Board

Highways

Welfare
- State Welfare Commission
- Twenty-Eight Boards of Trustees of State Inst' tutions

Property and Supplies
- Commissioners of Public Ground and Buildin(
- State Art Commission
- Five Monument Commissions

Mines
- State Anthracite Mine Cave Commission
- Anthracite Mine Inspectors
- Bituminous Mine Inspectors

Banking
- Board to License Private Bankers
- Insurance

Board of Game Commissioners

Board of Fish Commissioners

Public Service Commission

Under this Code, the Governor, with an executive board consisting of four heads of departments of his own selection, was given general administrative direction over each of these departments and commissions except the three departments headed by the elected Auditor General, State Treasurer and Secretary of Internal Affairs. All bureaus and divisions which had hitherto been established by statute were abolished by the Code and the executive board was authorized to approve or disapprove the creation of bureaus and divisions within each department. This made possible a much needed internal reorganization within the departments to accompany the external consolidation of agencies.

A further accomplishment under the reorganization movement in 1923 was a thoroughgoing overhauling of the State's fiscal management and procedure. The rapidly mounting total of public funds handled by the State's officers and agencies led to a demand for improvement and modernization of the methods of collecting, allocating and spending of these funds.

Thus, the Code of 1923 provided not only for a tightening of the executive power and responsibility of the Governor over the administration of the State's services, but also for an extension of his control over financial operations, principally by means of an executive budget. The budget system was placed under the supervision of a budget officer with authority to establish and maintain a continuous budget control. Under this Code, the Secretary of the Commonwealth, an official appointed by the Governor, was also constituted the chief budget officer and his department was called the Department of State and Finance.

Acting through the budget director, the Governor was given the responsibility of preparing the biennial budget and submitting it, with recommendations, to the General Assembly. After action upon the fiscal program by the Legislature, the Governor's power to veto individual appropriation items or parts of items gave him sufficient power to hold the program within the total estimated income. Following adoption of the budget program, the Governor, acting again through the budget officer, was given authority to require adherence to the budget by the spending agencies.

The Administrative Code of 1923 also provided for standardization of the State's personnel administration and purchasing procedure. For the first time in the Commonwealth's history, a single agency, the executive board, was authorized to standardize titles, salaries and wages of all persons employed by the administrative departments, board and commissions, except in the three elective departments. Salaries fixed by statute, which covered practically one-fourth of all State employes were repealed. The authority of department heads to fix the compensation of the remaining three-quarters of the State's workers, with little or no consultation and no attempt at standardization or uniformity, was removed. The executive board was made in a sense the central personnel agency for the State Government. This change was quickly followed by a complete job analysis of the work of each administrative agency and the adoption of a classification plan in which standard grades and classes of positions were set up with specified qualifications and a standard salary or wage scale for each grade or class of position. The Governor was given authority to approve the number and compensation of the employes in each department, subject to the classification of duties and standards of pay authorized by the executive board through the classification plan.

While the purchasing of supplies for all State agencies was not completely centered in the new Department of Property and Supplies, full authority over the purchase of certain staple articles was given to the Department, together with the power and duty to establish standard specifications for other purchases and to supervise in general the adherence of all spending agencies to the prescribed standards. The Department was authorized to purchase and supply all articles required by the Legislature and the fourteen administrative departments. In the case of administrative boards and commissions and the outlying State institutions, the Department was empowered to formulate and establish specifications. The use of these specifications was optional with these agencies. Any agency not using these specifications was required to record the specifications used with the Department. The State institutions were given the option of designating the Department as purchasing agent. By this means the Department was empowered either to become a central purchasing body or a source of record for all purchasing transactions of every State agency, thus either standardizing purchasing or bringing to light the details of purchase transactions not made through the central agency or according to standard specifications.

This brief outline will indicate the sweeping nature of the reorganization of the State's administrative machinery effected by adoption of the Administrative Code of 1923. This action constituted a genuine effort to introduce into the vast and continuously expanding State administrative service the general principles of organization and management which were being widely accepted and applied in the field of business and industrial administration. The movement was characterized by the creation of a strong, single executive with sufficient authority to unify and control the executive and administrative agencies and with corresponding definite and clear-cut responsibility for their effective operation under his control.

For the most part the general outlines of this reorganization plan have justified the hopes and predictions made in their behalf and the plan as originally enacted has been continued up to the present time, with modifications in detail and additions as needed, but little change in the basic allocations of authority or principles of administration.

The most extensive amendment to the Code occurred in 1927 when the Department of Revenue was created to consolidate the collection of all State revenues into one department. At this time also the supervision of the budget was removed from the Secretary of the Commonwealth and placed under a Budget Secretary, attached directly to the Governor's Office. The Department of Internal Affairs, with its elected head, was transferred from the independent status which it had held along with the Departments of the Auditor General and Treasury, and placed under supervision of the Governor, thus bringing the Department under the personnel and salary classification, purchasing control, budgetary allotment plans and other general administrative regulations provided under the Code of 1923. Purchasing for all State agencies and institutions was brought more directly under control of the Department of Property and Supplies with the exception that foodstuffs, fuel and other articles available at lower prices in the neighborhood of any State institution might be purchased directly by the institution. The Department was also authorized to permit any department, board or commission to make direct purchases in the field, not exceeding specified amounts, when such procedure would appear to be advantageous.

Under the amendments of 1927, additional administrative or advisory commissions were created and placed under general authority of the various departments as follows:

State Farm Products Show Commission (to replace State Fair Commission)—Department of Agriculture

State Aeronautics Commission—Department of Internal Affairs

State Athletic Commission—Department of Military Affairs

State Council for the Blind—Department of Welfare

State Securities Commission—Department of Banking

In 1929 the original Code of 1923 with its amendments was recodified into the Administrative Code of 1929 without further substantial change in administrative structure.

ADDITIONS TO STATE SERVICE SINCE 1929

Changes in the Code since 1929 have come largely through the addition of new agencies. Numerous adjustments in the delegation of authority or realignment of functions between the agencies have been made but these have not been of a major character.

Seven substantial additions to the State administrative organization in the past decade have resulted from the assumption by the State of six new and widely varying types of functions. The first of these additions resulted from the far-reaching decision of the General Assembly to create a State controlled and operated monopoly for the sale of alcoholic liquors upon the repeal of the Eighteenth Amendment of the Federal Constitution in 1933. This decision was implemented by the creation in November, 1933, of the State Liquor Stores system under the authority of the State Liquor Control Board. This agency has now developed to the point where it receives in the neighborhood of $75,000,000 a year and has 3,400 employes. It is providing approximately $32,000,000 profit for the State during the 1939-41 biennium.

To meet the rapidly expanding problem of public relief for the unemployed resulting from the business depression of 1930 and succeeding years, the State Emergency Relief Board was created in 1932 with a substantial appropriation of State funds. The size of this problem and the State's appropriation increased annually. During the same period a considerable expansion also took place in the distribution of State funds for general public assistance through the old age, blind pension, and mothers' assistance programs. Finally, in 1937, a new permanent State agency, the Department of Public Assistance, was created to supervise the distribution from State funds of all forms of direct public aid to residents of the Commonwealth. During the fiscal year ending May 31, 1940, the Department supervised the expenditure of $140,000,000, including $17,500,000 of Federal funds, and has approximately 7,700 employes in its State and County offices.

For its third major undertaking of the past decade the General Assembly authorized the creation of an entirely new type of public administrative agency called the General State Authority. The Authority was first created in 1935 under terms which were rejected by the court as unconstitutional. In the session of 1937 amendments were passed designed to meet the constitutional objections to the original proposal. The changes were approved in a subsequent court action and the new agency was established in 1937. Its purpose was to obtain by borrowing on the credit of its enterprises the funds necessary to erect numerous additions to existing as well as new educational, health and welfare institutions. A new unit of the Capitol Group in Harrisburg was also erected. These are leased to the State at an annual rental figure sufficient to amortize over a period of years the cost of erecting and equipping the institutions or buildings. The practical effect of the creation of this agency is to permit the borrowing of funds for capital improvements for the State, without pledging the credit of the Commonwealth, which type of borrowing cannot be done directly by the State without amendment of the Constitution. Up to the present time the Authority has issued bonds totaling $73,500,000 with which it has erected and turned over to the State under lease several entirely new institutions, as well as new buildings or extensions to practically all previously existing institutions for educational, military, health and welfare purposes. Plans have also been announced for an additional issue of bonds to extend the Authority's building program.

Another agency of a similar nature which has recently been added to the list of what may be called accessory administrative bodies is the Pennsylvania Turnpike Commission, which was created by the General Assembly in 1937, for the purpose of constructing a toll highway over a special route extending approximately from Harrisburg to Pittsburgh. The Turnpike, which was completed and opened to public use in 1940, will be paid for by tolls collected from users of the highway. After sufficient tolls have been collected to pay the principal and interest on the bonds sold to finance its construction, together with the interim cost of maintenance of the pike and operation of the Commission, the highway will become a part of the State highway system. The Commission in 1940 was authorized to extend the turnpike eastward to Philadelphia and further proposals for the building of other toll highways have been introduced into the 1941 legislative session.

A fourth entirely new activity entered upon by the Commonwealth since 1929 is the administration of a system of unemployment compensation under which contributions based on the size of payrolls are collected annually from employers and turned into a fund from which benefits are later paid for specified periods to persons who become unemployed. When this function was assumed by the State in December, 1936, an administrative board called the Unemployment Compensation Board of Review was created to assist in its administration and a Bureau of Unemployment Compensation was established. The Board and administrative bureau were made a part of the Department of Labor and Industry. The Bureau has since absorbed the work of the State employment offices and is called the Bureau of Employment and Unemployment Compensation. During 1940 contributions of $83,451,923 were collected by the Bureau and a total of $44,260,799 was disbursed in compensation benefits. In June, 1940, the Bureau employed 3,339 persons, including the employment service. This function is carried on by the State in cooperation with the Federal Government through the newly organized Federal Security Agency. Except for a small amount appropriated by the State for the employment service, the total cost of administering this new function is paid from Federal funds.

The fifth major addition to the State's administrative agencies was the Milk Control Board, first established as an independent administrative board under the milk control legislation of 1934 and later replaced by the present Milk Control Commission created in 1937. The Commission, which consists of three full-time, salaried

members with overlapping terms of six years, has been given extensive power to supervise, investigate and regulate the entire milk industry of the Commonwealth including far-reaching powers to fix prices both to dealers and producers. Control of the milk industry has developed in Pennsylvania during recent years simultaneously with a similar movement throughout other States and in the Federal Government. It is based on a general theory that the business of supplying this basic food is in the nature of a public utility service to be directed and controlled in the interest of the general consuming public. Since the industry presents many unique problems from the angle of both supply and demand, its regulation has proved particularly difficult and has developed many complicated legal aspects. For the administration of this function the Commission employed a staff which numbered 75 on June 1, 1940. The Commission is operating in the current biennium on an appropriation of $200,000 from the General Fund and $320,000 from the Milk Control Fund, a new special operating fund into which are paid the fees and other revenues collected by the Commission.

The sixth and latest major addition to the State's administrative agencies resulted from the establishment in 1939 of the Department of Commerce whose purpose is the encouragement, rehabilitation, development and expansion of the business, industry and commerce carried on within the Commonwealth. The Department was given the powers and duties of the former State Publicity Commission and the State Planning Board was permanently transferred and made a part of the new Department.

Numerous other changes and additions have been made in the organization and activities of the various departments and commissions since 1929. These are relatively minor in scope, however, and will be described in succeeding pages under the appropriate department.

TREND IN COSTS OF STATE SERVICES

In a survey of State functions published in 1934* attention was given to the growth of governmental expenditures which has inevitably resulted from the rapid extension of the State's activities. The report contained a statement showing the biennial expenditures from the Geenral fund for each two-year period from 1902 through 1933. To show the continuity of this upward trend the earlier amounts are included in the following table, together with the totals for each period up to the present time:

Biennium	Amount*
1902-04	$37,362,268
1904-06	52,314,997
1906-08	53,748,600
1908-10	57,313,500
1910-12	62,763,465
1912-14	69,156,590
1914-16	67,948,112
1916-18	62,926,920
1918-20	95,377,276
1921-23	111,831,864
1923-25	135,236,493
1925-27	128,506,189
1927-29	151,102,886
1929-31	192,267,458
1931-33	208,277,324
1933-35	217,784,722
1935-37	360,008,894
1937-39	442,288,762

Thus, in approximately 40 years of the present century, the Commonwealth's expenditures for the regular purposes financed through its General Fund have increased nearly twelvefold in total amount. These expenditure figures for recent years have included a growing amount of Federal grants which are made to the State to be spent for various purposes, principally education, health, and the social security payments for old age assistance and aid to dependent children. The amount of such grants spent through the State's General Fund reached a total of more than $33,000,000** in the 1937-39 biennium. With this deduction, however, the expenditure of State funds alone still amounted to more than $400,000,000 from the General Fund and was well over ten times the amount spent in 1902-04.

Since several of the important functions assumed by the Commonwealth in recent years have been financed through special funds and are not included at any point among the receipts or expenditures of the General Fund, it is necessary, for a complete picture of the expenditure of State revenues, to add the expenditures of certain of its other funds. All money received and spent by the Commonwealth for specific purposes or purposes other than those which are regarded as general operating functions are recorded in some one of the numerous Special Funds. This group of funds is divided in turn into special operating funds and custodial funds.

The special operating funds include moneys which are earmarked for a particular current operating function of the State, the chief of which are maintenance and construction of highways financed through the Motor License Fund, operation of the Fish and Game Commissions covered respectively by the Fish Fund and the Game Fund, and examination of banks and insurance companies through the Banking Fund and Insurance Fund, respectively. Operation of the State Liquor Store system through the State Stores Fund is also included under special operating funds. The operation of the stores, however, is on a self-supporting basis and does not involve the expenditure of State revenues. Expenditure of the profits from the stores is made through the General Fund and, therefore, the transactions of the State Stores Fund have not been included in the total expenditures of State revenues from special operating funds shown in the following table, which amounted to $187,767,249 in the 1937-39 biennium.

The custodial funds include moneys set aside in savings or trust accounts of various kinds. The principal cus-

* The Survey of the Government of Pennsylvania, Joint Legislative Committee on Finances, 1934.

* The figures prior to 1921 are for the two-year period ended November 30 each even-numbered year. At that time the fiscal year used by the Auditor General's Department and the Treasury Department was changed to May 31 to correspond with the biennial appropriation period of the General Assembly. Figures for 1935-37 and 1937-39 do not include repayment of borrowings from other State funds or payment of tax anticipation notes. They do include expenditures of Federal aid for social security and other purposes made through the General Fund.

** In addition there were $29,767,726 in Federal grants disbursed through the State's special operating funds.

todial funds are the sinking funds for repayment of various State borrowings, the tax funds earmarked for distribution to local governments such as the liquid fuels, foreign fire insurance and liquor license funds, the State and School Employes Retirement Funds, the State Insurance and State Workmen's Insurance Funds, numerous funds for the temporary receipt of Federal grants to the State for specific purposes, and other similar funds. The newest and largest of the custodial funds is the Unemployment Compensation Fund into which are paid the contributions of employers and from which are paid the compensation benefits to the eligible unemployed. This fund alone handled more than $150,000,000 in the 1937-39 biennium. Most of these funds, such as the sinking, retirement, and insurance funds, receive and hold moneys transferred to them from operating funds. The only custodial funds which receive State revenues and spend them directly are the tax and license funds and the Unemployment Compensation Fund. The Administration Fund, from which the expense of administering the unemployment compensation system is paid, receives its funds from the Federal Government. Unlike other Federal aid funds, however, the expenditures for administration are paid directly from this fund, without being first transferred to the General Fund or other operating fund.

The rate at which the expenditures from State revenues through all of these funds have been built up during the past five decades is shown in the following tabulation.

though a custodial fund for this purpose was created in 1931-33. For comparative purposes the repayment of these locally-shared taxes has been deducted from the disbursements of the General Fund, where they appeared in the earlier periods, and has been included under Custodial Funds for each period in the tabulation below.

Special operating funds were first created during the decade from 1907 to 1917, when a Motor Registration and License Fees Fund, Game Protection and Propagation Fund, Bounty Fund, Fish Propagation Fund, Banking Fund, and State Road Bond Fund were included. By 1927-29 the yield of the liquid fuels tax had been added to the Motor Fund, and its biennial income had increased from $5,000,000 to $103,000,000 and the total expenditures of all the Special Operating Funds increased from $15,000,000 in 1917-19 to $116,000,000 in 1927-29.

Since the General Fund expenditures, as previously pointed out, also increased greatly during the same period, the combined total of operating expenditures from State revenues rose from $25,000,000 to $630,000,000 in the first forty years of the century. Expenditures of State revenues through custodial funds also increased from $4,470,000 to $133,000,000. The combined total disbursements from State revenues through all funds handled by State officers, which amounted to $29,500,000 in 1897-99, increased to $763,791,563 in 1937-39.

During recent years, while the sums spent by the State Government have followed an upward trend, there has been some compensating reduction in the expenditures of local governments in the Commonwealth. It is difficult to trace the expenditures of local governments on a comparable basis for a long period of years, since until recently there has been no source from which uniform financial statistics of the more than 5,000 local political subdivisions could be obtained. Since 1937, it has been the duty of the Department of Internal Affairs to collect such a record for all counties, cities, boroughs and townships. Corresponding information from school districts has been collected and compiled annually by the Department of Public Instruction for a somewhat longer period.

The year 1937, therefore, represents the first, and thus far the only, year for which a complete and uniform record of local governmental expenditures has been compiled by any agency of the Commonwealth. Fortunately, this compilation was made on a basis similar to a study of State and local government costs made by the Federal Census Bureau covering the year 1931 and the

DISBURSEMENTS FROM STATE REVENUES

(Including Federal Aid)

Biennium	General Fund	Special Operating Fund	Total Operating Funds	Custodial Funds***	Grand Total All Funds
1897-99	$25,031,952	$.....	$25,031,952	$4,470,683	$29,502,635
1907-09	52,292,597	.....	52,292,597	6,841,586	59,134,183
1917-19	82,135,740	15,236,711	97,372,451	1,448,200	98,820,651
1927-29	143,846,552*	116,356,782	260,203,334	9,225,960*	269,429,294
1937-39	442,288,762	187,767,249**	630,056,011	133,735,552	763,791,563

Back at the turn of the century and through the first decade there were only two State Funds, the General Fund and the Sinking Fund. From the General Fund, however, a portion of the personal property and foreign fire insurance taxes were segregated for distribution back to the counties or cities, boroughs and townships from which they were collected. Between 1909 and 1917 the full yield of the personal property tax was turned over to counties and the State no longer collected or distributed the tax. The tax on premiums of foreign fire insurance companies is still collected by the State and returned annually to the city, borough or township in which the business is transacted. By 1927-29 the amount of this tax collected by the State was paid directly into a custodial fund from which it was returned to the local units and this practice is still followed, so that the transaction no longer goes through the General Fund. In 1927-29 the one-half cent of gasoline tax for distribution to counties was still being handled through the General Fund al-

* Gasoline tax distribution to counties ($7,256,334) removed from General Fund and included under Custodial Funds, where it also appears in 1937-39.

** Does not include State Stores Fund.

*** These totals include only expenditures of revenue received directly into custodial funds and not expenditure of amounts received by transfer from other funds or of amounts transferred to operating funds.

two statements can, therefore, be compared. The following tabulation, based on these two studies, shows the change in the total annual governmental cost payments (expenditures for governmental purposes) of the State and all local subdivisions of the Commonwealth between 1931 and 1937.

	1931	1937	Increase or Decrease
STATE GOVERNMENT			
Operation and Maintenance	$ 76,492,000**	$190,718,000**	$114,226,000
Capital Outlay	41,624,000	24,941,000	16,683,000-
Interest*	3,479,000	7,050,000	3,571,000
Total	$125,959,000**	$222,709,000**	$101,114,000
LOCAL GOVERNMENTS			
Operation and Maintenance	$346,265,000**	$315,314,000**	$ 30,951,000-
Capital Outlay	113,537,000	60,908,000	52,629,000-
Interest*	55,527,000	52,136,000	3,391,000-
Total	$515,329,000**	$428,358,000**	$ 86,971,000-
GRAND TOTAL	$636,924,000	$651,067,000	$ 14,143,000

These figures for the State Government include expenditures from all operating funds except the State Liquor Stores fund, which is not included in the budget records as an item of the cost of State Government. The State totals also do not include grants of State funds for expenditure by the local units, such as school subsidies, etc., since these amounts are included as expenditures by the local governments which receive them. With these adjustments, it will be noted that the expenditure of funds paid out directly by the State increased by $101,114,000 between the fiscal years 1931 and 1937. This was offset by a decrease in amounts spent by the local governments during the same period of $86,971,000. Since the State increase was somewhat more than the local decrease, the total annual governmental cost over the six years showed a net increase of $14,143,000.

The State records indicate an increase in both operation and maintenance and interest costs and a decrease in expenditures for capital outlays, or permanent improvements. In the case of local costs, decreases resulted in all three classes of expenditure, although by far the largest amount was in capital expenditures. Altogether, the annual outlays from State and local funds for highway and building construction and other forms of public works decreased by $68,000,000 between these two fiscal periods. During this period the Federal Government developed its public works program and the State Authority program was being organized.

FINANCIAL PROBLEMS CREATED BY INCREASING STATE EXPENDITURES

Among State expenditures the largest increases in the past decade have resulted, as previously pointed out, from the entirely new functions assumed by the State. A large portion of these new functions, such as the Liquor Store system, the Turnpike and the operations of the General State Authority, are either self-supporting or are being amortized by relatively small annual installments. Another function, unemployment insurance, is financed by the collection of a special tax from employers which is earmarked for this one purpose. On the other hand, the function of public assistance, which has grown until it constitutes a large proportion of all State expenditures, is financed from general tax revenues. This function has expanded from the granting of a small subsidy of less than $3,000,000 to counties for mothers' assistance in the 1929-31 biennium until it cost the State a total of $205,000,000 in 1937-39. It comprises the granting of all forms of non-institutional (or so-called outdoor) aid to residents of the Commonwealth, including old age and blind pensions, aid for dependent children (the successor to the former program of mothers' assistance) and general assistance, or unemployment relief.

Following several unsuccessful attempts to assist the counties and local poor districts in the financing of the rapidly increasing outdoor relief programs by means of subsidies, the State gradually assumed direct responsibility for this burden, until in 1937 it took over complete support of all forms of public assistance to be paid through direct grants of public funds to individuals. By this action Pennsylvania became the only one of the large industrial states—which states have had the highest proportion of their total population in need of public aid—to assume the entire cost of its public assistance program from State funds. In most of the other states of the country, the portion of this function which is not paid from Federal funds is supported in varying proportions by the State and local governments. In Pennsylvania with the abolition of the system of county and local poor districts, which had functioned since colonial days, and the creation of the State Department of Public Assistance, the Commonwealth took over full responsibility for the cost and the administration of this increasingly important function.

The State Department is assisted in the distribution of assistance by a local assistance board in each county, whose members are chosen by the Governor with the advice and consent of the Senate. The full administrative costs of the State Department and all local boards, as well as the sums distributed, are paid by the Commonwealth.

Since public assistance costs are financed from general tax revenues, the expenditures are made from the General Fund. The increase in these costs, therefore, has created a serious financial problem in the effort to provide revenues sufficient to meet the increasing new demands upon this fund.

Some indication of the relative burden added by the new public assistance system as well as the rate of change in the other classes of general State expenditures in the period from 1929 to 1941 (as currently estimated) is given in the tabulation of General Fund appropriations for three bienniums 1929-31, 1937-39 and 1939-41 (estimated) on page 6815.

From this statement it is evident that the expenditures for the new public assistance function which did not appear in 1929-31 totaled $207,046,100 in 1937-39. By that time it had already exceeded the total amount of all other executive functions and was only slightly less than half

* Under the classification of the Census Bureau and Department of Internal Affairs, bond issue proceeds are treated as governmental costs of the years in which the money is actually spent and payments into sinking funds to retire the debt are not included in the governmental totals.

** Approximately $45,000,000 in State subsidies to local governments is included as an expenditure under local government in 1931 and $39,000,000 in 1937.

of the total amount of General Fund appropriations for all functions for the biennium. The appropriations made for assistance in the 1939-41 biennium plus the Governor's estimate of the additional amount required to complete the period, have brought the total to $208,410,000, which for this period is considerably more than the appropriations for all other General Fund purposes, including other executive functions, the Legislature and the judiciary.

	1929-31	1937-39	1939-41**
Executive Functions (excluding Public Assistance	$186,087,095	$201,087,095	$197,751,271
Public Assistance	.....*	207,046,100	208,410,000
Legislative and Judicial .	7,115,865	7,350,976	7,632,907
Total	$193,202,960	$416,078,717***	$413,794,178

Expenditures for the other executive functions, while they have not been as important in any respects as the expenditures for the assistance program, have shown some significant changes since 1929. The major additions under this heading have been for subsidy payments to school districts, for debt service and for rentals for institutions erected by the State Authority. Total subsidy appropriations from the General Fund (not including public assistance) increased from $90,300,000 in 1929-31 to $102,100,000 in 1937-39. This included an increase of $12,600,000 in school subsidies which accounts for slightly more than the total increase and indicates a drop of approximately $800,000 in the total of other subsidy items. In 1929-31 no appropriations were made from the General Fund for debt service, either as to interest or principal. By 1937-39, these items had reached an annual total of $15,375,192 and included payments on the 1933 relief and soldiers' bonus bond issues, as well as interest on temporary borrowings through tax anticipation notes. In 1937-39 another item added to general appropriations for rental payments to the General State Authority amounted to $2,750,000. This appropriation was increased to $6,105,000 in 1939-41 as new buildings were completed and turned over for the use of the Commonwealth, and $7,781,240 has been recommended for this purpose in the Governor's budget for 1941-43.

Altogether these new items appearing in 1937-39 added approximately $29,900,000 to amounts appropriated for executive functions in 1929-31. A substantial decrease over the period appeared in appropriations for capital improvements which dropped from $28,600,000 in 1929-31 to $12,300,000 in 1937-39, a net decrease of $16,300,000.

The actual over-all increase between the total appropriations for the executive functions in 1929-31 and 1937-39 was $15,594,546. This increase has been reduced since appropriations made or recommended for the 1939-41 biennium total $197,751,271 and are $11,664,176 above the 1929-31 figure.

* This classification of expenditures did not exist in 1929-31 and the small amount of $2,750,000 appropriated for Mothers' Assistance was included in the Department of Welfare under Executive Functions above.

** Included deficiency appropriations estimated in Governor's budget of February, 1941.

*** Amount differs from total shown in preceding tabulation, since this total represents appropriations of this biennium only, whereas preceding figures covered cash disbursements during the period, including open appropriations of preceding bienniums.

METHODS ADOPTED TO MEET THE NEW FINANCIAL PROBLEMS

The impact of the tremendous new demands on General Fund revenues developed rapidly into a financial crisis. To complicate the fiscal situation still further, the requirement for increased assistance expenditures developed simultaneously with the drop in industrial activity which, under the traditional Pennsylvania State revenue system, produced a decline in the yield of its principal taxes. This created a situation in which there were rapidly rising costs on the one hand and materially decreased income on the other.

The first serious effect of the interaction of these opposing trends occurred in the 1933-35 biennium when a cash balance of $20,831,947 was absorbed and a relief loan of $25,000,000 was floated and spent in addition to regular revenues. Even this supplemented income fell short of meeting expenditure liabilities by approximately $21,000,000.

In the 1935-37 biennium large new revenues were obtained from liquor taxes, increases were made in the rates of some existing taxes and several new taxes were added. In spite of these increases, the expenditures still mounted more rapidly than income and approximately $9,000,000 was added to the deficit, bringing the cumulative figure to $30,000,000.

In a further effort to meet the growing public assistance burden an emergency tax program was enacted by the Legislature at the 1935 regular and the 1936 special sessions. This tax program, which was continued in 1937 with some modification, added a total of $156,000,000 to General Fund revenues for the 1937-39 period, which was again insufficient to meet the expenditure needs and the cumulative deficit reached $49,000,000. In the 1939-41 biennium all of the so-called emergency taxes were reenacted and it is estimated that they will produce approximately $11,000,000 more than in the preceding biennium. As indicated above, however, the public assistance expenditure, plus the amount estimated as necessary to complete the biennium, has reached an all-time peak in this period and it is estimated that the resulting deficit will be further extended to approximately $74,000,000.

Thus, while several income-producing expedients have been used, including the enactment of temporary tax measures which have more than doubled the tax income of the General Fund in the past six years, the efforts to finance the new assistance burden of the past decade have thus far been unsuccessful. At the present time there is substantial evidence that a turn in this tide may be expected in the 1941-43 biennium. As a result of the stimulation to employment and business, the size of the assistance burden is expected to decrease and the yield of the regular and emergency taxes is expected to increase. While it does not appear likely that the improvement will eliminate the entire accumulated deficit in the next two years, the situation should be better than at any time since 1931-33.

In addition to the adoption of tax and other laws to provide new revenues, a number of other fiscal procedures of significance have been developed during this critical period. Some will undoubtedly become permanent,

others may be expected to disappear when the acute revenue shortage is relieved.

As the need developed to provide ready cash from the General Fund to meet regular public assistance grants, reaching as high as $12,000,000 a month in September, 1939, serious difficulty was experienced in timing the flow of cash into the General Fund. Devices developed to meet this situation included the issuance of tax anticipation notes and the adoption of a self-assessment system for the payment of the major corporate taxes.

Through the medium of tax anticipation notes, issuable as soon as a tax is levied with the provision for repayment when the yield of the tax is realized, it is possible to make cash available as needed throughout the fiscal period. subject only to the limitation of the estimated total yield of all the levies. This procedure has been accepted as valid by the courts and it appears that it will become a standard practice to be used as required.

Under the self-assessment plan, each individual or corporation paying certain taxes to the State is required to accompany his return, due usually in March or April, with a payment of the amount of tax considered due, with adjustments, if any, to be made at a later date upon settlement of the account by the Revenue Department. This practice replaced the traditional system, under which no payments were made until the return of each taxpayer was reviewed and settled by the Department. As a device for producing additional cash within a given period this remedy was effective only once, since it had the effect of bringing three peak collection periods, instead of two, into the 1937-39 biennium. The requirement has been continued as a permanent part of the revenue laws, however, and has made a substantial change in the State's tax collection procedure.

Borrowing money temporarily from various special funds to enable the General Fund to pay its most pressing obligations, particularly near the end of the biennium, was first authorized in the biennium of 1933-35, when a total of more than $16,000,000 was transferred from the Motor License, Fire Insurance Tax, Liquid Fuels Tax, State School and Liquor License Funds to the General Fund. This practice has been followed in each succeeding biennium and has grown in amount until the total authorized borrowings for the 1939-41 biennium have reached $59,550,000, with further borrowings of $6,400,000 requested in the Governor's budget message of February, 1941. In the laws authorizing these transfers, provision is regularly made for the repayment of the loans, within a specified time after the beginning of the next biennial period. The money borrowed is sometimes unused cash which is available in a trust or other custodial fund. It is frequently money which is earmarked for distribution to local governments, and the periodic distributions must be postponed while the Commonwealth is temparily using the money for other purposes. The largest transfers have usually been made, however, from the Motor License Fund and represents revenue collections accumulated during the winter months for use in the spring and summer highway development programs. To avoid serious interference with highway plans, the attempt is usually made to have the motor fund borrowings returned as soon as possible after the beginning of the biennium on June 1 of each odd-numbered year.

Thus, necessity has introduced many new fiscal procedures and devices, during the decade since 1929. Some of these represent permanent and constructive additions to the Commonwealth's financial operations and some are obvious expedients which will disappear as the excessive pressure for ready cash is reduced. They are definitely the product of a prolonged period of deficit financing whose length and proportions are without precedent in he annals of the Commonwealth.

PERSONNEL TRENDS IN THE STATE'S SERVICE

The continued growth and expansion of the machinery of State Government has, of course, required a corresponding increase in manpower with which to operate.

In an earlier section of this report, mention was made of the fact that in the year 1900 the departmental employes of the State numbered between 200 and 300. By, 1940, the number of salaried administrative employes had expanded to 33,700 persons. On this basis it is evident that the State's payroll has increased in a proportion which is fully comparable with the increase in its overall expenditures.

While all of the employes included in the 1940 total are attached to one of the State departments or agencies, not all of them are paid from State revenues. In order to relate the employment figures to direct expenditure costs to the State, it is necessary to break down the total to show, first, the number employed in administration of the unemployment compensation system, the cost of which is paid entirely by the Federal government; second, the number employed by the Liquor Control Board, the full cost of which is paid from liquor sales; and third, the number actually employed and paid from the State's operating revenues. These revenues include certain Federal subsidies. On this basis the total for 1940 appears as follows:

Payable from Federal Funds Unemployment Compensation and Employment Service..	3,206*
Payable from Liquor Store Income	
Liquor Board Employes	3,489
Payable from State Operating Revenues	
Departmental	19,952*
Institutional	8,128
Total	34,775

Figures for earlier years are available only in regard to the salaried departmental employes, comparable to the 19,952 shown above. This group numbered 2,710 in 1919 and increased steadily until a peark of 9,235 was reached in 1932. This number decreased to 8,597 in 1933, after which it mounted rapidly as additional functions were added to the State's activities. For example, the total of 19,952 employes in 1940 includes employes in new State services in the following numbers: Public Assistance (7,728); Commerce (41); Milk Control (68);

* The State appropriation for employment service (plus a small amount from the Philadelphia Board of Education) constitutes approximately 4 percent of total cost of administering unemployment compensation and employment service system. From the total number of employes in this Bureau (3,330) 4 percent, or 133, have been deducted and added to departmental employes paid from State revenues.

Motor Police (500); Health (572); Welfare (15); and Treasury (373 and Auditor General (96) employes handling work in connection with Public Assistance, Liquor Control and Unemployment Compensation activities. The above additions account for an increase of 9,393 employes in 1940 as compared with 1933. Hence, there are now 10,559 salaried employes performing functions approximately comparable to those performed by similar employes in 1932 and 1933.

In terms of dollars the increase in expenditures for salaries paid from State operating funds (covering the departmental and institutional employes listed above, as well as salaried employes of the Legislature and judiciary) between 1932 and 1940 was as follows:

Year	Salaries	Year	Salaries
1932	$28,422,293	1937	$28,909,227
1933	28,621,052	1938	38,379,059
1934	27,205,752	1939	44,575,589
1935	27,042,223	1940	43,843,902
1936	26,590,810		

These figures represent what may be called the permanent payroll burden of the State, since they include all regular, full-time salaried employes paid from State revenue funds. As indicated in these totals, the annual salary expenditure was slightly downward through the depression years from 1932 through 1936. The upward trend which set in in 1937 was considerably accelerated in 1938, when the full effect of new duties authorized by the 1937 Legislature was registered. The total increased materially again in 1939 to a peak of $44,575,589 and dropped slightly to 43,843,902 in 1940. This represents an over-all increase of $15,421,609 in salaries during the nine years.

Thus, while the number of salaried departmental employes more than doubled, from 9,235 in 1932 to 19,952 in 1940, the total annual salary payments increased only 54 percent. This would indicate that the largest increase in number of employes occurred in the lowest salary brackets. Information regarding the distribution of salaried employes, by salary scale, is given in the accompanying full-page table. While generally indicative of the relative number of employes in each salary range, the figures in this compilation are not strictly comparable with the foregoing total salary figures, since the classification by salary grades includes employes of the Liquor Control Board, but does not include institutional employes.

The State's expenditures for personal services also include a substantial amount for wage on per diem employes. The largest portion of this group is employed in highway work and the number and total payments for wages is subject to wide fluctuation from year to year, depending on the extent of the highway program, the relative amount of highway work done directly by the Department or under contract. The expenditures for

OFFICERS AND EMPLOYES OF COMMONWEALTH OF PENNSYLVANIA[1]

NUMBER OF DEPARTMENTAL SALARIED EMPLOYES CLASSIFIED ACCORDING TO SALARY GRADES

(Date compiled as of June 1 for years 1919 to 1932, as of February 1, 1933 and September 1, 1940)

	Under $1,200	$1,200 to $1,499	$1,500 to $1,799	$1,800 to $2,399	$2,400 to $2,999	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $7,499	$7,500 to $9,999	$10,000 to $11,999	$12,000 and Over	Total Number
Male Employes:													
1919	931	404	253	351	102	147	37	28	10	12	10	1	2,286
1924	568	652	493	726	307	238	121	66	37	20	13	3	3,245
1927	983	984	737	1,010	420	319	172	58	57	23	10	6	4,779
1929	666	882	806	1,220	537	406	207	82	73	31	12	8	4,930
1931	1,001	1,059	1,077	1,603	651	469	221	106	69	23	20	8	6,307
1932	896	1,006	1,100	1,665	682	481	219	107	74	24	18	8	6,280
1933	801	935	975	1,546	655	464	204	104	69	22	18	8	5,801
1940	3,494	4,004	1,617	3,174	900	651	219	105	59	21	21	7	14,272
Female Employes:													
1919	342	66	7	5	2	2	..	..	..	..	..	..	424
1924	749	302	211	57	10	12	5	1	..	..	1	..	1,348
1927	1,109	483	296	85	23	17	6	2	..	..	1	..	2,022
1929	814	550	326	112	31	24	3	2	2	1	1	..	1,866
1931	1,504	780	388	157	41	29	6	2	2	1	..	..	2,910
1932	1,492	786	417	171	42	32	7	2	3	1	1	..	2,955
1933	1,408	741	392	163	46	31	8	2	3	1	1	..	2,796
1940	6,129	1,778	668	293	87	67	8	3	1	1	1	..	9,036
Total Employes:													
1919	1,273	470	260	356	104	149	37	28	10	12	10	1	2,710
1924	1,317	955	704	783	317	250	126	67	37	20	14	3	4,593
1927	2,092	1,467	1,033	1,095	443	336	178	60	57	23	11	6	6,801
1929	1,480	1,432	1,132	1,332	563	430	210	84	75	32	13	8	6,796
1931	2,505	1,839	1,465	1,760	692	498	227	108	71	24	20	8	9,217
1932	2,388	1,792	1,517	1,836	725	513	226	109	77	25	19	8	9,235
1933	2,209	1,676	1,367	1,709	701	495	212	106	72	23	19	8	8,597
1940	9,623	5,782	2,285	3,467	987	718	227	108	60	22	22	7	23,308

[1] This table includes only departmental salaried officers and employes. It does not include the Judiciary, the General Assembly and its employes, or persons employed in State-owned institutions. The figures for 1940 include, in addition to executive departments, employes of the Liquor Control Board. They do not include employes of the General State Authority or Turnpike Commission.

wages and fees amounted to $19,648,092 in 1932 and dropped to $17,778,294 in 1940. While this amount has been considerably higher in some years, it is a varying total and does not represent a steady annual increase in operating costs, as in the case of salaried employes.

When the total annual increase of $15,400,000 for salaries is compared with an over-all annual increase of operating expenditures of $178,400,000 over the same period, however, it should be observed that a relatively small portion of the increasing State expenditures represents permanent payroll.

Although two large groups of these new employes did not become a direct charge upon the State's revenues, the State administrative agencies are required to select their personnel. As a result of steady and increasing pressure from many sources for the adoption of civil service, separate systems for the selection of employes on the basis of merit, as indicated by competitive examinations, have been developed and applied to three of the newest and largest of the State administrative agencies. They are the Liquor Control Board, the Unemployment Compensation Division of the Department of Labor and Industry, and the Department of Public Assistance. Altogether, approximately 13,880 of the 34,775 salaried employes had been selected under one or the other of these merit plans in 1940.

In 1939 a bill was passed by the General Assembly authorizing the merging of the personnel boards and functions of the three agencies now operating under the separate systems into one personnel agency under a State Civil Service Commission. The bill provided that this agency should supply the employes of additional departments placed under civil service by the General Assembly. The bill was vetoed by the Governor, who objected to certain technical details of the plan rather than to the principle. The Governor recommended to the 1941 Legislature the adoption of a unified civil service system for the departments now functioning under separate systems. He has also proposed its extension to the Departments of Health, Welfare, the Motor Police, Fish Commission and Game Commission.

CHANGES BY DEPARTMENTS

The general nature and extent of the new functions assumed by the Commonwealth have been discussed in preceding pages of this Introduction. Consideration of some of the additions or significant changes in the traditional departments follow:

Charities, Hospitals and Corrections

In 1931 the administration of these related functions was centered almost entirely in the Department of Welfare. The major part of the expansion which increased the proportion of total State expenditures for these purposes resulted from the State assuming financial responsibility for direct relief, culminating in the creation of the Department of Public Assistance. as previously outlined.

Department of Welfare

Along with the growth of outdoor or direct assistance, the past decade has also been marked by a vast increase in the number of persons requiring institutional care through the State's mental, medical, general welfare and correctional institutions. An attempt to provide facilities to meet this need has been made through the first construction program of the General State Authority under which a total of $27,000,000* has been allocated for the extension of present State welfare institutions and the erection of new ones.

The most serious need has developed for the care of mental patients, both insane and mentally defective, and the facilities have been extended until the eight State mental hospitals which housed a total of 13,036 patients in January, 1933 had a total of 16,294 patients in July, 1940. In 1939 the Philadelphia Mental Hospital at Byberry was added to the State group, bringing the total of mental patients in State hospitals to 22,047. In spite of the increased space made available under the General State Authority program, it is estimated that the mental hospitals are still overcrowded to 25 percent beyond capacity. A proposal has recently been made for additional construction work by the State Authority at the Philadelphia Hospital to rebuilt and extend its present facilities. Legislation was enacted in 1938 providing for the transfer to the State of the other twelve county mental hospitals with patients numbering more than 10,000. The effective date of the legislation to transfer these twelve hospitals has been postponed.

In addition to the mental hospitals, increased facilities were provided under the State Authority program to the State-owned institutions for mental defectives, the State medical and surgical hospitals and the correctional institutions.

All functions of the Department relating to the granting of outdoor, or non-institutional, direct assistance were transferred to the Department of Public Assistance upon its creation in 1937. The function of the Department of Welfare to supervise and collect statistics from the 424 local poor districts was materially affected by the Act abolishing these districts. The Department now supervises the institutional activities of the 68 county and city institution districts which took the place of the poor districts.

In 1936 a new division, called the Rural Extension Unit, was added to the Bureau of Community Work to conduct a program of child welfare in rural areas, financed largely through Federal funds.

The salaried employes of the Department of Welfare totaled 174 in 1933 and 168 in 1940, with an annual payroll decrease from $387,060 to $342,685. Total appropriations to the Department increased from $38,070,773 in 1931-33 to $41,930,662 in 1939-41. The figure for 1931-33 included an institutional construction program of $5,663,593, which was not recurring. In 1939-41 there were increases of $8,600,000 for institutional maintenance and $1,200,000 for subsidies above 1931-33. In addition, the biennial rentals to the State Authority for the Welfare Department construction program are estimated at $3,179,200 for the biennium 1941-43.

Education

The State appropriations for education increased between 1931-33 and 1939-41 by $4,844,067. This amount includes deficiency appropriations for 1939-41 recommended by the Governor in his budget message of February, 1941.

Department of Public Instruction

The State funds for education in Pennsylvania are

* Governor's Budget, February, 1941, p. 65.

expended under the supervision of the Department of Public Instruction. While there has been an extension of the duties and activities of most of the administrative divisions of the Department in the past decade there have been relatively few completely new functions added. The Department has had several internal administrative reorganizations during the period, the latest having been accomplished in 1936 when the general functions of the Department were organized with an executive office and four coordinate bureaus. The State Council of Education serves as an advisory board to the Department and the Department also encompasses the activities of the State Library and Museum, boards of trustees and presidents of State Teachers' Colleges, the Public School Retirement Board, Pennsylvania Historical Commission, Pennsylvania State Board of Censors and the professional examining boards.

Although both State and local expenditures for public schools have increased during the past decade, it is significant to note that the net public school enrollment of 1,886,833 in 1938-39 was slightly less than the total of 1,897,128 in 1928-29. A considerable shift has occurred, however, between the various age groups now enrolled in the schools, with an increase occurring in the high school groups. This shift has been accentuated by legislation effective in 1938 raising the compulsory school age from 16 to 17 years. Since per pupil costs in high schools are higher than in elementary schools, this enrollment shift has been one decisive factor in the steadily mounting school expenditures. The change in distribution of the pupils among the elementary schools and high schools, at five year intervals, between 1918 and 1939 was as follows:

Year	Total Net Enrollment	Elementary	% of Total	Secondary	% of Total
1918-19	1,583,187	1,452,917	92	130,270	8
1923-24	1,802,505	1,576,530	88	225,975	12
1928-29	1,897,128	1,589,108	84	308,020	16
1933-34	1,994,022	1,394,480	70	599,542	30
1938-39	1,886,833	1,203,903	64	682,930	36

Although there has been considerable discussion of the need for revising the method of distributing State aid for local public schools as originally provided under the Edmonds Act of 1921, there have been no substantial changes in the provisions.* Reductions in local assessed valuations, upon which the distribution depends, have brought an increasing number of school districts into the group receiving the largest proportion of State aid and this has resulted in increasing the State's appropriation for school support from $56,000,000 in the biennium 1931-33 to $61,000,000 in 1939-41. In addition, a special item "aid to financially handicapped school districts" has been found in all budgets since 1929-31. The amounts appropriated follow:

1929-31	$100,000
1931-33	1,250,000
1933-35	5,000,000
1935-37	4,000,000
1937-39	3,000,000
1939-41	4,000,000**

* See first report of Joint State Government Commission to the General Assembly on Tax and Financial Problems of the Commonwealth of Pennsylvania, pp. 115, ff.

** $3,000,000 deficiency appropriation for school support and $500,000 deficiency appropriation for financially handicapped school districts requested in Governor's Budget Message of February, 1941.

Increases in the distribution of aid for transportation have increased the biennial appropriation for this purpose from $1,500,000 to $4,648,853 during the same period.

Since 1931-33 a change has been made in the method of appropriating funds for State Teachers' Colleges, whereby the receipts for tuition are now appropriated through a continuing appropriation rather than being estimated in advance and included in the appropriation act as a specific amount. In addition to these receipts a specific appropriation is still made. The appropriation of $9,500,000 in 1931-33 was reduced to $3,720,000 in 1939-41. Since the tuition receipts now average $4,000,000 a biennium, this indicates a total expenditure of $7,700,000 for the biennium, or an over-all decrease of approximately $2,000,000 for State Teachers' Colleges, most of which occurred during the 1933-35 biennium at the time when the appropriation method was changed. In 1931-33 there was a further appropriation of $330,000 for construction work at the teachers' colleges. Under the recent State Authority program a total of $8,893,000 has been spent in new construction work at the various teachers' colleges and the rentals on this program add $1,021,000 to the estimated expenditures for teachers' colleges for the 1941-43 biennium.

Appropriations for the universities and colleges receiving State funds increased from $8,010,000 to $8,458,000 from 1931-33 to 1939-41. Of this amount Pennsylvania State College received $1,650,000 in 1931-33 and $4,375,000 in 1939-41. To this sum was also added an appropriation of $1,060,000 for construction work at State College in 1931-33. Under the State Authority program, a total of $4,825,000 has recently been spent at State College, resulting in a biennial rental charge of $617,000 for 1941-43.

There are 13 professional examining and licensing boards attached to the Department which directly possess administrative powers, and three advisory committees in which professions the Department of Public Instruction makes most of the decisions and enforces them. As a result of extension of Federal aid for vocational training through the George-Deen Act, a new agency known as the Pennsylvania Public Service Institute has been created and attached to the Department. Its duty is to conduct a series of training schools or courses for the in-service training of State and municipal employes.

Highways

The amounts appropriated for highway purposes have shown a steady and substantial increase during the last decade. Complete supervision over the highway work of the Commonwealth and its correlation with the work of the Federal Government on highways within the State is committed to the State Department of Highways. Its operations are financed wholly from income received from motorists and accounted for through the Motor License Fund.

Department of Highways

Although State funds available for highway work have increased considerably during the past ten years, it has also been necessary to spread the funds over a greatly increased highway system since the miles of highway brought under State supervision have practically trebled since 1931, when the total mileage in the State system was

13,521. By relatively small additions to the so-called primary State system, and the addition of more than 20,000 miles of rural, or secondary roads, the total mileage in the State system has reached 40,522 by May, 1940.

In addition to this increase in mileage, the State has assumed responsibility for an increasing number of bridges on these highways. State highway costs have also been increased by a recent change in policy regarding the purchase of right-of-way and payment of property damages in highway construction, which are now paid for by the State in cases where these costs are not assumed voluntarily by the counties or municipalities.

During the past ten years the State has also assumed a larger share in the cost of maintenance and construction of all remaining rural roads in second class townships which have not been formally included in the State system. For a brief period (during 1937 and 1938) the State assumed direct responsibility for the cost and work of maintaining these roads. Since that time the cost, to the extent of $8,500,000 a biennium, has been paid by the State to the township supervisors who have been responsible for directing the work.

While the State has thus been extending its highway activities, the Federal Government has also greatly expanded its highway expenditure in Pennsylvania, both through its P.W.A. program and through increased Federal aid to the State program. A substantial proportion of the Federal expenditure for highways has gone into grade crossing elimination.

To handle these newer activities, the organization of the Department has been enlarged and reorganized. New divisions added under the construction engineer include the W.P.A. Cooperation Division, for work with the Federal program, and the Turnpike Division rendering technical assistance to the recently created Turnpike Commission.

As the miles of improved highways have increased in the State with the attendant added usage by the public, an increasingly important phase of the Department's work has been its snow removal program. The mileage covered by this service has increased from 9,685 in 1930-31 to 18,215 in 1939-40 and the annual cost from $1,519,000 to $4,380,000.

New divisions under the expanded maintenance section of the Department include a Traffic Division and Safety Division, which have taken over the functions of the former Division of Signs and Safety. Newest among the staff services of the Department is the work of the Planning Survey Division which has the responsibility for developing the wide variety of information necessary for the planning of future highway construction programs.

The number of full-time, salaried employes required to carry on the highway activities was 2,685 in June, 1940. This included headquarters staff of 539 and field staff of 2,146. It represents an increase from a headquarters staff of 435 and field staff of 1,341, or a total of 1,776 in March, 1933. Appropriations from the Motor License Fund to the Department of highways were $105,341,355 in the biennium 1931-33 and $148,507,000 in 1939-41.

General Government

Under this broad functional heading is grouped all those agencies of a general administrative nature referred to in management terms as the staff agencies. In Pennsylvania they include the offices of the elected executive officers: the Governor, Auditor General, Treasurer, and Secretary of Internal Affairs, as well as the Department of Revenue, State, Justice, Property and Supplies, and Commerce. This group also includes the legislative and judicial branches of the State service.

Governor's Office

As discussed in pages 5 to 8 of this Introduction, extensive changes in the duties and functions immediately under the direction of the Governor occurred following the adoption of the Administrative Code in 1923 and its amendment in 1927. Since that time, however, few further changes have been adopted. Salaried employes numbered 63 in 1933 and 53 in 1940. The biennial appropriation for the office, which was $450,100 in 1931-33 had been brought down to $334,750 in 1939-41.

Finance Offices

Probably the most notable change in any of these staff agencies in the last decade has been the increase both in the volume of work and in the number of employes in the finance offices of the Auditor General, Treasurer and Department of Revenue. Since the amount of money handled through these offices has more than tripled in recent years, it has been necessary to expand both the personnel and office space. The physical problem of housing these expanding agencies has caused the erection of a new building in the Capitol group which has been planned particularly for these offices and is called the Finance Building. This was financed by the General State Authority at a cost of $5,178,974. The three financial departments first occupied this building in the spring of 1940.

Auditor General

The work of this Department has increased as the result of additional auditing services required following creation of the State Liquor Store system in 1934 and from the expansion of the public assistance program. Two divisions have been added to the Bureau of Audits to take care of these new assignments. Some internal changes among bureaus of long standing were effected in 1938 by a shift in the pre-auditing functions from the Bureau of Disbursements to the Bureau of Audits. The personnel of the whole Department was increased from 300 employes in 1933 with total salaries of $686,680 to 360 in 1940 drawing total salaries of $718,420. This change includes some consolidation of positions and work assignments in an effort to meet the heavy increase in duties placed upon the Department. A total of 96 employes were assigned to the two new divisions of liquor store and public assistance audits during this period.

Treasury Department

Addition of the extensive new functions to the State's operations has been directly reflected in the activities and organization of the Treasury Department in which two large divisions have been added to handle funds for public assistance and unemployment compensation. As of June 1, 1940, a total of 292 salaried employes were included in the Assistance Section and 81 in the Unemploy-

ment Compensation Section of the Bureau of Disbursements. Since that date, however, the duty of preparing checks for public assistance grants has been transferred to the Department of Public Assistance, under an enactment of 1939. The Treasury Department also handles State Liquor Control funds, but no new division was created to take care of this additional function.

In 1937 the State Employes' Retirement Board was transferred from the Department of State to the Treasury Department, but its return to the Department of State was again effected as of June 1, 1939.

The new duty of issuing tax anticipation notes has been placed with the Treasury Department since the authorization of this form of borrowing in the last three bienniums.

The number added to the Department payroll by the public assistance work alone nearly trebled the previous staff of the Department. Altogether, the personnel increase has been from 157 in 1933 to 557 in 1940. Although this represents an annual salary increase from $303,070 to $879,840, the expenditure for the Assistance Section is paid by allocation from the appropriation to the Department of Public Assistance and the expenditure for the Unemployment Compensation Section is paid from Federal funds. The appropriation from the General Fund for the operating expenses of the Treasury Department, which was $858,300 in 1931-33, actually decreased to $844,445 in 1939-41. By 1939-41 the Treasury Department was also disbursing a total of more than $15,000,000 in General Fund payments for interest and principal on General Fund debt, none of which existed in 1931-33. This is in addition to payments on the highway debt paid from the Motor License Fund. The amount of tax anticipation notes issued during the 1939-41 biennium through this Department totaled $155,000,000.

Revenue Department

With the addition of new State taxes, new collection duties have been placed on the Revenue Department. The increase in personnel and payroll required by these additions, however, was more than offset in total personnel by the transfer of the Highway Patrol to the Motor Police in 1937. Also in 1937 the State Athletic Commission was transferred from the Department of Military Affairs to the Revenue Department. The net result of these changes has been an over-all reduction in the personnel of the Department from 1,612 in 1933 to 1,345 in 1940, and an annual payroll reduction from $2,260,760 to $1,967,020.

The chapters on the administrative organization of these three finance departments contain reference to problems arising from several long-standing duplications and inconsistencies in the distribution of functions between the departments. These questions are discussed at greater length in Appendix A of the Supplement to this report.

Department of Internal Affairs

No major changes in the general functions or organization of this Department have occurred in the past decade. Its duties have been enlarged by the requirement for the licensing of weighmasters of solid fuels, which developed as a result of increasing evidence of the short-weight selling of coal, and by assignment to the Department of supervision over the uniform budgeting and reporting systems required of all units of local government by legislation enacted in 1935 and 1937. In spite of these added duties, the number of employes and annual payrolls has shown a net decrease from 114 in 1933 to 102 in 1940. The total annual payroll dropped from $270,100 to $211,000 between these years.

Department of Property and Supplies

As in the case of the offices which handle the funds for the new and expanding State services, the Department of Property and Supplies, which must keep all agencies housed and supplied with working materials, has experienced a greater increase in volume than in type of work performed during recent years. The single problem of providing space for the new State agencies has added materially to the activities of the Department. This has been offset to some extent by a notable decrease in the amount of direct construction work carried on by the State. On the other hand, all relations of the Commonwealth with its new construction agency, the General State Authority, are carried on through the Department of Property and Suplies and this has added further to its problems and duties. This is particularly true since all property, once it is acquired for use by the Commonwealth, either through ownership or lease, must thereafter be maintained for the Commonwealth by this Department, and likewise all agencies occupying the property must be serviced and supplied with necessary working tools and equipment.

In spite of these additions to its work, the Department was operating with 571 employes on June 1, 1940, as compared with 672 in 1933 and carried an annual salary payroll of $738,972 in comparison with $920,912 for their earlier period. This decrease is general throughout the Department.

Department of State

Changes in the activities of this Department, as in the Governor's Office, consist mainly in the enlargement of duties and functions assigned under the Administrative Code of 1929. Some of the additional items cover increased activities in connection with administration of the laws relating to corporations, including the licensing of foreign corporations to do business in the State, and the determination and collection of the bonus on domestic corporations. Numerous additional duties were required of the Department under the revised Election Code of 1937, among the most important being the collection of fees for the filing of nomination petitions. As a result of the new Defense Program, the work of canvassing the vote of soldiers or others absent from their voting districts because of military service will again become an important function of the Department. As a result of legislation of 1937, a Civil Rights Division was created in the Administrative Bureau to render information and general assistance on this subject.

The State Employes' Retirement Board, the only administrative board attached to the Department, was transferred to the Treasury Department in 1937, but was returned again to the Department of State by legislation of 1939.

Salaried employes of the Department have increased from 41 in 1933 to 60 in 1940, with a payroll rise from $81,980 to $97,940. Total appropriations to the Department, including payments from the General Fund into the Retirement Fund, decreased from $2,218,681 in 1931-

33 to $1,903,370 in 1939-41. Appropriations applicable to the Department other than the Retirement Fund were $295,900 in 1939-41, a decrease from $387,725 in 1931-33. This latter amount included $130,000 more than in 1939-41 for publishing constitutional amendments. An item of $300,000 has been requested in the budget of 1941-43 for administering the absentee soldier voting system.

Protection of Persons and Property

State agencies classed under this general function include the Department of Banking, Insurance, Labor and Industry, Military Affairs, Mines, the Public Utility Commission, and the Motor Police.

Banking Department

In the past decade particular emphasis in the Banking Department has been placed on the liquidation of closed banks and building and loan associations, with the final settlement of 122 banks and 274 building and loan companies still pending at the end of 1940. Following the codification of the Banking Laws in 1933, the Securities Commission, an administrative board already attached to the Department, was assigned additional functions relating to the investment business. Previously they were general functions of the Department. Through extensive amendments to the Banking Code in 1937, two advisory boards, the Banking Board and the Building and Loan Board, were created to assist and advise the Secretary of Banking. Supervision of the Banking Department was also extended to the newer forms of loan agencies, such as credit unions and consumer discount companies. Pawnbrokers were also made subject to regulation by the Department.

Over the period from March, 1933, the number of employes in the Department decreased from 279 to 218 and the annual payroll from $685,740 to $535,370. Except for the functions of the Securities Commission, the operations of the Banking Department are financed from service charges upon the banks and other financial institutions examined by the Department. Its collections and expenditures are financed through the special Banking Department Fund.

Insurance Department

Changes in this Department in the past decade have included the extension of its authority over fire insurance rate-making bureaus, title insurance companies, fraternal benefit societies, beneficial societies, non-profit hospitalization corporations, the Workmen's Compensation Security Fund and non-profit medical service corporations. The Department is financed entirely from the Insurance Fund, which is built up from fees and licenses collected from insurance companies. These collections exceeded the operating costs of the Department by approximately $189,000 in 1937-39. The personnel and payrolls have decreased somewhat since 1933, dropping from 89 to 83 in number employed and from $216,500 to $180,220 in annual salary payroll.

Department of Labor and Industry

This Department, as in the case of several others, experienced a greater increase in the volume than in the nature of its activities over the last decade. The principal exception to this was the placement under its general supervision of the new unemployment compensation function, which has been described under new State activities.

A new addition to the Department is the Pennsylvania Labor Relations Board created by Act of 1937 to provide protection for the employes' right to organize and bargain collectively through duly constituted representatives. Duties of the Board also include the prevention of certain unfair labor practices enumerated in the Act and the certification of representatives elected by a majority of the employes in their appropriate employment units.

A new advisory group, organized by the Department in 1939 as a voluntary agency without authorization by law, is the Pennsylvania Apprenticeship Council, including representatives of both employers and employes and designed to assist the Department with problems involving apprentices and apprentice helpers.

The activities of the Workmen's Compensation Bureau were considerably increased as a result of extensive amendments to the Compensation Law and passage of the Occupational Disease Compensation Act in 1937. Under amendments to the boiler inspection law, the State inspection service was extended to the cities of Philadelphia, Scranton, and Erie and elevator inspection law amendments extended State inspection to the cities of Philadelphia, Pittsburgh and Scranton. These were the only jurisdictions not previously covered by this supervision. In the case of elevator inspection it is estimated that it has increased the work of the State Division approximately 175 percent. Under the Explosives Law of 1937, the Division of Mines and Quarries has assumed the duty of licensing and inspecting the storage of explosives in magazines throughout the State.

The Bureau of Industrial Standards conducts an inspection service for occupational disease hazards under the new law, although the major portion of the work of the control of occupational diseases was transferred in 1939 the the Department of Health.

Under the Bureau of Research and Information a Division of Negro Research and Planning was organized in 1939 with a State Advisory Council on Negro Affairs. Research activities of the Bureau have also been extended to include price and cost of living studies for use in administration of the Minimum Wage Law for women. Administration of the Minimum Wage Law is an added function of the Bureau of Women and Children, together with the Industrial Home Work Law and extensive amendments to the Women's Hour Law also enacted in 1937.

Since adoption by Congress of the Wagner-Peyser Act in 1935, the Federal Government has contributed to the States, on an equal sharing basis, funds for extension of the State employment offices and this service was considerably expanded in Pennsylvania prior to enactment of the unemployment compensation system. When the unemployment compensation system was set up, much of the local work of administering the Act was assigned to the State employment offices. The number and personnel of the offices were greatly increased and the cost of administering them was merged with the cost of administering the unemployment compensation system. This administrative cost is all paid from Federal funds except for the State appropriation for the employment service, plus a small amount for the Philadelphia junior employment offices from the Philadelphia Board of Education, which total approximately $136,000 a year and consitute about 4 per cent of the total annual administrative cost for both

the unemployment compensation and employment service. From a bookkeeping standpoint this is matched under the Wagner-Peyser Act of the Federal Government, the remaining cost being directly charged to unemployment compensation.

In June, 1940, the total salaried staff of the Department of Labor and Industry, including employes paid from both Federal and State funds, reached 4,189. The subdivisions of this staff and their comparison with the number employed in March, 1933, were as follows:

	June 1, 1940	March 1, 1933
Departmental Employes (except Bureau of Employment)	559	404
State Workmen's Insurance Fund	291	212
Unemployment Compensation ..	1,759	...
Employment Service		
State and Federal (matched funds)*	266	37**
Federal (as part of unemployment compensation system .	1,314	...
Total Employment Service ...	1,580	37
Total Employes	4,189	653

During this period the appropriations to the Department from the General Fund increased from $2,535,200 in 1931-33 to $3,255,850 in 1939-41. These appropriations covered the activities of the departmental employes in both periods, and included the State appropriation for the employment service.

Department of Military Affairs

Considerable increase in the functions and activities of the Department occurred during the past decade prior to the inauguration of the present defense program. This extension of activities included a large increase in the military properties owned and maintained by the Department among which were 27 new armories built since 1933 through the combined programs of the W.P.A., the Department of Property and Supplies, and the General State Authority. A new service developed in connection with the organized veterans' activities. This included distribution of the State soldiers' bonus of $50,000,000 authorized by amendment to the State Constitution in 1933, assistance to veterans in making applications for payments of Federal grants and development of a system of veterans' unemployment relief. The activities connected with the bonus and Federal payments have been declining in the last two bienniums and the total appropriation of $3,111,500 of State funds to the Department in 1939-41 was only slightly more than the total of $3,014,619 in 1931-33.

The normal peace-time program of the Department has been almost completely changed as a result of the new national defense activities. Under recent Federal enactments the entire National Guard of the State, which in normal times is maintained, trained and paid from State funds, has been inducted into the Regular Army, and thus its expenses are provided entirely by the Federal Government. At the same time, the Military Reservation at Indiantown Gap, previously conducted and maintained by the State, has been selected by the Federal Government as a training camp for a large portion of the National Guard. For the period during which these and other activities, normally carried on by the Department, are taken over by the Federal Government, it is anticipated that there will be a reduction both in personnel and expenditures by the State agency, unless, as recommended by the Governor in his Budget Message of February, 1941, the appropriation normally used for these purposes be made available for the extension of other military functions and duties expected to devolve upon the State as a result of the intensified Federal defense activities.

Department of Mines

Under legislation of 1939 the Department of Mines was given the additional duty of supervising research for new uses and markets for anthracite and bituminous coal. The Department's advisory boards were also increased by an Act of 1937 creating Bituminous Miners' Examining Boards, not to exceed five in number, to conduct examinations of miners applying for the right to work in the bituminous coal mines of the State. With these exceptions, few other changes have occurred in recent years, either in duties or organization of the Department. The personnel of the Department decreased from 70 in 1933 to 61 in 1940, while the biennial appropriation decreased from $726,800 in 1931-33 to $625,000 in 1939-41.

Public Utility Commission

Under legislation enacted in 1937, the former Public Service Commission was abolished and a successor agency, called the Public Utility Commission, was created. The membership of the Commission was reduced from the former seven to five members appointed for overlapping terms of 10 years and not only appointed but removable by the Governor with the advice and consent of the Senate. Under the new legislation the regulatory powers and duties of the Commission were considerably extended.

The seven administrative bureaus of the former Commission were combined into five. For the performance of its increased functions the personnel of the Commission has more than doubled between 1933, when the total of salaried employes was 158, and 1940, when the total had reached 344. In adition to certain fees and fines previously collected, the new Commission was given authority to collect an assessment from each utility to cover the cost of annual examination, similar in principle to the long standing practice of the Banking Department. Appropriations for this function increased from $1,026,850 in 1931-33 under the earlier Commission to $1,866,000 in 1939-41 under the new Commission. The latter amount was offset by revenues estimated at $1,838,008 for the biennium, of which $736,574 was actually received during the first year 1939-40.

Pennsylvania Motor Police

A basic change in the State's law enforcement occurred in 1937 when the State Police and the Highway Patrol were merged into one organization called the Pennsylvania Motor Police. The new agency is financed jointly from the General and Motor License Funds in a proportion of approximately $1,000,000 from the General Fund to $8,000,000 from the Motor License Fund. The work of the agency is carried on under two general divisions in the headquarters staff—the crime division and the traffic division—although the work of the field patrol frequently overlap these divisions.

* Number of employes apportioned on the basis that funds supplied jointly by the State and Federal Government under the Wagner-Peyser Act constitute approximately 8 percent of the combined administrative cost of the unemployment compensation system and the employment service.

** Paid in varying amounts by the Federal Government.

In addition to the coordination and extension of its general patrol duties which have been affected as a result of the consolidation, the enforcement or inspection services rendered by the police to the other State departments and agencies has increased nearly fourfold between 1937 and 1940, rising in actual man-hours from 46,091 in 1937 to 178,332 in 1940. This increase has resulted primarily from the use of police personnel by the Revenue Department in the duty of inspecting automobile inspection stations in garages, by the Department of Justice in the work connected with the return of parolees from other states, and by the Governor's Office in the inspection and investigation of applicants for police commissions, such as railroad police, etc.

A considerable increase in personnel has occurred since 1933 when the Bureau of Highway Patrol and Safety in the Department of Revenue numbered 610 employes and the State Police 441. This total of 1,051 carried a biennial salary payroll of $3,156,260. Under the combined setup, the total number of employes was 1,544 on June 1, 1940, and the biennial payroll during the first biennium under the new organization (1937-39) was $4,771,776. The number of Motor Police is limited by law to a total of 1,600 men.

Conservation of Natural Resources

Agencies of the Commonwealth which are engaged directly and primarily in conservation work include the Department of Forests and Waters, the Fish Commission and the Game Commission. Since several of the important functions of the Department of Agriculture also fall within this classification, it is customarily included in the group.

Department of Forests and Waters

The principal additions to the activities of this Department in recent years have been in flood control work which is carried on under the supervision of the Water and Power Resources Board, an administrative board attached to this Department. Following the disastrous floods of 1936, an appropriation of $4,900,000 was made to the Department for flood control projects at the session of 1937. Expenditure of approximately $2,000,000 of this sum by the Board made possible the securing of additional Federal funds for this work in Pennsylvania. Since that time the remainder of the State appropriation has been lapsed and the projects have been financed almost exclusively by Federal funds, although the State engineers continue to cooperate with both the Federal and local officers in planning and carrying out the projects. Since 1933 the Department personnel has increased from 270 to 286, while its annual salary payroll has dropped from $515,290 to $493,940.

Fish and Game Commissions

These two agencies are financed from the proceeds of fishing and hunting licenses, fees, and fines which are earmarked and held in separate funds for these respective purposes. The last decade has been marked by a considerable increase both in the revenues of the funds and the activities financed by them. In the case of the Fish Commission, its revenues were considerably increased during the 1937-1939 biennium by the legalizing of fishing on Sunday. This increase in revenues resulted in an increase in expenditures by the Commission from $936,948 in 1931-33 to an estimated $1,705,976 in 1939-41. In the Game Funds expenditures have increased from $2,374,475 in 1931-33 to an estimated $3,361,555 in 1939-41. Under terms of the Game Law of 1937, a substantial portion of all revenues received in the Game Fund must be earmarked for the purpose of acquiring and maintaining more game lands. The volume of these holdings has increased from 313,194 acres in 1930 to 956,459 in 1940.

Department of Agriculture

The major functions of this Department are of such long standing that changes over a given period consist largely of additions to traditional functions rather than entirely new additions. In recent years efforts to control both animal and plant diseases and pests have been intensified and each decade sees the addition of numerous new enemies to be combatted. Further efforts at plant pest control followed enactment of the Plant Pest Act of 1937, requiring the inspection of nursery stock offered for sale in the Commonwealth. Licensing and bonding of produce dealers were also added to the functions of the Department in 1937, and in the same year the State Soil Conservation Board was created and added to the Department's administrative boards.

Salaried employes of the Department totaled 350 in 1933 and 298 in 1940, with an annual payroll decrease from $660,960 to $517,660. As a result of this decrease, together with a marked reduction in the total required for animal indemnities, the total appropriation for the Department dropped from $4,800,350 in 1931-33 to $3,214,000 in 1939-41.

Health and Sanitation

This function has been performed in Pennsylvania in the past entirely by the Department of Health. Since the Commonwealth has assumed the function of regulating the milk industry under the Milk Control Commission, this new activity may also be classified in the field of public health.

Department of Health

Although, as with many other State functions, the proportion of total expenditures which were devoted to public health activities in 1938 was less than in 1931, there has been a marked expansion in the duties and functions of the Health Department. One of the most important developments has been the increased supplying of free serums for treatment of pneumonia and venereal diseases. The State's activities in the control of syphilis were considerably enlarged as a result of legislation enacted in 1939 requiring pre-marital and pre-natal examinations. The number of State venereal disease clinics practically doubled between 1934 and 1940.

In 1939 the function of occupational disease control was transferred from the Department of Labor and Industry and became the Division of Industrial Hygiene in the Bureau of Health Conservation. Another relatively new function of this Bureau is the examination of sanitary conditions in all public camps and recreational areas. In recent years a Division of Cancer Control has been created to administer a program financed almost entirely from Federal funds.

A further new function assigned to the Department by legislation of 1935 was the inspection of the handling and selling of shellfish within the State. Coal mine sealing,

for which sizable appropriations were being made early in the decade, has been supplanted by the de-watering of flooded mines for which the Department has been given appropriations biennially since the floods of 1936.

In 1935 the State Board of Undertakers was transferred from the Department of Public Instruction and added to the growing group of administrative boards functioning in connection with the Health Department. In 1937 the newly created State Housing Board was added. This Board received an appropriation of $25,000 for the 1939-41 biennium and has named an executive director and clerk but is not yet actively functioning

As of June 1, 1940, more than half of the regular (non-institutional) employes of the Department were being paid from Federal funds, the division being: State—539, Federal—572. In addition there were 661 salaried and 566 wage earning employes in the three tuberculosis sanitaria and the crippled children's hospital. In spite of the expanding functions of the Department, the appropriation of $6,099,400 made for the 1939-41 biennium was actually less than the appropriation of $6,199,695 for 1931-33. The latter amount included approximately $500,000 for new construction which was not duplicated in the 1939-41 total. However, the General State Authority has expended $8,318,532 in additions and new construction for Department of Health institutions, the rentals on which for the 1941-43 biennium are budgeted at $943,000. These include the expenditure of $2,591,133 for the erection of a new tuberculosis sanitarium at Butler.

This review of the changes in and additions to the functions of the traditional administrative departments shows that virtually all of these departments are now performing considerably more extensive, and in many cases more numerous, duties than at the beginning of the decade. Due to improvements in organization and management and to the pressure for economy in the face of other more pressing needs, these additional activities are being carried on, in most of the departments, with the same number or fewer employes than ten years ago.

Continued improvement in efficiency in the handling of traditional functions as well as the tremendous expansion into new fields of activity necessitate an ever increasing emphasis on business methods of administration and constant adjustment of departmental organization to meet the growing demands. Recommendations to this end, which have resulted from this survey of present day operation and organization of each State department and agency, are contained in a separate publication issued as a supplement to this volume.

PART I

MAJOR BRANCHES OF THE STATE GOVERNMENT

CHAPTER I

GOVERNOR'S OFFICE

A. FUNCTION

The Executive Department[1] of the Commonwealth consists of the Governor, Lieutenant Governor, Secretary of the Commonwealth, Attorney General, Auditor General, State Treasurer, Secretary of Internal Affairs, and the Superintendent of Public Instruction.

[1] Footnotes on p. 6828.

The Governor is the chief executive officer[2] of the Commonwealth, and commander-in-chief[3] of the Army and Navy of the Commonwealth and of the militia except when they are called into Federal service. He administers the laws and manages the financial affairs of the State.

The Governor must be 30 years of age or over,[4] a citizen of the United States and for 7 years preceding his election, a resident of the Commonwealth. He is elected by the people at a general election for a term of four years dating from the third Tuesday of January next following his election.[5] He may not be reelected for the next succeeding term. The salary is fixed by statute at $18,000 per year.[6]

The Governor is a member or chairman of the following Boards and Commissions:

1. Executive Board[7]
2. State Armory Board[8]
3. State Farm Products Show Commission[9]
4. Board of Commissioners of Public Grounds and Buildings[10]
5. State Military Reservation Commission.[11]

B. POWERS AND DUTIES

Powers and duties are vested in and imposed upon the Governor by the Constitution and by statute.

1. Constitutional Powers

Under the Constitution[12] the Governor has power to appoint with the advice and consent of two-thirds of the Senate all administrative officers of the Commonwealth and such other officers as he is authorized by law to appoint; to fill any vacancies in the offices to which he may appoint, in the office of the Auditor General, State Treasurer, Judicial offices or any other office which he is or may be authorized to fill; to remit fines and forfeitures and grant reprieves; upon recommendation of the Board of Pardons, to grant commutations of sentence and pardons except in case of impeachment; to require information in writing from the officers of the executive department; on extraordinary occasions, to convene the General Assembly and in case of disagreement between the two houses as to time of adjournment, to adjourn them to such time as he shall think proper, not exceeding four months; to convene the Senate in extraordinary session by proclamation for the transaction of executive business; to approve or veto legislation passed by both houses of the General Assembly; to disapprove any item or items of any appropriation bill; and to act as commander-in-chief of the Army, Navy and Militia of the State except when they are called into the service of the United States.

He is required to give to the General Assembly information as to the state of the Commonwealth and to recommend to their consideration such measures as he may deem expedient. He is also required to approve or disapprove, with the Auditor General and State Treasurer, certain types of contracts.[13]

2. Administrative Code

Additional powers and duties under the Administrative Code, as amended, authorize the Governor:

a. To cause to be published for the information of the public, bulletins of the work of the State Government;

b. To prescribe and require uniform systems of bookkeeping, accounting and reporting, for agencies under his supervision, after consulting with the Auditor General;

c. To approve or disapprove all investments by departments, boards or commissions of funds administered by them;

d. To submit a State budget to the General Assembly;

e. After each biennium appropriation to the Department of Property and Supplies for certain purposes, to allocate, and from time to time, to reallocate to the several departments, etc., such portions of such appropriations as will fairly represent their needs;

f. To grant to pilots, engaged in the aeronautical work of the Department of Revenue, commissions of such grades as the Governor may prescribe.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, the work of the Governor's Office is divided among three bureaus, as follows:

Administrative Bureau
Budget Bureau
Personnel Bureau

1. Administrative Bureau

This Bureau is under the direction of the Secretary to the Governor, being concerned with the general executive and administrative duties which the Governor must perform. It issues news releases, assembles items for the newspapers, prepares information needed by the Governor, and makes investigations for him which cannot be performed by any other investigatory agency of the Commonwealth.

a. Notary Public Commissions

Applications for commissions as Notaries Public are sent by this Bureau to individual applicants. While appointments are non-partisan in nature, the endorsement of the State Senator in whose district the applicant resides is required. Between sessions of the Legislature an interim appointment is made and a commission issued which expires at the end of the next session of the Senate. These appointments are later submitted to the Senate and, if confirmed, commissions are issued for four years from the day of confirmation. Approximately 7,000 applications are handled through this Bureau each biennium.

b. Issuance of Corporate Charters

While the Governor no longer needs to approve business corporation charters,[14] the Administrative Bureau performs certain functions with regard to those corporations organized and incorporated before June 1, 1933. Charters for credit unions,[15] cooperative associations,[16] and insurance companies,[17] are still approved by the Governor, who issues letters patent to such corporations.

2. Budget Bureau

The Budget Bureau is under the supervision and direction of the Budget Secretary, whose duty it is to administer the budget with the approval of the Governor. This is the agency through which the Governor exercises control over State expenditures.

a. Formulation of the Budget

The formulation and operation of the budget is provided by statute.[18] Not later than August 15 of each even numbered year, the Budget Secretary distributes forms to each agency and institution which desires a State appropriation on which to furnish complete information as to present financial position in relation to the last preceding appropriation, an estimate of future needs and a complete explanation of and reasons for estimates of receipts and expenditures for the succeeding biennium. These forms must be completed and returned not later than November 1st, after which further inquiries, conferences and investigations may alter the estimates. The Budget Secretary must submit a completed budget estimate and any additional information requested to the Governor on or before January 1st next succeeding.

As soon as possible after the organization of the General Assembly, the Governor is required to submit a State budget recommending amounts to be appropriated to the various agencies of the State Government, to institutions within the State and for all other public purposes. At the same time, he must submit estimates of receipts from all sources and an estimated amount to be raised by taxation or otherwise. With the budget, the Governor must submit the estimates of receipts and expenditures as received by the Budget Secretary.

b. Control of State Expenditures

Each agency receiving an appropriation furnishes the Budget Secretary before June 1st of each year, with an estimate of the portion of its biennial appropriation it expects to spend in that year for each object[19] and for the particular function of government. This annual estimate is divided into monthly estimates on the above bases. When these object and functional allocations have been finally agreed upon and approved by the Governor, they cannot be changed without approval of the Governor. The Governor notifies the Auditor General of any agency failing to submit an estimate of expenditures requested by him, whereupon the Auditor General is forbidden to draw any warrant in favor of such agency. Copies of all requisitions for expenditures of money by any agency must be submitted to the Budget Office where records are maintained by object classification and by appropriation. In this way, a control over expenditures is constantly exercised.

c. Additional Duties

This Bureau checks all recommendations for investment of custodial funds in order to check the value and worth of the proposed investment and makes recommendations to the Governor for approval or disapproval. It also supervises the systematizing and standardization of accounting procedures in the various agencies of the Commonwealth.

3. Personnel Bureau

Under the Administrative Code,[20] the heads of the several administrative departments appoint and fix the compensation of the employes of their departments. This does not apply to the Liquor Control Board, the Department of Public Assistance, or the Division of Unemployment Compensation and Employment Service in the Department of Labor and Industry, all of which are under civil service. The number and compensation of all employes appointed, outside of civil service, is subject to approval by the Governor.

The Personnel Bureau, under the direction of the Personnel Secretary, maintains a complete record of all salaried employes in the executive branches of the State Government and at all State institutions including teachers' colleges. It maintains files of all applications for positions in the State service and furnishes departments with the names of applicants where vacancies occur. In actual practice, although the approval of the Governor is required merely on the number and compensation of appointees, he actually passes upon the applicant as well.

D. PERSONNEL

Exclusive of the Governor, who receives an annual salary of $18,000, there were 52 employes on the payroll as of June 1, 1940. Aggregate annual salaries on this date totaled $126,580. Table I-A shows these employes by bureau, personnel classification, and annual salary.

TABLE I-A

GOVERNOR'S OFFICE

NUMBER OF EMPLOYES ACCORDING TO BUREAU, PERSONNEL CLASSIFICATION AND ANNUAL SALARIES JUNE 1, 1940

Bureau and Personnel Classification	Number of Employes	Annual Salaries
Administrative Bureau		
Secretary to the Governor	1	$7,500
Assistant Secretary to the Governor	1	5,000
Correspondence Secretary ($3,600)	2	7,200
Chief Clerk	1	5,000
Principal Correspondence Secretary	1	2,400
Assistant Accountant	1	1,980
Senior Secretary-Stenographer	1	1,860
Special Clerk-Stenographer	1	1,860
Supervising File Clerk	1	2,100
Senior Commission Clerk	1	1,440
Senior Accounting Clerk	1	1,440
Senior Stenographer	1	1,260
Senior Stenographer ($1,200)	7	8,400
Senior Stenographer-Clerk ($1,200)	2	2,400
Advanced File Clerk	1	1,200
Advanced Mail Clerk ($1,200)	2	2,400
Senior File Clerk	1	1,020
Total	26	$54,460
Budget Bureau		
Budget Secretary	1	$8,000
Assistant Budget Secretary	1	5,500
Budget Accountant	1	3,000
Assistant Budget Accountant	1	1,860
Systems Accountant	1	3,000
Advanced Stenographer-Secretary	1	1,860
Advanced Personnel Control Clerk	1	1,620
Appropriation Liability Clerk	1	1,380
Senior Stenographer-Clerk	1	1,320
Record Clerk	1	1,320
Record Clerk	1	1,200
Assistant Record Clerk	1	1,020
Junior Record Clerk ($1,020)	2	2,040
Junior Expenditure Clerk	1	1,140
Senior Messenger	1	1,080
Total	16	$35,340
Personnel Bureau		
Personnel Secretary	1	$6,000
Assistant Personnel Secretary	1	3,000
Advanced Personnel Clerk	1	1,860
Personnel Clerks ($1,140)	2	2,280
Junior Stenographer-Secretary	1	1,200
Senior Clerk-Stenographer	1	1,140
Senior Stenographer-Clerk	1	1,140
Reception Clerk	1	1,140
Senior Messenger	1	1,020
Total	10	$18,780
Grand Total	52	$126,580

E. FINANCES

The only revenue of the Governor's Office is the $25 fee for the Notary Public commissions. This averages $150,000 a biennium.

Expenditures of the Governor's Office, during the past three fiscal years, including operation of the Governor's Mansion, have ranged from a minimum of $152,176.60 in 1939-40 to a maximum of $171,565.29 during 1938-39. Table I-B shows expenditures by object classification during the fiscal years 1937-38 to 1939-40, inclusive.

TABLE I-B

GOVERNOR'S OFFICE
EXPENDITURES BY OBJECT CLASSIFICATION

Fiscal Years 1937-38 to 1939-40, Inclusive

Object	Fiscal Year Ending May 31 1937-38	1938-39	1939-40
Salary of the Governor	$ 18,000.00	$ 18,000.00	$ 18,000.00
Salaries	109,505.56	106,991.31	107,230.02
Wages	346.08	5,684.63	3,241.17
Fees	1,395.25	238.94	137.50
Printing, Binding, Stationery	2,457.48	7,360.17	2,962.49
Food and Forage	90.10	167.56	87.50
Materials and Supplies	2,217.94	4,614.47	2,959.65
Traveling Expenses	3,752.35	3,897.62	1,704.69
Motor Vehicle Supplies, Repairs	458.80	500.27	1,307.54
Freight, Express, Cartage	1.84	1.58	22.29
Postage	1,890.02	2,387.20	1,270.00
Telephone & Telegraph	6,859.97	8,057.75	4,388.97
Newspaper Advertising Notices	218.23	.....	.....
Contracted Repairs	121.39	252.72	1,153.74
Rent of Real Estate	.....	200.00	.....
Rent of Equipment	2,631.00	2,675.10	3,241.07
Insurance, Surety and Fidelity Bonds	197.13	386.22	148.38
Other Maintenance Services and Expenses	3,336.79	3,432.55	1,865.34
Equipment and Machinery	2,367.32	2,067.40	975.74
Subsidies, Grants, Bounties and Indemnities	1,741.55	4,649.80	1,480.51
Total	$157,588.80	$171,565.29	$152,176.60

FOOTNOTES

[1] Administrative Code, Section 201.
[2] Pennsylvania Constitution, Article IV, Section 2.
[3] Pennsylvania Constitution, Article IV, Section 7.
[4] Pennsylvania Constitution, Article IV, Section 5.
[5] Pennsylvania Constitution, Article IV, Section 3.
[6] Administrative Code, Section 209.
[7] Administrative Code, Section 204.
[8] Administrative Code, Section 426.
[9] Administrative Code, Section 430.
[10] Administrative Code, Section 446.
[11] Administrative Code, Section 448.
[12] Pennsylvania Constitution, Article IV, Sections 8, 9, 10, 11, 12, 15, 16.
[13] Pennsylvania Constitution, Article III, Section 13.
[14] 1933, P. L. 364.
[15] 1933, P. L. 1076.
[16] 1919, P. L. 466.
[17] 1921, P. L. 682, Section 211.
[18] Administrative Code, Sections 601 and 602.
[19] Administrative Code, Section 604.
[20] Administrative Code, Section 214.

CHAPTER II

THE GENERAL ASSEMBLY

A. FUNCTION

The Constitution of Pennsylvania provides that "the legislative power of this Commonwealth shall be vested in a General Assembly which shall consist of a Senate and a House of Representatives." [1]

The "legislative power" may not readily be defined, but the principal function of the General Assembly is to enact the laws of the Commonwealth.

B. POWERS AND DUTIES

As the statute law-making body of the State, the General Assembly is legally supreme, except as limited by the Constitutions of the United States and the Commonwealth of Pennsylvania.

1. Constitutional Restrictions

The limitations on the powers of the General Assembly imposed by the State Constitution, expressly or implicitly, are summarized in the following paragraphs.

In order to remedy the legislative abuse of passing legislation covering individual persons, cases, corporations, and communities, the Constitution of 1874 declared that the General Assembly shall not pass any local or special law on twenty-eight stipulated subjects.[2] The purpose of this section is not to limit legislation, but to prohibit the doing, by special or local laws, of that which can be accomplished by general laws; it relates not to the substance but to the method of legislation.[3]

These prohibitions against local and special legislation brought into being the system of legislating for particular classes. Classification is essentially unconstitutional, unless there exists a necessity springing from manifest peculiarities, clearly distinguishing those of one class from each of the other classes, and imperatively demanding legislation for each class, separately, that would be useless and detrimental to the others.[4] However, by amendment of 1923, the Legislature was specifically invested with the power to classify counties, cities, boroughs, school districts and townships according to population, and all laws passed relating to each class are to be deemed general legislation.

The Constitution forbids the adoption of any law giving any extra compensation to any public officer, servant, employe, agent or contractor, after services have been rendered or contract made, or providing for the payment of any claim against the Commonwealth without previous authority of law.[5]

No law may extend the term of any public officer or increase or diminish his salary after his election or appointment;[6] no appropriation may be made to any charitable or educational institution not under the absolute control of the Commonwealth, other than normal schools, except by a vote of two-thirds of all the members elected to each House;[7] nor may an appropriation, except for pensions or gratuities for military services, be made for charitable, educational or benevolent purposes, to any person or community, or to any denominational or sectarian institution or association.[8]

The General Assembly may not delegate to any special commission, private corporation or association, any power to make, supervise or interfere with any municpal improvement, money, or property, or to levy taxes or perform any municipal function whatever;[9] it may not authorize the investment of trust funds by executors, administrators, guardians, or other trustees, in the bonds or stock of any private corporation,[10] or change the location of the Capitol until the electors of the Commonwealth have agreed thereto at a general election.[11]

The General Assembly is also effectively limited in its legislative power by the requirement of the Governor's approval for every bill.[12] The Governor is empowered to veto any bill and the General Assembly can over-ride such veto only by a two-thirds vote.

The judicial power of review of legislation and invalidation of laws on constitutional grounds is, likewise, a powerful check on legislative authority.

2. Specified Powers

In some cases, the General Assembly has specifically been empowered by constitutional provision or amendment to exercise its legislative power.

Article III, Section 34 of the Constitution, giving the Legislature power to classify municipalities according to population, has already been mentioned.

Each House may determine the rules of its proceedings and punish its members or other persons for contempt or disorderly behavior in its presence, to enforce obedience to its process, to protect its members against violence or private solicitation, and, with the concurrence of two-thirds, to expel a member, and has all other powers necessary for the legislature of a free state.[13]

The General Assembly may make appropriations of money to institutions for widows or orphans of soldiers.[14]

It may enact laws requiring the payment by employers, or employers and employes jointly, of reasonable compensation for industrial injuries and occupational diseases; but it may not prescribe any time limitations within which suits may be brought against corporations for injuries to persons or property, or for other causes, different from those fixed by general laws regulating actions against natural persons.[15]

The Senate has special powers regarding executive appointments. All officers appointed by the Governor during sessions of the General Assembly must be confirmed by a two-thirds vote of the Senate before they

[1] Footnotes on page 6836.

may assume office.[16] Officers appointed during the interim are commissioned to hold office until the next session of the Legislature when their appointments must be confirmed.

C. ORGANIZATION AND OPERATIONS

1. Membership

a. Number

The General Assembly is a bicameral body of men and women, consist of 50 Senators and 208 Representatives.

b. Election and Term of Office

The entire membership of the House of Representatives and one-half of the members of the Senate are elected every two years at the general election held in even-numbered years. The term of office of Representatives is two years, while Senators are elected for four years.[17] Their term of service begins on the first day of December next after their election.[18]

For the purpose of election, the Legislature is required to divide the State into fifty senatorial districts of compact and contiguous territory as nearly equal in population as is possible. Each district elects one Senator.[19] The senatorial ratio is ascertained by dividing the whole population of the State by fifty. Each county containing one or more ratios of population is entitled to one Senator for each ratio, and to an additional Senator for a surplus of population exceeding three-fifths of a ratio. No county may form a separate district unless it contains four-fifths of a ratio, except where the adjoining counties are each entitled to one or more Senators when such county may be assigned a Senator on less than four-fifths and exceeding one-half of a ratio. No county is to be divided unless entitled to two or more Senators, and no city or county is entitled to separate representation exceeding one-sixth of the whole number of Senators. No ward, borough or township is to be divided in the formation of a district.

Each county is entitled to at least one Representative. The membership of the House of Representatives is apportioned among the several counties, on a ratio obtained by dividing the population of the State, as ascertained by the most recent United States Census, by 200.[20] The constitutional provision prescribes: (1) for every county containing less than 5 ratios one Representative for every full ratio, and an additional Representative when the surplus exceeds half a ratio; (2) for every county containing 5 or more ratios one Representative for every full ratio. Every city containing a population equal to a ratio shall elect separately its proportion of the Representatives allotted to the county in which it is located. Every city entitled to more than 4 Representatives, and every county having over 100,000 inhabitants is divided into districts of compact and contiguous territory, each district to elect its proportion of Representatives according to its population, but no district to elect more than 4 Representatives. At present, there are 95 one-member districts, 39 two-member districts, 9 three-member districts, and 2 four-member districts. The General Assembly makes the apportionment subject to constitutional restrictions. Thus, there are now 208 members in the lower house.

c. Vacancies

Whenever a vacancy occurs in either House, the presiding officer thereof issues a writ of election to fill such vacancy for the remainder of the term.[21]

d. Qualifications and Restrictions

Each House judges of the election and qualifications of its members.[22] In addition, the Constitution prescribes certain qualifications for legislators

Senators must be at least 25 years of age and Representatives 21 years of age. They must have been citizens and inhabitants of their respective districts one year next before their election, unless absent on public business. They must reside in their respective districts during their terms of service.[23]

No Senator or Representative may, during the time for which he has been elected, be appointed to any civil office under this Commonwealth. No member of Congress or other person holding any office, except of attorney-at-law or in the militia, under the United States or this Commonwealth, may be a member of the Pennsylvania General Assembly during his continuance in office.[24]

No person convicted of embezzlement of public moneys, bribery, perjury or other infamous crime, is eligible to the General Assembly.[25]

The Constitution is severe in the matters of bribery and corrupt solicitation of legislators.[26] For example, a member of the General Assembly who solicits, demands, receives, or consents to receive, for himself or for another, some consideration of value for his vote or official influence shall be held guilty of bribery and shall incur the disabilities provided for said offense by the Constitution and by law. Conviction for bribery disqualifies one for membership in the General Assembly and for any other office of trust in the Commonwealth.[27] Each branch of the Assembly may, with the concurrence of two-thirds, expel a member for corruption and such member is not thereafter eligible to either House.[28]

Bribery of legislators is defined by the Constitution and punishment is provided by law. Corrupt solicitation of legislators is defined by law and, as specified by the Constitution, is punishable by fine and imprisonment.[29]

e. Privileges

Members of the General Assembly are in all cases, except treason, felony, violation of their oath of office, and breach of surety of the peace, privileged from arrest during their attendance at sessions and in going to and returning from the same. Members may not be questioned in any other place for any speech or debate in either House.[30]

f. Compensation

The members of the General Assembly receive such salary and mileage for regular and special sessions as is fixed by law.[31] The law governing salaries and other compensation of members, officers, and employes of the General Assembly is the Act of June 24, 1919,[32] as amended and supplemented. A digest of the law pertaining to compensation may be found in The Pennsylvania Manual.[33]

Senators and Members of the House of Representatives receive $3,000 for each regular biennial session, and mileage to and from their homes at the rate of 5c per mile

circular for each week a member is in actual attendance at the session. They receive $500 plus mileage for each special or extraordinary session lasting less than one calendar month, and $750 plus mileage for each special session lasting one calendar month or more. In addition, they receive $150 in postage for each regular session and $50 for each special session.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives, in addition to their salaries as members of the General Assembly, receive $1,000 each for each regular biennial session and $500 for each special or extraordinary session.

Members are prohibited by constitutional provision from receiving any other compensation, whether for service upon committees or otherwise. No member of either House shall, during the term for which elected, receive any increase of salary, or mileage, under any law passed during such term.[34]

2. Organization

a. Sessions

(1) Regular and Special Sessions

The General Assembly meets regularly at 12:00 o'clock noon, on the first Tuesday of January every odd-numbered year, and at other times when convened by the Governor in extraordinary session.[35] The sessions of each House and of committees of the whole are open to the public, unless the business is such as ought to be kept secret.[36]

Since the first regular session in 1776, under the Constitution of that year, there have been 134 meetings of the Legislature, of which 35 have been held under the present Constitution of 1874. The longest regular session under this Constitution lasted 178 days, the shortest 75 days.

Since 1776, 23 special sessions have been convened, varying in length from 2 days in 1797 session to 183 days in the session of 1882. In the past decade, there have been as many as 8 special sessions. Four were held in the second Pinchot Administration, in 1931, 1932, 1933 and 1934; three in the Earle Administration, two in 1936 and one in 1938; and Governor James convened the General Assembly in extraordinary sessions in 1940.

In the case of special sessions, the Legislature may not enact legislation upon subjects other than those designated in the proclamation of the Governor calling the session.[37] A subject in such proclamation must be stated with some particularity, but within the specified subject the Legislature is fully empowered to act.[38] The Governor may not prescribe the details of legislation.

The Governor is also empowered to convene the Senate in extraordinary session for the transaction of executive business, such as confirmation of appointments.[39]

(2) Adjournment

Neither House may, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two Houses are sitting.[40] In case of disagreement between the two Houses with respect to the time of adjournment of special sessions, the Governor may adjourn them to such time as he shall think proper, not exceeding 4 months.[41]

b. Officers

The General Assembly is authorized to prescribe by law the number, duties and compensation of the officers and employes of each House.[42]

The Lieutenant-Governor is President of the Senate, but has no vote except when the chamber is equally divided.[43] The Senate is directed by the Constitution to elect, at the beginning and close of each regular session and at such other times as may be necessary, one of its members President Pro Tempore to perform the duties of the Lieutenant-Governor in that officer's absence or disability.[44] In case of a vacancy in the Lieutenant-Governorship or when the Lieutenant-Governor has been impeached or is unable to exercise the duties of his office, the powers, duties and emoluments thereof, for the remainder of the term or until the disability be removed, devolve upon the President Pro Tempore; and, in like manner, the President Pro Tempore succeeds to the office of Governor if a vacancy or disability exists in that office.[45]

The House of Representatives elects from its membership a Speaker to act as its presiding officer.[46] In case of a vacancy or disability, the Chairman of the Judiciary General Committee succeeds to the office of Speaker.

Each House chooses its other officers and employes, all of whom are elected at the beginning of each session and hold office for a two-year period.

c. Committees

The committee system is an integral part of the legislative process. It is in these committees that the real work of legislation is accomplished. The Constitution of Pennsylvania does not specifically provide for the establishment of legislative committees, although it does stipulate that no bill shall be considered unless referred to a committee and returned therefrom.[47] Custom, parliamentary practice, legislation, and the rules of procedure of both Houses have been instrumental in setting up the existing committee system.

(1) Standing Committees

The members and the chairman of the standing committees of the Senate are appointed by the President Pro Tempore as soon after his election as possible.[48] All vacancies are filled similarly by the President Pho Tempore. The President Pro Tempore is ex-officio a member of all standing committees.

In the House, committees are selected in a different manner. A committee composed of the Speaker, 7 members of the House selected by the majority party, and 3 members selected by the principal minority party constitute a Committee on Committees, whose duty it is to recommend to the House the names of the members of the standing committees. The chairman and vice-chairman are named by the Speaker.

In 1939, there were 26 standing committees in the Senate and 42 in the House of Representatives. The number of members on Senate committees in 1939 varied from 6 on the Rules Committee to 21 on the Appropriations and Judiciary General Committees. The average number of members on all Senate Committees was 13.6.

In the House, in 1939, the Committee on Interstate Cooperation had 4 members, one committee had 22 members, eighteen had 23, two had 24, one had 32, thirteen had 33, and six had 34 members.

In the Senate, the number of committees on which one member served varied from 4 to 11, in the House from 4 to 8. The burden of work of the various committees is roughly proportionate to the importance of the type of

legislation considered. The great majority of bills in each House is referred for consideration to only a few committees.

The functions of the various standing committees are varied. They serve to investigate special fields of proposed legislation and to collect pertinent data; to deliberate upon matters referred to them; to employ the specialized knowledge of experts where required; to hold public hearings on certain bills; and to recommend to their respective Houses appropriate action upon bills referred to them.

(2) Special Committees

In addition to the regular standing committees, several special committees exist in both Houses.

There is, of course, the Committee of the Whole, the informal session of each House wherein bills are discussed and procedural restrictions on time and debate are somewhat relaxed. This Committee is rarely used in the Pennsylvania General Assembly.

Each House also has a Committee on Rules which considers and reports at any time rules for the government of each House. There are, in addition, conference committees and, in the House, the aforementioned Committee on Committees.

Finally, there are those committees or commissions composed sometimes of legislators only and sometimes of legislators and representatives of interested groups or of the public to investigate special problems. Many are joint creatures of the two Houses. If they are to function during the interim between legislative sessions, they must be constituted by law. The Speaker of the House and the President Pro Tempore appoint the members of select and conference committees, unless otherwise ordered by their respective Houses.

3. Procedure

a. Constitutional Provisions

The Constitution regulates legislative procedure in many respects. No law may be passed by bill, and no bill may be so altered or amended, on its passage through either House, as to change its original purpose.[49] No bill may be considered unless referred to a Committee,[50] and no bill, except general appropriation bills, may be passed containing more than one subject, which must be clearly expressed in its title.[51] The presiding officer of each House must sign all bills and joint resolutions passed by the General Assembly.[52]

Every bill is required by the Constitution to be read at length on three different days in each House, but in actual practice this provision is not complied with. Amendments to bills must be printed for the use of members before the final vote is taken. No bill becomes a law unless on its final passage the vote is taken by yeas and nays, the names of the persons voting for and against the same entered on the Journal, and a majority of the members elected to each House recorded thereon as voting in its favor.[53]

No law may be revived, amended, or the provisions thereof extended or conferred by reference to its title only, but so much thereof as is revived, amended, extended or conferred must be re-enacted and published at length.[54]

The majority of each House constitutes a quorum, but a smaller number may adjourn from day to day and compel the attendance of absent members.[55]

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose amendments as in other bills.[56]

The General Appropriation Bill shall embrace nothing but appropriations for the ordinary expenses of the executive, legislative, and judicial departments, interest on the public debt, and for public schools; all other appropriations shall be made by separate bills, each embracing but one subject.[57]

A member who has a personal or private interest in any measure or bill shall disclose the fact to the House of which he is a member, and shall not vote thereon.[58]

b. The Legislative Process[59]

The process through which a bill passes to its final enactment into law is outlined briefly as follows:

(1) Bill Drafting

Bill drafting is a technical legislative task, usually requiring the services of experienced persons if a bill, upon enactment into law, is to effectuate the purpose of the introducer, and yet hold up in a court of law and be subject to effective execution and enforcement by administrative officers. Few legislators are specially qualified to draft legislation. Accordingly, the Legislative Reference Bureau was established in 1909 as a bill drafting service for legislators, administrators, and sometimes private citizens. The work of the Legislative Reference Bureau is described in greater detail on page 6834.

(2) Introduction of Bills

When legislative bills are ready for introduction, they are signed by the introducer. In the Senate, the practice is to have the Senator rise in his place and offer the bill, which is then sent to the desk, numbered, and referred to an appropriate committee by the presiding officer. In the House of Representatives, because of the number of members, bills are merely transmitted to the desk and numbered.

(3) Committee Action

The Speaker of the House and the President of the Senate, at the following sessions of their respective Houses, then refer all bills to appropriate committees for consideration.

Committees in considering bills usually refer them to a sub-committee of three or four members, who report back to the whole committee whether or not a bill is meritorious. If the main committee agrees to advance a bill, it is handed to some member to report to the House, so that it may be placed on the calendar for consideration. Before a bill is reported, it may be amended by the Committee, in which case it is reported as amended. If it is not amended it is reported as committed. Committee reports are made from the floor of the House. If the committee does not favor reporting a bill, it dies, unless some member of the House in which the bill originated moves from the floor of the House to discharge the committee from further consideration of the bill. It takes a majority vote to discharge a committee and bring a bill on the floor for consideration. This motion is rarely successful. A bill may also be reported with a negative recommendation. In such cases the bill does not go on the calendar,

and can be placed there only by a majority of the House.

When a bill is reported from committee, it is reprinted, filed on the desks of the members, and placed on the calendar as a first reading bill.

(4) Readings

The Constitution requires that all bills be read at length on three separate days in each House, and be considered and agreed to before being passed finally. The time required to read bills makes such a procedure impossible. Just a few words are read to show some semblance of compliance with the constitutional provision. There is, of course, no longer any necessity actually to read a bill from the desk since the bill is printed and is on each member's desk.

After a bill has been read the first time it is placed on the second reading calendar. On second reading, correctional and other amendments are offered from the floor of the House, and if agreed to, are inserted in the bill. The bill is then reprinted, and again filed on the members' desks, and placed on the third reading calendar. When a bill is on third reading calendar it is ready for final passage. This is the stage at which the merits of a bill are debated on the floor of the House. Many bills of minor importance are never debated, while on others the debates are quite lengthy. In the case of very important bills a special time is fixed for their final consideration; this is usually referred to as a bill on special order. It is possible to amend a bill on third reading, but only by unanimous consent of the House, unless the House goes into a committee of the whole. Any amendments which are agreed to necessitate a reprint of the bill and a delay of one day in the procedure because the bill cannot be considered until it is on the members' desks and is on the calendar.

(5) Reconsideration by Committee

When a bill is on the calendar, it may, when it comes up for consideration, on motion, agreed to by a majority of the House, be re-referred to a committee for amendment or for further study. This procedure frequently takes place and is sometimes used to kill a bill in the committee to which it is re-referred.

There are, of course, other moves which take place on the floor, such, for instance, as placing a bill on the postponed calendar. Frequently when a bill comes up for final consideration opposition develops and the sponsor, fearing the result of a vote, moves to postpone action on the bill. Such a move enables the sponsor to measure the extent of any opposition and plan his arguments to combat it. When a bill is on the postponed calendar it does not come up automatically for consideration, but must be called up by the sponsor. This is also true of bills on second reading; they must be called up for consideration.

When a bill has been passed finally by one House, it is sent to the other House, where it is again referred to committee and follows the same course as in the original House.

If a bill is amended in the second House, it must, if passed in amended form, be returned to the House of origin so that agreement to the amendments may be secured. If this agreement is not secured, the bill is returned with the request that the second House recede from its amendments and restore the bill to the same form as it was when originally transmitted.

(6) Conference Committee

If the second House refuses to do this, and insists on its amendments, the bill is sent to a conference committee of three members from each House. The conference committee reports the bill to the House of origin in the form in which it thinks the measure should be adopted. The bill is reprinted in the form recommended by the conference committee and in most cases these conference reports are adopted by both Houses without debate.

(7) Signing

When a bill has been finally passed by both Houses and signed by the presiding officers, it is forwarded to the Governor for his consideration and action. The Governor has power to approve a bill or to veto it. Bills which are transmitted to the Governor during the session must be acted upon within ten days, and if the Governor fails to act within that time, a bill becomes a law without his signature. On bills transmitted within the last ten days of the final adjournment of the Legislature, the Governor has 30 days in which to act. In acting on bills carrying appropriations of State moneys, the Governor has power to reduce the amount or veto in its entirety the item of appropriation.

(8) Recall

Bills which have been passed finally and sent to the Governor are frequently recalled before he acts on them. This recall is accomplished by a resolution passed by both Houses and signed by the Governor. Most of these recalls are at the request of the Governor, and are occasioned because he desires some amendment to the bill or wishes to avoid a veto.

All bills and resolutions acted upon by the Legislature go to the Governor for his approval or disapproval, except those proposing amendments to the Constitution and those which simply express a policy or matter of sentiment but are not legislative in character. These are merely transmitted to the Secretary of the Commonwealth for record.

(9) Veto

Where a bill is vetoed by the Governor, the Legislature has power to repass a bill over his veto if a vote of two-thirds of the members of each House is secured. This has happened but once in the last 23 years, and then with the consent of the Governor, who admitted that the veto was an error.

(10) Approval

After a bill has been approved by the Governor, it is a law but it may not be effective immediately. All laws, except those carrying appropriation items, become effective on the first day of September of the year in which they are adopted. Appropriation laws or laws having appropriation items, become effective on the first day of June, which is the beginning of the fiscal year of the State. These effective dates may be avoided by inserting into the law a clause providing a different effective date.

(11) Enrollment

After laws have been approved, they are enrolled in the office of the Secretary of the Commonwealth who proceeds to punctuate, edit, and index them for publication in book form. All bills are passed without punctuation and that inserted by the Secretary of the Commonwealth is not binding on the courts.

4. Legislative Printing

a. The Journals

The Constitution provides that each House shall keep a Journal of its proceedings and from time to time publish the same, except such parts as require secrecy.[60] The General Assembly maintains three Journals for recording its proceedings: the House Journal, the Senate Journal, and the Legislative Journal. The House Journal and Senate Journal contain all proceedings except debates. These are kept daily but are not printed until the Legislature adjourns, when they are published at the expense of their respective Houses. The Legislative Journal is a daily stenographic report of all proceedings of both the Senate and the House, including debates, and is published jointly by the Senate and House and the cost of printing is pro-rated between them.

b. Other Printing

Besides the Journals, several other printing items exist. There are advance acts and pamphlet laws, calendars, bills, and the History of House Bills and Resolutions and Senate History of Bills. In addition, there are reports of special committees or commissions to be printed.

Total legislative printing costs for the regular session of 1939 were $296,197.99, as shown by Table II-A.

D. PERSONNEL

Section 10 of Article III of the Pennsylvania Constitution provides that the General Assembly shall prescribe by law the number, duties, and compensation of the officers and employes of each House, and no payment shall be made from the State Treasury, or be in any way authorized, to any person except to an acting officer or employe elected or appointed in pursuance of law.

TABLE II-A

GENERAL ASSEMBLY

LEGISLATIVE PRINTING COSTS

1939

Purpose	Cost
Pink Bills	$ 57,895.65
White Bills	71,017,87
Calendars	10,838.66
Resolutions	877.09
Journals	109,241.46*
Histories	46,327.26
Total	$296,197.99

* Estimated

The number and compensation of officers, members, and employes of the Senate and House of Representatives were first set forth in legislation enacted in 1919.[61]

All officers and employes of the General Assembly are elected or appointed in the odd-numbered years, at the opening of each regular biennial session, and serve until 10 days after the opening of the next General Assembly or until their successors are selected and have qualified, unless sooner removed by the appointing authority during any session of the Legislature.[62] In 1939, the number of employes of the Senate and House of Representatives was, respectively, 103 and 138, including those officers elected by each body. Most of them are elected by their respective Houses; however, some are appointed by certain Legislative officers.

1. Senate employes and Compensation

The titles and salaries of the officers and employes of the Senate as of the 1939 session are given in Table II-B.

TABLE II-B

GENERAL ASSEMBLY

Senate Officers, Employes, and Compensation 1939 Session

Position	Number	Compensation
Secretary	1	$7,500.00 per annum
Chief Clerk	1	6,000.00 per annum
Librarian	1	4,500.00 per annum
Assistant Clerk	1	2,000.00 for session
		175.00 per month, ad interim
Journal Clerk	1	2,000.00 for session
Assistant Journal Clerk	1	1,800.00 for session
Executive Clerk	1	1,800.00 for session
Message Clerk	1	8.00 per diem during session
Transcribing Clerk	5	7.00 per diem during session
Sergeant-at-Arms	1	8.00 per diem during session
Chief Asst. Sergt.-at-Arms	1	7.00 per diem during session
Assistant Sergt.-at-Arms	8	7.00 per diem during session
Postmaster	1	7.00 per diem during session
Assistant Postmaster	1	6.00 per diem during session
Messenger	1	6.00 per diem during session
Assistant Messenger	1	6.00 per diem during session
Superintendent Folding Room	1	7.00 per diem during session
Pasters and Folders	4	6.00 per diem during session
Chaplain	1	
Watchman (Day)	1	150.00 per month
Watchman (Night)	1	150.00 per month
Clerks to Committees	12	7.00 per diem during session
Custodian, Senate Chamber	1	150.00 per month
Custodians, Com. Rooms	2	6.00 per diem during session
Custodian, Washroom	1	150.00 per month
Custodian, Basement	1	150.00 per month
Chief Page	1	3.00 per diem during session
Pages	14	2.00 per diem during session
APPOINTMENTS BY CHIEF CLERK		
LEGISLATIVE JOURNAL		
Filing Clerks	2	7.00 per diem during session
Compiling Clerks	2	9.00 per diem during session
Chief Official Reporter	1	18.00 per diem during session
Official Reporters	2	15.00 per diem during session
Expert Typists	4	7.00 per diem during session
Copyholders	3	7.00 per diem during session
Proof Readers	3	$7.00 per diem during session
APPOINTMENT BY THE LIEUTENANT-GOVERNOR		
Page to President	1	$3.00 per diem during session
APPOINTMENTS BY THE PRESIDENT PRO TEMPORE		
Clerk to President Pro Tempore	1	$2.400.00 per annum
Stenographer to President Pro Tempore	1	7.00 per diem during session
Page to President Pro Tempore	1	3.00 per diem during session
APPOINTMENTS BY THE SECRETARY		
Assistant to Secretary	1	$10.00 per diem during session
		200.00 per month, ad interim
Clerk, History Legislation	1	8.00 per diem during session
APPOINTMENTS BY THE CHIEF CLERK		
Stenographer	1	$7.00 per diem during session
Assistant Custodians, Senate Chamber	3	3.00 per diem during session
		85.00 per month, ad interim
Superintendent Storerooms	1	3.000.00 per annum
Stenographers	4	5.00 per diem during session
APPOINTMENTS BY THE SENATE LIBRARIAN		
Assistant Librarian	1	$3,600.00 per annum
Stenographers	2	8.00 per diem during session
		150.00 per month, ad interim
Messenger	1	1,200.00 per annum
Grand Total Employes	103	

2. House Employes and Compensation

The titles and salaries of House officers and employes as of the 1939 session are shown in Table II-C.

TABLE II-C

GENERAL ASSEMBLY

House Officers, Employes and Compensation 1939 Session

Position	Number	Compensation
Chief Clerk	1	$6,000.00 per annum
Secretary of House	1	5,000.00 per annum
Assistant to Chief Clerk	1	3,600.00 per annum
Parliamentarian	1	3,600.00 per annum
Custodian, Basement	1	1,800.00 per annum
Custodian, Com. Room	2	6.00 per diem during session
House Stenographers	6	5.00 per diem during session
Chief Official Reporter	1	18.00 per diem during session
Official Reporters	4	15.00 per diem during session
Expert Typists	6	7.00 per diem during session
Copyholders	3	7.00 per diem during session
Proof Readers	3	7.00 per diem during session
Compiling Clerks	2	9.00 per diem during session
Filing Clerks	2	7.00 per diem during session
Speaker's Secretary	1	2,400.00 per annum
Assistant Clerk	1	2,000.00 regular session 10.00 per diem special session 175.00 per month, ad interim
Journal Clerk	1	2,000.00 regular session 10.00 per diem special session
Assistant Journal Clerk	1	1,800.00 regular session 10.00 per diem special session
Reading Clerk	1	1,800.00 regular session 10.00 per diem special session
Assistant Reading Clerk	1	1,800.00 regular session 10.00 per diem special session
Desk Clerks	2	1,800.00 regular session 10.00 per diem special session
Message Clerk	1	8.00 per diem during session
Transcribing Clerks	9	7.00 per diem during session
Clerks to Committee	15	7.00 per diem during session
Chaplain	1	7.00 per diem during session
Postmaster	1	7.00 per diem during session
Sergeant-at-Arms	1	8.00 per diem during session
Chief Asst. Sgt.-at-Arms	1	7.00 per diem during session
Assistant Sgt.-at-Arms	16	7.00 per diem during session
Assistant Postmaster	1	6.00 per diem during session
Messenger Post Office	1	6.00 per diem during session
Asst. Messenger Post Office	3	6.00 per diem during session
Pasters and Folders	8	6.00 per diem during session
Custodian, Hall of House	1	1,800.00 per annum
Supt. Folding Room	1	7.00 per diem during session
Watchman (Day)	1	1,800.00 per annum
Watchman (Night)	1	1,800.00 per annum
Pages	20	2.00 per diem during session
Chief Page	1	3.00 per diem during session
Custodian, Washroom	1	6.00 per diem during session
APPOINTMENTS BY SPEAKER		
Speaker's Clerk	1	$7.00 per diem during session
Speaker's Stenographer	1	1,800.00 per annum
Speaker's Page	1	3.00 per diem during session
APPOINTMENTS BY CHIEF CLERK		
Stenographer to Chief Clerk	1	$7.00 per diem during session
Chief Stenographer to Chief Clerk	1	8.00 per diem during session 150.00 per month, ad interim
Supt. of Storerooms	1	3,000.00 per annum
History Clerk	1	8.00 per diem during session
Messenger, Library	1	1,200.00 per annum
Assistant Custodians	4	3.00 per diem during session 85.00 per month, ad interim
Grand Total Employes	138	

E. FINANCES

Legislative expenditures, actual, totaled $1,988.013 for the 1935-37 biennium, including Property and Supplies expenditures for legislative printing and insurance. Estimated expenditures for 1937-39 amounted to $2,133,124. including Property and Supplies expenditures of $526.00 for insurance. Of this amount, $1,299,402 was expended for the regular and special sessions of the House of Representatives and $563,136 for the regular and special sessions of the Senate. The cost of the Legislative Journal was $10,000 for the regular and special sessions, and $166,069 was spent for Miscellaneous Legislative and Commissions.

Table II-D, page 230, contains more detailed information on legislative expenditures from 1933-35 to 1937-39.

F. AFFILIATED ORGANIZATIONS

1. Legislative Reference Bureau

a. Establishment

The Legislative Reference Bureau was created in 1909 as part of the State Library.[63] In 1923, it was reconstituted as an agency of the legislative branch and the power of appointment of the Director was invested in the General Assembly instead of in the Governor.[64] Subsequent amendments in 1927, 1929 and 1931 have lent greater efficiency to the work of the Bureau.

b. Function

The Bureau exists as an impartial agency which performs the technical service of drafting bills for legislators, the Governor, and administrative officials. Its services are also extended to private citizens, although such is not required. Its functions include giving counsel to members and committees of the Legislature on technical questions regarding bills, preparing codes by topics, compiling a history of legislation, and collecting and filing pertinent legislative materials.

c. Director

The Bureau is under the supervision of a full-time Director who is elected biennially before the first day of February in odd-numbered years, by the Senate and House of Representatives in joint session. The Act of 1923 requires that he be well versed in legislative procedure and parliamentary practice, and, when called upon, be ex-officio adviser in such matters to the General Assembly.

d. Personnel

There are, in addition to the Director, ten permanent positions in the Bureau, incumbents of which are appointed by the Director, who also fixes their compensation within the biennial appropriations.[65] These are:

Chief Compiler
Compiler and Bill Drafter
Compiler and Bill Reading Clerk
Search Clerk
Messenger and File Clerk
Chief Clerk
Reference Librarian
Secretary
Stenographers (2)

During legislative sessions the permanent staff is supplemented by a temporary force of reporters, stenographers, clerks and proof readers. The appropriations for salaries and wages for 1937-39 amounted to $90,357.

e. Finances

Expenditures of the Bureau for the 1937-39 biennium were $89,738; the appropriation for 1939-41 was $94,000, with an additional $1,000 allowed for the compilation of the existing veterans laws.

2. Joint State Government Commission

a. Establishment

The Joint State Government Commission was created by act of General Assembly in 1937[66] and reconstituted in 1939.[67]

b. Members

As presently constituted, the Commission consists of

19 members, including the Speaker of the House and the President Pro Tempore of the Senate. The Speaker is directed to appoint ten members of the House and the President Pro Tempore seven members of the Senate in each odd-numbered year. Members hold office until February 1st of the next odd-numbered year.

c. Powers and Duties

This Commission is a continuing legislative research and planning agency similar in pattern to the legislative councils which have been developed in Connecticut, Illinois, Kansas, Maryland, Virginia, and other states.

Its duties and functions in no way overlap or duplicate those of the Legislative Reference Bureau, whose primary function is that of providing a technical bill-drafting service.

The Joint State Government Commission has been directed by the General Assembly to:

(1) Investigate departments, boards, commissions and officers of the State and local governments, and to study their legislative, financial and other problems;
(2) Make studies for the use of the legislative branch of the government, seeking to improve the administrative organization of the State and local government, to eliminate waste and overlapping functions, and to institute economies;
(3) Suggest ways and means of financing the Commonwealth upon a more scientific and equitable basis;
(4) Gather budget information for the use of the General Assembly;
(5) Make such other investigations and studies and to gather such other information as may be deemed useful to the General Assembly;
(6) Sit during the interim between legislative sessions;
(7) From time to time, report to the General Assembly such findings and recommendations accompanied with such drafts of legislation as it deems necessary for the information of and consideration by the General Assembly.

3. Pennsylvania Commission on Interstate Cooperation

a. Creation and Function

In 1937,[68] the General Assembly created the Commission on Interstate Cooperation to encourage and arrange conferences with officials of other states and of other units of government, to carry forward the participation of Pennsylvania as a member of the Council of State Governments, and to formulate proposals for cooperation between this State and other states.

b. Composition

At the same time, a Committee on Interstate Cooperation was established in each of the two Houses. Each consists of five members designated in the same manner as is customary in the case of standing committees. These members along with five officials of the State Government named by the Governor comprise the Commission on Interstate Cooperation. The Governor designates one of his appointees as chairman and is himself an honorary member of the Commission.

c. Method of Operation

The Commission establishes such committees as it deems advisable to conduct conferences and to formulate proposals concerning subjects of inter-governmental cooperation. The members of these committees are appointed by the Chairman of the Commission, subject to the approval of the Commission. State officials who are not members of the Commission may be appointed as members of any committee, but at least one member of the Commission must be a member of any such committee.

The Commission reports on its activities to the Governor and to the Legislature within 15 days after the convening of each session and at such other times as it deems appropriate.

Its members and the members of all committees serve without compensation but are paid necessary expenses.

The two committees on Interstate Cooperation function during the regular sessions of the Legislature and also during the interim periods between sessions. Their members serve until successors are designated, and they respectively constitute the Senate and House Executive Committees of the American Legislators' Association for Pennsylvania. The terms of the administrative members of the Commission extend until the next gubernatorial inauguration and thereafter until successors are appointed.

d. Finances

The Commission contributes to the Council of State Governments and participates with other states in maintaining the Council's regional and central secretaries and other governmental services.

The General Assembly provided the sums of $7,500 in 1937 and $5,000 in 1939 to defray the expenses of the Commission.

TABLE II-D

GENERAL ASSEMBLY

EXPENDITURES OF GENERAL ASSEMBLY

1933-35 TO 1937-39

Purpose	Biennium 1933-35	Biennium 1935-37	Biennium 1937-39*
Senate (Regular)	$ 396,862	$ 389,364	$ 430,570
Senate((Special)	151,222	141,140	132,566
House (Regular)	853,409	864,251	1,041,533
House (Special)	296,997	364,075	257,869
Legislative Journal (Regular)	3,000	3,000	7,500
Legislative Journal (Special)	1,500	1,200	2,500
Legislative Reference Bureau	74,704	82,597	94,000
Miscellaneous and Commissions	1,048	132,495	166,060
Sub-total	$1,778,742	$1,978,122	$2,132,598
Property & Supplies Expenditures:			
Legislative Printing:			
Special Session, 1933	34,907	.....	.....
Special Session, 1936	.....	8,374	.....
Insurance:			
Legislative	1,131	1,304	456
Legislative Reference Bureau	145	213	70
Grand Total	$1,814,925	$1,988,013	$2,133,124

*Estimated.

TABLE II-E

GENERAL ASSEMBLY

STATISTICS ON THE NUMBER OF BILLS INTRODUCED, THE NUMBER OF BILLS PASSED, LAWS ENACTED, AND BILLS VETOED
1933-1940

Year	Bills Introduced			Total Bills Passed	Number of Joint Resolutions Passed	General Laws Signed	Appropriation Acts Signed	Bills Vetoed	Date of Adjournment
	Senate	House	Total						
1933*	109	214	323	85	..	67	..	18	12-12-33
1934*	2	9	11	9	..	9	..	..	9-20-34
1935	950	2563	3513	587	4	433	77	73	6-21-35
1936*	45	163	208	62	5	54	..	3	8- 6-36
1937	911	2088	2999	746	13	602	105	26	6- 5-37
1938*	46	71	117	48	..	48	..	..	11-30-38
1939	670	1403	2073	549	4	405	69	71	5-29-39
1940*	7	29	36	17	..	11	6	..	5-16-40

*Special Session.

FOOTNOTES

[1] Constitution, Article II, Section 1.
[2] Ibid., Article III, Section 7.
[3] Pennsylvania Company for Insurance on Lives & Granting Annuities v. Scott, 198-A. 115, 329 Penna. 534, 1938.
[4] Ibid.
[5] Constitution, Article III, Section 11.
[6] Ibid., Article III, Section 13.
[7] Ibid., Article III, Section 17.
[8] Ibid., Article III, Section 18.
[9] Ibid., Article III, Section 20.
[10] Ibid., Article III, Section 22.
[11] Ibid., Article III, Section 28.
[12] Ibid., Article IV, Section 15.
[13] Ibid., Article II, Section 11.
[14] Ibid., Article III, Section 19.
[15] Ibid., Article III, Section 21.
[16] Ibid., Article IV, Section 8.
[17] Ibid., Article II, Section 3.
[18] Ibid., Article II, Section 2.
[19] Ibid., Article II, Section 16
[20] Ibid., Article II, Section 17.
[21] Ibid., Article II, Section 2.
[22] Ibid., Article II, Section 9.
[23] Ibid., Article II, Section 5.
[24] Ibid., Article II, Section 6.
[25] Ibid., Article II, Section 7.
[26] Ibid., Article III, Section 29
[27] Ibid., Article II, Section 7.
[28] Ibid., Article II, Section 11.
[29] Ibid., Article III, Sections 30-32.
[30] Ibid., Article II, Section 15.
[31] Ibid., Article II, Section 8
[32] 1919, P. L. 579.
[33] The Pennsylvania Manual, 1939, page 857.
[34] Constitution, Article II, Section 8.
[35] Ibid., Article II, Section 4.
[36] Ibid., Article II, Section 13.
[37] Ibid., Article III, Section 25.
[38] Commonwealth v. Liveright, 161 A. 697, 308 Pa. 35, 1932.
[39] Constitution, Article IV, Section 12.
[40] Ibid., Article II, Section 14.
[41] Ibid., Article IV, Section 12.
[42] Ibid., Article III, Section 10.
[43] Ibid., Article IV, Section 4.
[44] Ibid., Article II, Section 9.
[45] Ibid., Article IV, Section 14.
[46] Ibid., Article II, Section 9.
[47] Ibid., Article III, Section 2.
[48] Rule 23, Senate Rules.
[49] Constitution, Article II, Section 1.
[50] Ibid., Article III, Section 2.
[51] Ibid,, Article III, Section 3.
[52] Ibid., Article III, Section 9.
[53] Ibid., Article III, Section 4.
[54] Ibid., Article III, Section 6.
[55] Ibid., Article II, Section 10.
[56] Ibid., Article III, Section 14.
[57] Ibid., Article III, Section 15
[58] Ibid., Article III, Section 33.
[59] Drawn from a Memorandum by John Fertig entitled "Legislative Procedure and Bill Drafting", 1940.
[60] Constitution, Article II, Section 12.
[61] 1919 P. L. 717, Amended by 1929 P. L. 1538, 1939 P. L. 664.
[62] 1919 P. L. 717, Amended 1939 P. L. 664 (Section 2).
[63] 1909 P. L. 208.
[64] 1923 P. L. 158.
[65] 1931 P. L. 95.
[66] 1937 P. L. 2460.
[67] 1939 P. L. 1084.
[68] 1937 P. L. 109

CHAPTER III
THE JUDICIARY

The Constitution provides[1] that "the judicial power of this Commonwealth shall be vested in a Supreme Court, in Courts of Common Pleas, Courts of Oyer and Terminer and General Jail Delivery, Courts of Quarter Sessions of the Peace, Orphans' Courts, Magistrate's Courts and in such other courts as the General Assembly may from time to time establish." The General Assembly, by statute has created the Superior Court, Municipal Court of Philadelphia County, the Allegheny County Court, and the Juvenile Court of Allegheny County.

A. PENNSYLVANIA'S COURTS

1. The Supreme Court

The Supreme Court as presently constituted, dates from 1834. There are, today, seven Justices including a Chief Justice, elected by the duly qualified electors of the State at large for a term of twenty-one years during good behavior, but they are not eligible for re-election.

Since 1929, this Court has been sitting in Philadelphia, Harrisburg, and Pittsburgh, the three districts designated for the administration of its business. Of these, the middle or Harrisburg district is comprised of three counties. Eighteen counties comprise the Pittsburgh or western district and forty-six counties make up the eastern or Philadelphia district. The annual salary of the Chief Justice is $20,000, while each of the Associate Justices receive $19,500.

The Jurisdiction of the Supreme Court[2] extends over the entire State. The Court has original jurisdiction in cases of (1) injunction where a corporation is party defendant, (2) habeas corpus, (3) mandamus to courts of inferior jurisdiction, and (4) quo warranto as to all officers of the Commonwealth whose jurisdiction is Statewide. It has appellate jurisdiction by appeal certiorari, or writ of error as provided by law.[3] The legislature has restricted direct appeal to the Supreme Court in civil actions to cases involving sums of over $2,500 in criminal cases to felonious homicide. Cases involving the right to public office are also appealed directly to the Supreme Court.

[1] Footnotes on page 6841.

The Supreme Court usually allows an appeal to it directly from a lower court where the constitutionality of a law is involved.

The Supreme Court has jurisdiction by appeal from the Superior Court. In practice, however, such appeals are allowed only in special cases.

The Supreme Court also has jurisdiction to remove the record and proceedings of a case already under indictment in the Quarter Sessions or Oyer and Terminer Courts in the various counties, and the judges of the Supreme Court are also, by virtue of their office, justices of the Court of Oyer and Terminer and General Jail Delivery. It is also within the jurisdiction of the court to designate and assign judges of the District Courts (Common Pleas) to other districts where the pressure of business, vacancies or other circumstances, require it.

Finally, the Supreme Court may establish rules of practice and procedure to govern the business of the courts. In 1937[4] the legislature authorized the Supreme Court to prescribe, by general rules, the forms of action, process, writs, pleadings, motions, and practice and procedure in civil actions, at law and in equity for the Courts of Common Pleas, the Connty Court of Allegheny County and the Municipal Court of Philadelphia, with the provision that these courts may adopt additional local rules not in conflict with the general rules prescribed by the Supreme Court. The Supreme Court was also authorized to prescribe additional general rules for expediting the business of any of the courts of record of the Commonwealth whether civil or criminal. These rules to supersede all present rules of court inconsistent therewith, but, to meet local needs, the various courts may likewise add to them as long as such additions are not inconsistent therewith.

In keeping with the provisions of the 1937 Act, and to carry them into effect, the Supreme Court selected a Procedural Rules Committee consisting of fourteen distinguished members of the bar representing different sections and localities throughout the Commonwealth. The late Chief Justice Robert Von Moschzisher was appointed chairman and since his death the former Chief Justice John W. Kephart has been the chairman. It is the Committee's duty to study and analyze existing rules of court and then to advise and recommend new rules of procedure and new rules of court with the ultimate purpose of achieving uniform practice and procedure. Upon this Committee's recommendations the Supreme Court has adopted and promulgated, to date, the following: (1) twenty-eight rules of court governing the business of courts applicable on the civil side; (2) rules of construction; (3) rules of civil procedure relating to the following subjects:

a. Actions by Real Parties in Interest
b. Minors as Parties
c. Partnerships as Parties
d. Unincorporated Associations as Parties
e. Actions for Wrongful Death
f. Joinder of Additional Parties
g. Interpleader by Defendants

The work is still continuing and eventually there will be a complete set of uniform rules of practice and procedure governing all the civil courts of Pennsylvania whether in law or in equity. Although repetitive, it is to be noted that the Committee on Administrative Law of the Joint State Government Commission has, for some time, been engaged in a study of the practice and procedure before the administrative agencies and tribunals with a view towards drafting uniform codes of practice and procedure before these bodies. A survey of the present procedure on appeals from orders of administrative tribunals with State-wide jurisdiction has recently been completed. The fruit of this study will be the adoption of uniform rules on the new and extremely important field of legal practice. The general rules adopted by the court supersede all the previous rules of court, and laws of pleading and procedure, which may be inconsistent therewith, whether legislative or judicial.

2. The Superior Court

Because of the tremendous pressure of business thrown upon the Supreme Court, the General Assembly by the Act of 1895[5] created the Superior Court, which is composed of seven judges, elected by the voters of the State at large for terms of ten years. Members are eligible for reelection. The Court meets at regular terms in Philadelphia, Harrisburg and Pittsburgh. The salary of the President Judge is $18,500 a year; the Associate Judges receive $18,000.

The Superior Court has no original jurisdiction except its inherent power to issue writs of habeas corpus. It has final appellate jurisdiction in the following cases: (1) appeals from the Courts of Quarter Sessions and the Courts of Oyer and Terminer in the various counties, except in cases of felonious homicide and those involving the right to a public office; (2) all appeals in civil cases, including proceedings in the Common Pleas Courts, Orphans' Courts, County Court of Allegheny and Municipal Court of Philadelphia, where the amount in controversy does not exceed $2,500 and the case appealed does not involve any right to a public office and is not brought, authorized or defended by the Attorney-General in his official capacity; (3) appeals in divorce cases; (4) joint appeals by labor claimants; (5) all appeals from the Public Service Commission; (6) all appeals in Workmen's Compensation cases; (7) appeals in proceedings brought in the lower courts to obtain support or the custody of children.

In addition, the Superior Court may pass on any case appealed to it if no question of its jurisdiction is raised by the appellee or if the parties to the action agree to the jurisdiction of the Superior Court. However, while in most cases the decision of the Superior Court is deemed final, there is a right of appeal to the Supreme Court from any of the holdings of the Superior Court in the above-listed cases where the question of jurisdiction is at issue, where the case involves the construction of the Constitution of the United States or Pennsylvania or of a statute of either, or where the appeal is allowed by the Superior Court or the Supreme Court.

3. District Courts (Common Pleas Courts)

The Constitution, in Article V, Section 5, provides that all counties containing a population of 40,000 persons shall constitute a separate judicial district and elect one judge learned in the law, with the General Assembly

authorized to provide for additional judges as required. Counties with less than 40,000 inhabitants may be formed into separate districts or attached to contiguous districts as the General Assembly may provide. However, no more than four counties may be included in one judicial district. The Constitution,[6] provides that the General Assembly, at the next succeeding session after each decennial census shall designate the several judicial districts as required by the Constitution. This has been done from time to time and at present there are fifty-eight districts in the sixty-seven counties.

By special provision in the Constitution, it was provided that Philadelphia County should have five distinct and separate Courts of Common Pleas of equal jurisdiction, composed of three judges in each.[7] The number of Courts may be increased from time to time by the General Assembly. There are now seven such Courts, the last one having been created in 1937.[8]

The above constitutional provision also allows for one Court of Common Pleas for Allegheny County, with as many judges as required or provided by law from time to time. At present there are fourteen judges in the Allegheny Court of Common Pleas.

In 1937, 34 districts in the State had one judge, 10 districts had two judges, 11 districts had three judges, 1 district (Schuylkill County) had four judges, and 1 district (Luzerne County) had five judges. The judges of these various districts are elected at a municipal election by the voters of their respective districts for a term of ten years subject to be removed. The salaries of the regular law judges range from $9,000 per year to $14,000 per year, depending on the size and population of the particular district.

In counties not constituting separate judicial districts, and where the same judge serves two or more counties, there exists the office of the associate judge, he being one not learned in the law. The office of the associate judge was created by the Act of 1834, which provided that the Courts of Common Pleas were to consist of a president judge and two associate judges. The present Constitution abolished the office in counties which formed separate judicial districts, so that the office, although restricted, still remains in the smaller counties.

The salary of associate judges is $5.00 a day with a minimum of $600 per year. The average actual expenditure for the salaries and traveling expenses of these judges for the last four bienniums have totalled about $45,000, and the appropriation approved for the 1939-41 biennium was $57,000. In districts comprising more than one county, the judges are provided with their cost of travel between county seats in the performance of their duties.

The judges of the Common Pleas Courts are also allowed to certify to the Prothonotary of the Supreme Court their desire to sit in courts of another judicial district where they may be required because of the pressure of business. The salaries of judges so assigned are fixed at $20 a day with mileage at ten cents a mile. The judges of the District or Common Pleas Courts, by constitutional provision[9] are also judges of the Courts of Oyer and Terminer and General Jail Delivery, the Quarter Sessions of the Peace and of the Orphans' Courts (except in counties where special Orphans' Courts exist). In their districts they are Justices of the Peace as to criminal matters. Generally, the Common Pleas divisions of these district courts have wide original jurisdiction both at law and at equity to hear all sorts of proceedings and disputes brought before them. There are no limitations to their jurisdiction by the amounts in controversy. They have concurrent jurisdiction with the Courts of Justices of the Peace, Aldermen and Magistrates, and have appellate jurisdiction in civil cases from these courts not of record. They also have appellate jurisdiction from final orders of local taxing bodies and some administrative departments of the Government. Their jurisdiction extends only within their respective districts.

The Dauphin County Court of Common Pleas, because of the fact that the State Capitol is situated in the county, has general jurisdiction to hear cases where the Commonwealth is plaintiff, and original jurisdiction in all actions to compel State officers to perform their official duty or to restrain them from a violation thereof.

The Courts of Common Pleas not only sit to hear cases at law but also in equity, and when sitting as such do so as a Court of Chancery.[10] The Courts have only such equity jurisdiction and power, however, as is conferred upon them from time to time by statute.

As a Court of Quarter Sessions of the Peace, the district courts have jurisdiction to hear and determine all crimes and offenses not exclusively given to the Court of Oyer and Terminer. In these counties where there is no separate Juvenile Court, the Court of Quarter Sessions sits as a Juvenile Court to hear cases concerning dependent, neglected, delinquent and incorrigible children under the age of sixteen years.

4. Orphans' Court

In counties where the population is above 150,000 inhabitants, a separate Orphans' Court is required to be established by the General Assembly and the jurisdiction of the judges of the Court of Common Pleas in Orphans' Court proceedings in these counties shall cease. However, the General Assembly may establish a separate Orphans' Court as it sees fit, in any of the other counties.[11]

At present there are seventeen separate Orphans' Courts consisting of judges elected by the voters of their respective districts as Judges of the Orphans' Court. In the other counties, the Common Pleas Judges sit as Judges of the Orphans' Court. In Philadelphia County there are six Judges of the Orphans' Court.

The Orphans' Court has jurisdiction over cases involving the probation of wills, estates of decedents, estates of minors, certain trust estates and adoption proceedings.

5. County Court of Allegheny County

The County Court of Allegheny County was established by statute in 1911. In 1937, it consisted of six judges elected by the voters of Allegheny County for ten year terms. The President Judge receives an annual salary of $10,500, and the associate judges $10,000 per annum, paid by the State. Vacancies are filled by the Governor until an election can be held. The Prothonotary of Allegheny County is clerk of this court, and all the officers and employes thereof are appointed by the majority vote of the judges of the said court. The Court

may, in its discretion, divide the County into districts for the holding of its terms at designated times.

The jurisdiction of this Court extends to all civil actions where the sum in controversy does not exceed $2,500. It has exclusive jurisdiction in: (1) domestic relations cases arising out of desertion and non-support; (2) appeals from Aldermen and Justices of the Peace Courts of the County and, especially, appeals from summary convictions and judgments in suits for felonies rendered by courts not of record.

6. Municipal Court of Philadelphia County

Comparable to the Allegheny County Court, but with jurisdiction of a more extensive nature, is the Municipal Court of Philadelphia, which was created by the General Assembly in 1913.[12]

The Court consists of a president judge and one associate judge for each 200,000 of population or fraction thereof over 100,000 in a county. In 1940, there were twelve judges elected by the voters of the county for terms of ten years. The president judge's salary is $10,500, and the associate judges receive $10,000 a year. These salaries are fixed by the legislature and are paid from the State Treasury.

The Municipal Court is not a city court and ordinances and laws applying to the City of Philadelphia do not pertain to it. The County Commissioners of Philadelphia, however, are bound by law to provide sufficient and suitable accommodations for the conduct of the court's proceedings, as well as office space and clerical facilities.

The judges by a majority vote appoint the various court officers, and attaches and employes necessary to the work of the court and may, in most cases, fix the amounts of their wages or salaries. There are between 500 and 600 employes in the Municipal Court, for which an appropriation of over $1,000,000 is required.

The judges elect one of their number to be the president judge with the power to direct the business of the Court. He assigns the various judges to the different duties to be performed by them. At least once each month a meeting of all the judges is held for the purpose of discussing their mutual problems and promoting the speedy administration of their business.

The Municipal Court, has subject to contrary statutory provisions, all the powers of a court of record possessed by the Common Pleas Courts, the Courts of Quarter Sessions and Oyer and Terminer of Philadelphia County.[13] More specifically, the Court is organized on a functional basis with five divisions, each dealing with the several kinds of cases within the court's jurisdiction that involves a different branch of the law.

First, there is the civil division of the Court. It has jurisdiction in all civil actions, on law or on equity, where the amount in controversy does not exceed $2,500. Appeals in ordinary civil proceedings from judgments of the magistrates' courts in Philadelphia go to the Municipal Court exclusively. Civil cases pending in the Common Pleas Courts in which less than $2,500 is involved may be transferred to the Municipal Court for trial by a majority of the judges of the Common Pleas Court.

The criminal jurisdiction of the court extends to all suits for penalties and criminal indictments except cases of arson, burglary, murder, voluntary manslaughter, treason, violation of the election or registration laws, embezzlement by a public officer or breach of duties by a public official. The exercise of this jurisdiction, however, is at the option of the District Attorney. It has exclusive jurisdiction in cases involving disorderly street walking, criminal proceedings for the desertion of wife and children, bastardy proceedings, et cetera. One of the departments within the court is the probation department, under whose supervision most of the convicts in Philadelphia are paroled.

The juvenile division of the Municipal Court has exclusive jurisdiction of all proceedings concerning dependent, delinquent, neglected or incorrigible children under the age of sixteen years. The court has jurisdiction in cases of support of children either by their parents or the county. Furthermore, it may hear adoption proceedings in which its jurisdiction is concurrent with the Orphans' Court.

One of the most important divisions is that of domestic relations, where it has exclusive jurisdiction in proceedings for support. In this division its civil and criminal powers very often dovetail. There is also the misdemeanants division of the Municipal Court which is concerned with cases of disorderly street walking, and actions against minors between the ages of sixteen and twenty-one years who are disorderly or in any other way incorrigible. Since the judges of the Municipal Court also have the powers of Justices of the Peace of Magistrates, they have the jurisdiction, also, to hear charges of drunkenness, vagrancy, disorderly conduct and other minor offenses ordinarily brought before the Magistrates.

An important adjunct of the Municipal Court is a division customarily known as the "Morals Court." This court has the power to preliminarily hear cases of persons accused of certain indictable sexual offenses. The proceedings here are of an informal nature and the judge may release the accused, place him or her on probation or hold for court or action by the Grand Jury. Emphasis is placed upon and consideration is given mostly to the public health and medical aspects of the case, especially the detection and treatment of venereal diseases.

Appeals from the judgments of the Municipal Court lie generally to the Supreme or Superior Court as the case may be.

7. Juvenile Court of Allegheny County

The Juvenile Court of Allegheny County was established by the General Assembly in 1933. It is a separate court for Allegheny County and consists of one judge learned in the law. Its jurisdiction extends to all proceedings affecting delinquent, neglected or dependent children; where an adult is charged with an offense against a child; the appointment of guardians; and proceedings for the support of wards of the court. Appeals from the Juvenile Court go to the Superior Court.

8. Justices of the Peace, Aldermen and Magistrates' Courts

The Justices of the Peace, Aldermen and Magistrates' Courts constitute the lowest division in the judicial structure of Pennsylvania. The Justices of the Peace preside in townships and boroughs, the Aldermen in wards of

cities other than the first class, and the Magistrates in Philadelphia. They are elected by the voters in each of their divisions at local elections and are commissioned by the Governor for a term of six years. No township, ward, district or borough may elect more than two Justices of the Peace or Aldermen without the consent of a majority of the qualified electors thereof. In cities of over 50,000 inhabitants, not more than one Alderman may be elected for each ward of his district. In Philadelphia, where the Magistrates' system exists, one Magistrate is elected for each 30,000 of population, on a general ticket at a city election by the voters-at-large. Vacancies are filled by the Governor until the next local election. Magistrate, Aldermen and Justices of the Peace are not required to be learned in the law.

In general, the jurisdiction of this lower judiciary extends in civil cases wherein the sum involved does not exceed $300, although Magistrates are limited by the Constitution to jurisdiction in cases involving not more than $100. They have no jurisdiction in proceedings pertaining to marriage, divorce or the titles to land.

The criminal jurisdiction of these courts extends over a great and varied list of offenses, most of which are a carry-over from our English ancestors. However, due to our expanding civilization and growth of cities and rural areas these courts have gradually been given jurisdiction over violations of most local ordinances. In fact, the major portion of the work of these courts now pertains to traffic violations, disturbances of the peace, violations of public health ordinances, vagrancy, and other such minor offenses. In this particular sphere of jurisdiction, these courts have summary powers to hear and dispose of the prosecutions.

Besides their summary jurisdiction in these particular criminal matters, the lower judiciary has vast powers in the great majority of criminal cases with authority to inquire into the nature and gravity of the offense, to require bail or commit when holding the accused for court, except in capital cases. Prosecution of almost all criminal offenses are first instituted before Magistrates, Aldermen or Justices of the Peace. In these localities where there are no coroners, Justices of the Peace may hold inquests.

The officers of these courts are generally compensated by fees fixed by the law. In civil cases, generally, one of the parties pays the costs, while in criminal cases, the accused if convicted is generally required to pay a fine which includes costs. In Philadelphia, however, the Magistrates receive fixed salaries of $5,000 per annum paid by the county.

Attached to these courts are constables who serve the various writs and processes required. They are compensated by fees and hold offices for terms of four years, being elected in the same manner as Justices of the Peace, Aldermen, and Magistrates.

In Philadelphia County, detailed records are required under the new Magistrates Act. In 1937, the Legislature[14] revised and amended the then existing Magistrates' Court Act and provided generally for a continuation of the already existing twenty-eight courts of police and civil causes in Philadelphia established under the 1927 Act.[15] In addition, it sets up a central police court and a number of divisional police courts and regulates the practice therein.

The central police court sits in City Hall, Philadelphia, on twenty-four hour duty. The divisional court sit in the various police stations throughout the city, the power being in the Chief Magistrate to make assignments of the different magistrates to these courts in rotation.

The new statute also sets up a civilian division for the trial of small claims, the cases to be tried before three magistrates sitting as one court en banc. However, in Rutenberg v. Philadelphia,[16] this provision was held unconstitutional as in violation of the Constitution,[17] which provides for one magistrate for every 30,000 persons. The Act also provides that the magistrates are to devote their full time to their office and prohibits their membership and active participation in the work of any political party. Provision is made for separate civil and criminal dockets and books of record, wherein all proceedings and official actions as well as all fees, costs, fines, et cetera, must be recorded with exactness. New provisions also exist for the setting of bail with the assistance of the City Comptroller's Office.

A Board of Magistrates is provided for, presided over by a Chief Magistrate, with the power of general supervision of the business of all the Magistrates' Courts, and the right to make interim orders while the board is not sitting. The board itself is to consider, supervise, and prescribe the various rules and regulations for the conduct of the divisional police courts and also to prescribe the practice and procedure for the administration of justice therein. The judges of the different Courts of Common Pleas of Philadelphia County are given the power to pass on and approve all the rules, practice, and procedure adopted by the board, and they have a general supervisory power over the administration and conduct of the business of the Magistrates' Courts.[18]

The duty is placed upon Philadelphia to supply courtroom accommodations and other facilities required to conduct business of these lower courts, and to pay all salaries, wages and expenses as provided by law. The Chief Magistrate has the power to appoint sufficient stenographers to be present in the various police courts for the purpose of making a full report of the proceedings in the said courts and for filing a transcript of the same where such is required by law. The clerks of these courts are also to file a monthly report of the criminal business conducted in and by these courts, and the Chief Magistrate is to file an annual report of the business of all the Magistrates' Courts in the conduct of their criminal cases.

B. OFFICERS AND EMPLOYES OF THE COURTS

The following officers, employes and agents connected or associated with the courts of this Commonwealth are generally elected by the voters of their respective districts: (1) the Prothonotary of the various courts, (2) the Clerk of the several courts, (3) the Register of Wills, (4) Sheriff, (5) Coroner, and (6) the various judges. All of these, except the judges, may appoint other deputies, clerks and stenographers necessary to the proper performance and conduct of their office. Generally, it is within the province of the judges to appoint the criers and

tipstaffs of their particular courts, and also the auditors, trustes, referees, and masters, where this is required by the circumstances of the particular case.

In addition to the above mentioned officers of the courts, the Justices of the Supreme Court of Pennsylvania may employ briefers, investigators, stenographers, clerks, law-clerks, and other necessary assistance. In addition to a Prothonotary for each of the three districts of the court, as well as a deputy, clerks, stenographers, criers, tipstaffs, et cetera, provisions have been made for the appointment of a court reporter to report the opinions and decisions handed down from time to time. He is appointed by the Governor with the advice and consent of the Senate. Similar officers, employes and agents are provided for the Superior Court.

The Courts of Common Pleas have a Prothonotary, deputies, clerks, and stenographers. There are separate clerks for the Court of Quarter Sessions and Oyer and Terminer, and for the Orphans' Court, with their respective deputies, clerks and stenographers. Attached to these courts, are official court stenographers appointed by the various judges for the purpose of taking down the proceedings and testimony during the trials. Likewise, there are interpreters appointed by the judges. The Allegheny County Court has a Prothonotary who is also the clerk of the court; he may appoint clerks to assist him with the consent of the majority of the judges of the court.

The Prothonotary of the Common Pleas Courts and the clerk of the Courts of Quarter Sessions and Oyer and Terminer act as the clerk of the Municipal Court of Philadelphia in the conduct of the varied duties of that court. There are also official stenographers for each of the judges of this Court who take down the proceedings and testimony at trials. The Board of Judges of the Municipal Court also has power to appoint the various employes necessary to help conduct the business of the different divisions of this court. Because of this court's jurisdiction over juveniles the houses of detention come within its province and the Board of Judges of the Court may appoint the boards of managers for these houses of detention. Similarily there is the power to appoint the probation officers for the proper performance of this function of the court.

Finally, while not technically a part of the judiciary proper, the following officers perform certain judicial acts and therefore might properly be labeled judicial officers:

(1) Register of Wills, in the sense that they grant or refuse letters testimentary or of administration;
(2) Burgesses, Mayors, or other Chief Executive Officers of administrative organizations who are, by virtue of their offices, Justices of the Peace, Aldermen and Magistrates, as the case may be;
(3) the Grand Jury
(4) the Coroner;
(5) innumerable public officers, commissions, and boards, who have semi- or quasi-judicial powers, with the right of appeal from their rulings to the various courts of record, to courts of first instance or to an appellate court as the case may be.

C. EXPENDITURE

The expenditures made by the State for the maintenance of the judicial branch of the government, including judges' salaries and all the services and facilities required by the judiciary, and applicable to the biennium 1935-37, and 1937-39, are shown in Table III-A, following:

TABLE III-A

THE JUDICIARY
STATE EXPENDITURES FOR JUDICIAL PURPOSES
BIENNIUMS 1935-37 AND 1937-39

Purpose	Biennium 1935-37	Biennium 1937-39
Supreme Court	$480,527.12	$508,352.50
Superior Court	364,005.02	360,945.52
Common Pleas Court	2,980,107.46	3,133,221.11
Orphans' Courts	560,917.28	618,288.42
Philadelphia:		
Municipal Court	211,790.90	9,209,10[c]
Family Court	.....	194,269.44
Allegheny County:		
County Court	121,000.00	121,000.00
Juvenile Court	20,000.00	20,000.00
Miscellaneous[a]	154,934.09	131,070.21
State Reporter	23,991.88	27,701.63
Total	$4,917,273.75	$5,124,057.93

Source: Biennial reports of the Auditor General.

[a] Includes salaries and mileage of retired and associate judges.
Abolished by Legislative Enactments in 1937 (P. L. 721) which was set aside by the Supreme Court in Commonwealth ex rel Kelly v. Brown, 327 Pennsylvania 136.
[c] Created by Legislative Enactment in 1937 (P. L. 460) which was declared unconstitutional by Supreme Court in Commonwealth ex rel Margiotti v. Setton, 327 Pennsylvania 337.

The foregoing does not include the expenditures of municipalities, counties and other political subdivisions.

FOOTNOTES

[1] Pennsylvania Constitution, Article V, Section 1.
[2] Pennsylvania Constitution, Article V, Section 3.
[3] 1836, P. L. 784, Section 1.
[4] 1937, P. L. 1982 as amended by 1939, P. L. 14.
[5] 1895, P. L. 212, Section 1 et seq.
[6] Pennsylvania Constitution, Schedule No. 1, Section 14.
[7] Pennsylvania Constitution, Article V, Section 6.
[8] 1937, P. L. 459.
[9] Pennsylvania Constitution, Article V, Section 9.
[10] Pennsylvania Constitution, Article V, Section 20.
[11] Pennsylvania Constitution, Article V, Section 22.
[12] 1913, P. L. 711.
[13] 1913, P. L. 711, Section 16.
[14] 1937, P. L. 1743.
[15] 1927, P. L. 866.
[16] 329, Pennsylvania, 26.
[17] Pennsylvania Constitution, Article V, Section 12.
[18] This Supervisory Power, however, was severely limited in Rutenberg v. Philadelphia supra.

PART II

DEPARTMENTS HEADED BY ELECTIVE OFFICERS

CHAPTER IV

DEPARTMENT OF THE AUDITOR GENERAL

A. FUNCTION

The Department of the Auditor General is, as the name indicates, the chief auditing agency of the government, its position as auditing agency dates only from July 1, 1929, the effective date of the Fiscal Code.[1] Its auditing functions prior to that date were those peculiar to the comptroller rather than the independent auditor.

The administrative head of the Department is the Auditor General, a constitutional officer,[2] who is elected by the people at a general election for a term of four

[1] Footnotes on page 6850.

years beginning the first Tuesday in May next succeeding his election. He is not eligible for a second consecutive term.[3] He is a member ex-officio of:

Board of Finance and Revenue
General State Authority
State Board of Public Assistance
Delaware River Joint Commission
Delaware River Joint Toll Bridge Commission
Joint Commission for the Acquisition of Bridges over the Delaware River between Pennsylvania and New York
State Bridge and Tunnel Commission
Board of Commissioners of Public Grounds and Buildings
Board of Trustees to Invest Funds of the Pennsylvania Historical Commission.

B. POWERS AND DUTIES

1. Constitutional

The Auditor General has but one constitutional duty, the approval or disapproval of certain types of contracts.[4] In keeping with this provision, he, with the Governor and the State Treasurer, must pass on all contracts for stationery, paper, fuel, repairs, furnishings and supplies purchased through the Department of Property and Supplies.[5]

2. Statutory

Under the Fiscal Code, the Auditor General is vested with powers and duties as follows:[6]

a. To audit all accounts for taxes, or other money due to the Commonwealth, which have been settled by the Department of Revenue;

b. To audit the accounts of city and county officers, insofar as may be necessary to determine whether such officers have reported and transmitted all moneys payable by them to the Commonwealth;

c. To audit the accounts of magistrates, aldermen, justices of the peace, burgesses, mayors, and court clerks, for the purpose of ascertaining whether all fines and penalties collected by them and payable to the Commonwealth have been correctly reported and promptly transmitted.

d. To audit the accounts and records of all agents of the Commonwealth charged with the duty of assessing, appraising, or collecting State taxes or license fees;

e. To audit all other accounts between the Commonwealth, acting through any administrative agency thereof, and any person liable to pay money thereto for any purpose whatsoever;

f To make all audits, which may be necessary, in connection with the administration of the financial affairs of the government of the Commonwealth;[7]

g. To audit the accounts and records of every person, association, corporation, and public agency, receiving an appropriation of money, payable out of any fund in the State Treasury, or entitled to receive any portion of any State tax for any purpose whatsoever, to satisfy the department that such money is being expended for the purpose intended;

h. To audit and examine all requisitions calling upon the Auditor General to draw his warrant upon the State Treasurer for the payment of money out of the State Treasury[8], but such warrant may be drawn only after approval of the requisition by the State Treasurer or, in case of disagreement between the Auditor General and the State Treasurer[9], by the Governor.

i. To examine and adjust, according to law and equity, the accounts of all persons, associations or corporations, having claims against the Commonwealth.[10]

j. To appoint mercantile appraisers as now provided by law[11] to approve or disapprove all expenses accounts of and the number and compensation of clerks and assistants to such appraisers and to certify to the Department of Revenue the names, rates of pay and expenses for such appraisers and assistants.

k. To appoint or approve the appointment, fix the compensation, and approve or disapprove the expense accounts of such clerks, appraisers,[12] etc., as may be necessary to enable the registers of wills to collect transfer inheritance taxes upon the estates of resident decedents and to certify to the Department of Revenue the names and compensation of persons appointed and the amount of the expense accounts approved.

3. General

For the proper performance of his duties in connection with the approval or disapproval of settlements and accounts of any nature whatsoever, the Auditor General has inquisitorial powers to examine all books and records, to issue subpoenas, and to compel attendance at hearings of those subpoenaed, as well as the production of all books and records subpoened.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, the Department is divided into the following bureaus, as shown in Chart IV-1, page 6843:

Bureau of Administration
Bureau of Disbursements
Bureau of Audits
Bureau of County Audits
Bureau of Corporation Taxes
Personnel Bureau
Bureau of Supplies
Filing Bureau

1. Bureau of Administration

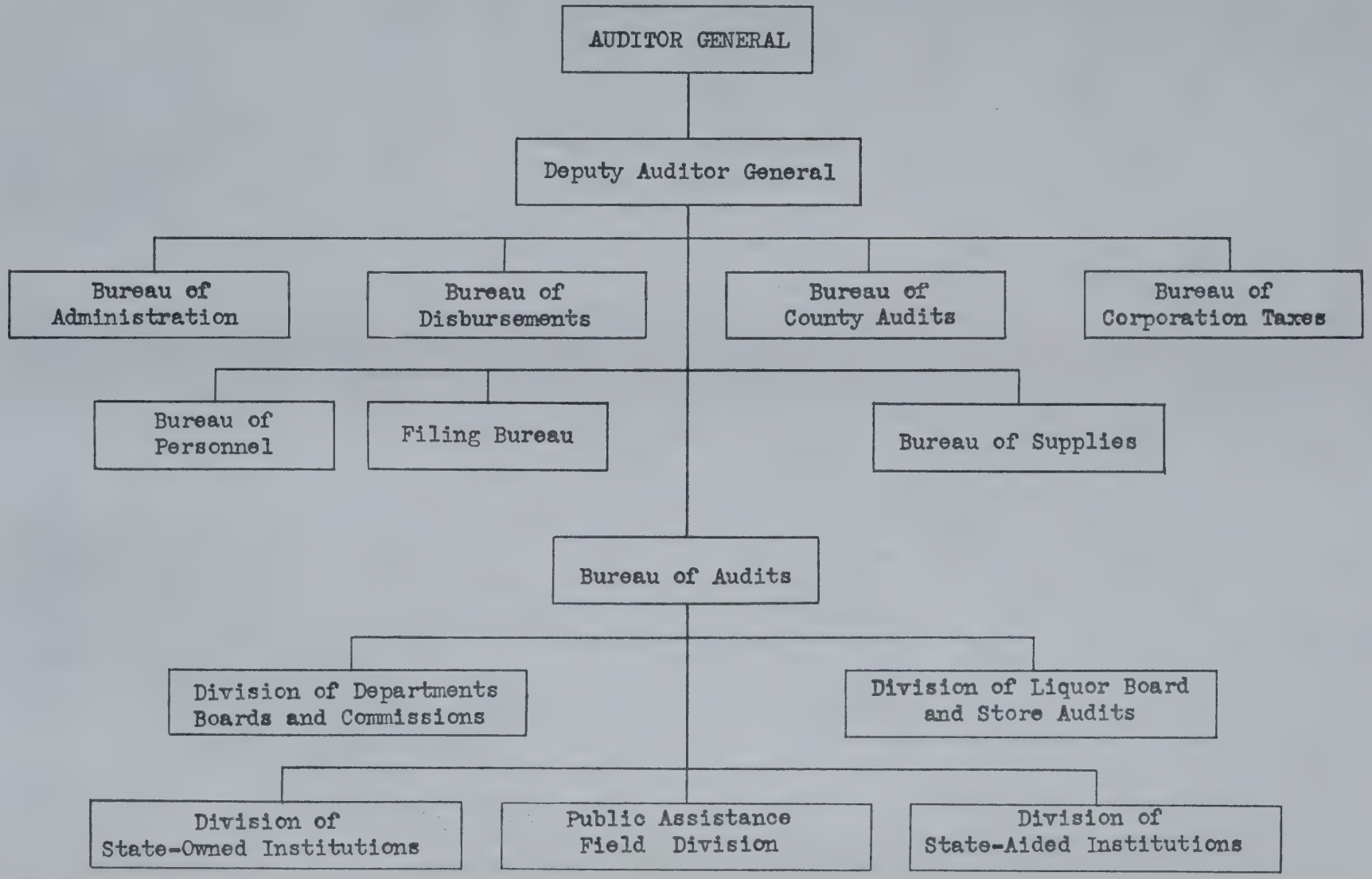
This Bureau is in charge of the Administrative Director who also heads the Bureau of County Audits. The work relates to the Department itself, interviewing and placement of personnel, development of policies and the organization of the various tasks.

2. Bureau of Disbursements

This Bureau reviews and approves all requisitions calling for the disbursement of money from the State Treasury. Any agency receiving an appropriation other than from the State Workmen's Insurance Fund, the Unemployment Compensation Fund and the Administration Fund of Unemployment Compensation and wishing to make payment from it must submit a requisition, supported by properly itemized accounts or invoices, to the Auditor General requesting him to draw his warrant upon the State Treasurer. This requisition, if approved by the Auditor General, is submitted with all the supporting papers to the State Treasurer. If the latter approves the requisition it is returned to the Auditor General, who then draws his warrant for payment. If the Treasurer does not approve he returns the requisition with his reasons for disapproval in writing. Should the Auditor General and State Treasurer continue to disagree, the requisition with all correspondence relating thereto must be submitted to the Governor for his decision. If the Governor approves,[9] the Auditor General draws his warrant which must be honored by the State Treasurer.

CHART IV-1

ORGANIZATION OF THE AUDITOR GENERAL'S DEPARTMENT



Prior to July 1, 1929, this Bureau performed the major auditing function of the Department, being in a position to control all expenditures. They continued to thus function until late in 1938, when the bulk of the detail examination of requisitions was transwerred to the pre-audit units of the Bureau of Audits. Since that time, except for a few relatively minor agencies, the Bureau of Disbursements simply reviews the work of the Bureau of Audits and gives final approval to requisitions before sending them to the State Treasurer.

It may be of interest to note that a pre-audit unit has been operating at the Liquor Control Board since its inception in 1934. The work of this unit furnished the experiential background for the present system.

To say that the old system was "extremely inefficient and illogical" and that the present system is without serious flaw is to overlook some important fundamentals. The old system provided for a detailed audit of requisitions as to accuracy and legality by a Bureau of Disbursements. At the end of each year, the Bureau of Audits was required by law[7] to audit the affairs of the various agencies which entailed an audit of requisitions. Thus, we had one bureau functioning as a comptroller with power to prevent expenditure, and another bureau functioning as an independent auditing agency examining the work of the departments and also of its own Disbursement Bureau. There is nothing archaic or illogical about such a setup which is almost identical to the system followed in modern industry. If the work of the Bureau of Disbursements was handled pretty much in a routine fashion without the proper knowledge and experience on the part of employes, it is a serious reflection on the personnel methods of the Commonwealth rather than on the system of auditing. If the Bureau of Audits failed because of inadequate or improperly trained personnel or poor organization to make the required annual audits, it may indicate the need for a remedy but not necessarily a change of system.

Admitting considerable weakness in the operation of the old system, the fact remains that no serious loss was ever incurred by the Commonwealth due to the system. The new system had not been in operation long enough to judge its merits fully.

The bookkeeping unit maintains the appropriation ledgers in which all charges against appropriations from general and special funds are entered. This unit also operates books covering daily disbursements, receipts and cash balances in the State Treasury.

3. Bureau of Audits

The tremendous task of auditing the fiscal affairs of the Commonwealth falls upon this Bureau. The work is carried on under five divisions, one for departments, boards and commissions, one for State-owned institutions, one for State-aided institutions, one for general assistance field audits, and one for Liquor Board and store audits.

Table IV-A shows the minimum annual audit load of this bureau.

The requirement that collections of every department, board and commission[7] and of the 579 Liquor Stores[18] and the accounts of every State institution must be audited quarterly, adds still further to the work of the Bureau.

TABLE IV-A

NUMBER OF DEPARTMENTS, BOARDS AND INSTITUTIONS REQUIRED TO BE AUDITED ANNUALLY JUNE 1, 1940

Classification	Number
Departments	22
Boards	21
Commissions	5
State-owned Institutions:	
Teachers' Colleges	14
Medical & Surgical Hospitals	10
Mental Hospitals	9
Feeble-Minded and Epileptic	4
Penal and Correctional	5
Soldiers and Sailors Home	1
Prison Labor	1
Vocational and Schools for Deaf	3
State-aided Institutions:	
Hospitals and Homes	238
County Hospitals	13
Schools for Mental and Delinquents	3
Schools for Deaf and Blind	4
Universities, Colleges and Schools	11
Total	364

a. Division of Departments, Boards and Commissions

This group has the job of auditing the administrative agencies. They perform in most cases the comptroller function formerly belonging to the Bureau of Disbursements in relation to requisitions but perform no independent audit function in this regard. They do, however, audit collections and the general financial activities of the agencies.

In computing the time elapsed between the end of the period covered by an audit and the delivery of the report, it must be remembered that the records of a department are never in shape for audit the day after the fiscal period closes. As a matter of fact, a delay of three to six months in closing the books is not unusual.

Table IV-B showing the status of audits of departments, boards and commissions at September 13, 1940, will be found on page 6845.

The improvement shown by this table in comparison with a similar table contained in the 1933 report of the Joint Legislative Committee on Finance, page 85, is unusual. All audits are practically current, with the Department aiming to complete all audits to May 31, 1940 by January 1, 1941.

It should be pointed out, however, that a comparison of audits completed on the basis of numbers only is likely to be misleading. During the period from 1929 to 1937, audits included the detailed examination of every requisition paid during the period under review, thus affording an independent audit of the approving agency, the Bureau of Disbursements. In addition, matters of organization were examined and studies of various activities were made. Example of such studies are: The Health Officer Organization in the Department of Health, The Bureau of Rehabilitation in the Department of Labor and Industry, and The Possibility of State Self-Insurance on Surety and Fidelity Bonds of Employes, Department of Property and Supplies.

During the present Administration, audits have been

largely in the nature of balance sheet or financial audits which accept the original approval of disbursements, by its own agency, as valid. It is obvious that audits of this type can be completed in considerably less time. A careful comparison of man hours would undoubtedly show that the former method required from two to four times as long as the present method.

The Auditor General is merely directed "to audit" and is left to decide which type of audit fulfills the requirements. Unless and until the type of audit is clearly defined by statute, differences of interpretation of the audit function will continue.

A more complete analysis of State auditing procedure has been submitted in a separate study by the Joint State Government Commission, which also covers the matter of duplication of audits.

b. Division of State-Owned Institutions

This division is one of the smallest in the Bureau but handles a large assignment. Four audits each of forty-seven institutions owned by the Commonwealth are completed annually by this unit.

c. Division of State-Aided Institutions

This division examines the records of all institutions receiving State aid to determine whether or not the amount of free service rendered entitles them to receive the reimbursement claimd by them. This group formerly operated under the Bureau of Disbursements.

d. Public Assistance Field Division

The Public Assistance Field Division conducts eligibility investigations of those receiving general assistance. Two methods are employed in these investigations. Under one plan, the Auditor General sends out notices to all persons receiving assistance in a given county to appear at a designated point to answer questions concerning their right to receive such assistance and receive their checks. On the basis of the information secured, recommendations are made that certain cases be removed, reduced in length or transferred to a different form of relief. The other method is to pick cases at random and thoroughly investigate them.

TABLE IV-B

STATEMENT SHOWING STATUS OF DEPARTMENTAL AUDIT REPORTS TRANSMITTED TO THE GOVERNOR AS OF SEPTEMBER 13, 1940

Department Boards and Commissions	Audit Completed To	Date of Last Report	Months Intervening	Date Transmitted To the Governor
Governor's Office	5-31-39	4- 1-40	10	4-19-40
Agriculture	5-31-39	5-23-40	11½+	
Banking	5-31-39	6- 1-40	12	6- 7-40
Fish Commission	5-31-39	5-14-40	11½	5-24-40
Forests and Waters	5-31-38	5-31-39	12	6- 2-39
Game Commission	5-31-39	9-12-40	15½	9-13-40
Health	5-31-38	4-27-39	11	5- 4-39
Highways	5-31-39	4-30-40	11	6- 5-40
Insurance	5-31-40	9-13-40	3½	9-13-40
Internal Affairs	5-31-40	9-13-40	3½	9-13-40
Justice	5-31-39	8-20-40	14½+	8-26-40
Labor and Industry	5-31-38	2-24-39	8½+	3- 7-39
Lieut.-Governor's Office	5-31-40	9- 4-40	3 +	9- 9-40
Military Affairs	5-31-39	4- 3-40	11	4-19-40
Milk Control	5-31-40	9-13-40	3½	9-13-40
Mines	5-31-39	7-15-40	13½	8- 8-40
Liquor Control	5-31-39	8-29-40	15 —	9-15-40
Motor Police	5-31-38	5-15-39	11½	5-18-39
Public Utility	5-31-39	5-14-40	11½	5-23-40
Property and Supplies	5-31-39	7-25-40	14 —	8- 1-40
Public Assistance	5-31-39	7-15-40	13½	7-18-40
Public Instruction	5-31-38	5-26-39	12 —	5-26-39
Pub. Schl. Emp. Ret. Bd.	6-30-38	5-29-39	11	6-26-39
Revenue	5-31-38	5-31-39	12	6-15-39
State	5-31-39	8-21-40	14½+	8-26-40
State Emp. Ret. Bd.	5-31-39	9-15-39	3½	9-15-39
Treasury—Cash Audit	5-31-39	4- 4-40	10 +	4- 4-40
Treasury—Securities	5-31-40	9-11-40	3 +	9-13-40
Welfare	5-31-39	8- 1-40	14	8-26-40

Note: In addition to the above, special and subsidiary audits have been made and reports filed since May 4, 1937, as stated below:

	Number of Reports	Period Covered	
Professional Examining Boards	34	6- 1-31	5-31-39
Anatomical Board	3	6- 1-36	5-31-39
State Athletic Commission	3	6-15-35	5-31-39
County Field Audits of General Assistance	17	3-11-39	2-12-40
State-Owned Institutions	91	5- 1-34	5-31-39

Months in Transmittal	Total Months Required to Deliver	Period for Which Audit Reports Have Been Delivered Since May 4, 1937		Years Since Completion Of Last Audit As Of September 13, 1940
½	10½	6- 1-36	5-31-39	1 Yr. 3 Mo.
½	12 +	6- 1 33	5-31-39	1 3
0	12	6- 1-35	5-31-39	1 3
½	12 —	6- 1-35	5-31-39	1 3
0	12	6- 1-35	5-31-38	2 3
0	15½	6- 1-36	5-31-39	1 3
0	11 +	6- 1-34	5-31-38	2 3
1	12 +	6- 1-35	5-31-39	1 3
0	3½	6- 1-34	5-31-40	.. 3
0	3½	6- 1-35	5-31-40	.. 3
0	14½	6- 1-33	5-31-39	1 3
½	9 +	6- 1-36	5-31-38	2 3
0	3 +	6- 1-36	5-31-40	.. 3
½	11½	6- 1-35	5-31-39	1 3
0	3½	6- 1-35	5-31-40	.. 3
½	14 +	6- 1-36	5-31-39	1 3
½	15½	6- 1 36	5-31-39	1 3
0	11½+	6- 1-35	5-31-38	2 3
0	11½+	6- 1-35	5-31-39	1 3
0	14	6- 1-34	5-31-39	1 3
0	13½	6- 1-37	5-31-39	1 3
0	12 —	6- 1-35	5-31-38	2 3
1	12	7- 1-31	6-30-38	2 3
½	12½	6- 1-33	5-31-38	2 3
0	14½+	6- 1-36	5-31-39	1 3
0	3½	6- 1-35	5-31-39	1 3
0	10 +	6- 1-35	5-31-39	1 3
0	3 +	11- 5-37	5-31-40	.. 3
1	15 —	6- 1-34	5-31-39	1 3

Between March 1939 and January 1940, fifteen counties were surveyed by the check delivery method. The following summary shows a cross section of the accomplishments:

Disposition	Cases
Satisfactory or did not call for checks	16,401
Recommendations on Exceptions Taken	
Discontinuance	722
Budget Reduction	851
Transfer to Special Assistance	450
Home Visit or Further Investigation	1,207
Total Cases in Survey	19,631

This work was discontinued for a period of about six months to September 1940, because of lack of funds.

e. Division of Liquor Board and Store Audits

The work of this division is varied to include the participation in purchases, especially the listing of new or substitute items, the audit of requisitions, an audit of the 579 liquor stores and an examination into the affairs of the Liquor Control Board.

While the Liquor Control Act[14] merely requires the approval of purchases by the Auditor General, this approval, if it is to be effective as a control, must involve a certain measure of control over the listing of items. This fact was strongly emphasized by the special report on the Monopoly States Survey filed by the Auditor General under date of 1939. As a part of this survey a study of inventory turnover was made which showed conclusively the need for a reduction in the number of codes and in the amount of inventory carried. In an effort to further this desirable end, the Auditor General began to inquire into the factors back of the issuance of a purchase order for liquor. On February 1, 1939, an auditor was placed in the inventory section of the Board with the duty to determine the need for proposed purchases. A short time later the duty to sit in with the Board when passing on new listings and substitutions was added to this division. The addition of a new point of view and the wholehearted cooperation of the Board resulted in the lowest end-of-the-year inventory in the history of the Board.

As a further result of this survey and the recommendation of the Auditor General, the Legislature recently appropriated $5,000,000 as a revolving fund to enable the Liquor Control Board to take one and one-half percent discount by the payment of its bills within thirty days. Prior to this appropriation, the Board lost a considerable discount due to lack of funds.

The field audit unit of this division was enlarged from 16 in 1937 to 55 in 1939, the method of auditing improved to establish better control and the number of audits per store increased from two to four per year to meet the legal requirement. Due to an effort to bring all work up to date, many employes of this division are now engaged in other work and the quarterly audit provision is not being met.

The duplication of the work of this division by the Field Accounting Division of the Liquor Board is discussed in a special report on State auditing practices referred to on page 6844.

f. Legal Auditing Requirements

Only in the case of audits of governmental agencies does the statute[7] place a definite requirement upon the Auditor General as to the number of audits of various kinds—"at least one audit" each year for the executive agencies, except the State Workmen's Insurance Fund and quarterly audits of their collections and the accounts of the State institutions.

It is extremely doubtful if these requirements have been fully met since the law became effective. In some years, the requirements were not more than 50% fulfilled. As shown in Table IV-B, when the present Auditor General took office on May 4, 1937, one agency had not been audited for six years, three for four years, four for three years and twelve for two years.

The statute provides no remedy for the failure of the Auditor General to comply with its provisions. It does, however, permit the agency neglected the questionable privilege of spending its own money for such an audit. Naturally, no money is included in any departmental budget to provide for an audit should the Auditor General fail in his duty; therefore, the funds would have to be diverted from some previously planned use to pay for the audit. At its best, an audit disrupts the regular work to a certain extent in order that questioned transactions or operations may be explained and procedures justified. No department head is likely to ask for an audit which will interfere with current work and cost him a considerable amount not provided for in his budget. He knows that if he waits long enough, he will get his audit without cost.

If in the judgment of the Legislature some minimum audit program, either as to frequency or scope or both, is essential to the adequate protection of the Commonwealth, some better means of enforcing its will should be sought.

In viewing this matter, some thought must be given to the fact that the new Auditor General operates for his first biennium in a financial straight-jacket designed by his predecessor. By the time he takes office in May, the appropriation bill is in its last stages on the basis of a budget drawn by the incumbent.

Assume that the Auditor General shortly after becoming acquainted with the work of his department decides that we must have a detailed audit of the executive branches of the government and that he will, of course, carry out his legal responsibility as to the number of audits. He finds that in order to do this he must have 450 employes instead of the 360 of his predecessor in office. His budget, however, is drawn on the former basis, so he either curtails the amount of work on each audit or reduces the number of audits, opening himself to criticism either way. By the time his next appropriation comes around, less than two years remain of his term and he hesitates to ask the Legislature for a large increase in his appropriation.

Even if the Auditor General-elect could have a voice in forming the appropriation from his first two years, he would be subject to considerable suspicion and condemnation were he to ask for $200,000 more than his predecessor. Yet that might be a modest sum for the additional safeguards that would be secured.

4. Bureau of County Audits

This Bureau audits the accounts of 383 county officers, including commissioners, registers of wills, recorders, prothonotaries and clerks of court, as well as 5838 peace officers such as justices of the peace, aldermen, burgesses and mayors. It approves the settlements of the county officers with the Department of Revenue covering mercantile and inheritance taxes and certain licenses issued by these officers. It determines whether the peace officer group have recorded and transmitted to the Commonwealth all fines collected to which the State has claim under the Acts of Assembly.

The 705 issuing agents through whom hunting and fishing licenses are issued are not audited by this Bureau. The audit of their accounts is included in the annual audit of the Department of Revenue conducted by the

Bureau of Audits.

The necessity for auditing many of these peace officers more than once in two years is open to question. A careful analysis of this subject would probably disclose many cases where the cost of audit exceeded the amount which the officer had collected. The average income from fines is under $600,000 per year, much of which is assessed by the various courts of record. It will be seen that the balance distributed among almost 6,000 officers would make a very low amount to be checked.

While the issuance of licenses by the county officers is no doubt a convenience to the public, there seems little justification for their position as a collector of certain taxes for the State. It adds to the amount of machinery involved but little to the efficiency of the collection system. It is, no doubt, a relic of the days when transportation was much more difficult than it is today. The Department of Revenue issues thousands of licenses from the Harrisburg office, but then they were never handled any other way.

In auditing the county offices the Auditor General is auditing to some extent the work of his own employes. He is responsible for the appointment of mercantile tax and inheritance tax appraisers and other employes, fixing salaries and approving their expenses. Except in Philadelphia where the city treasurer joins in the appointment, the Auditor General may hire or fire at will without consultation with the Department of Revenue for whom the work is done. Table IV-C shows the picture of mercantile tax collections from 1933 to 1938.

TABLE IV-C

STATEMENT OF MERCANTILE TAX COLLECTIONS AND COSTS OF COLLECTIONS 1933-1938

Year	Gross Collections	Cost of Collection	Percent Cost of Collection
1933	$3,085,423.24	$315,247.39	10.22
1934	3,099,701.53	379,274.65	12.24
1935	3,397,956.99	389,024.66	11.45
1936	3,475,455.82	382,057.36	10.99
1937	3,982,476.45	370,581.72	9.30
1938	4,009,807.29	398,050.27	9.92

There appears to be a considerable saving effected in the first two years of the present Administration. This does not, however, remove the objection to the system. If the mercantile tax appraiser is necessary, which is extremely doubtful, the appointment should rest with the agency charged with the collection of the tax.

While the above discussion deals with mercantile taxes, it applies with equal force to inheritance tax appraisers. Indeed, it would seem advisable to review the entire collection system, eliminating those practices which have no justification other than that it has always been done this way.

5. Bureau of Corporation Taxes

This Bureau approves the settlement of corporation taxes made by the Department of Revenue. Under the Fiscal Code,[15] tax settlements are made by the Department of Revenue and transmitted with all papers to the Auditor General, who is required to audit and return the settlement with his approval or disapproval in writing within 60 days. If any settlement is disapproved by the Auditor General, the specific reasons therefor must be set forth and the Department of Revenue must then reconsider it and confer with the Auditor General in an endeavor to reach an agreement.

After the settlement is revised, the Department of Revenue again submits it to the Auditor General. In the event that the two fail to agree within four months after the original submission of the settlement to the Auditor General, the settlement must be submitted by the Department of Revenue to the Board of Finance and Revenue.

The Bureau of Corporation Taxes is divided into two sections, auditing and bookkeeping. The former has to do with the approval of settlements as previously discussed, while the latter maintains ledger accounts with each taxable corporation in the State showing the assessments of the tax and the amount paid. A similar record is maintained in the Department of Revenue.

6. Personnel Bureau

This Bureau maintains an individual record of each salaried employe of the Commonwealth, showing the position occupied, the date of birth and voting residence of the employe, the date of entering the service of the Commonwealth, and a complete record of service to date including all positions held and salary rating of each. Before a name can be added to the payroll of any department, or any change in classification or pay made, a change sheet bearing all information necessary to start or complete the personnel record and signed by the head of the department, the Budget Secretary and the Governor, must be sent to this Bureau.

Annually, every administrative department, board and commission is required[16] to send to the Auditor General, on June 15th of each year, a list of the names of all persons entitled to receive compensation from the Commonwealth for services rendered in or to such administrative agency. These lists must contain information to enable the Auditor General to check his list.

For approximately a year, regular checks are made of the payrolls against the personnel records. This, however, is in the nature of a check on the payroll auditors who examine the payrolls currently. This examination is made by comparison of the new payroll with the latest paid. All differences in name, classification or amount must be supported by change sheets as previously described.

7. Bureau of Supplies

This Bureau, as the name implies, is charged with the duty of securing and carrying adequate supplies for the operation of the Department. It has no contact with any other agency of the Government.

8. Filing Bureau

This Bureau has in its files every original requisition with supporting papers that has been warranted by the Auditor General as well as the original cancelled checks covering payments from the State Treasury. All books covering transmittals and appropriations and copies of all audit reports are filed with this Bureau.

D. PERSONNEL

At June 1, 1940, the Department of the Auditor General had 360 employes drawing aggregate annual salaries of $718,420. This compares very favorably with March 1, 1933, when there were 300 employes with total salaries of $686,680, the increase being 60 employes and $31,740. Since March 1, 1933, the Liquor Control Board and the Department of Public Assistance have been created and 96 employes at $172,800 have been assigned to those audits by the Auditor General.

Table IV-D presents a summary of personnel in the Auditor General's Department and annual salaries paid on June 1, 1940, while in Table IV-E is set forth a record of personnel by bureau and division, personnel title and annual salaries.

TABLE IV-D

SUMMARY OF EMPLOYES AND ANNUAL SALARIES BY BUREAU AND DIVISION JUNE 1, 1940

Bureau or Division	Number of Employes	Annual Salaries
Administration	11	$37,420
Corporation Taxes	15	39,120
Personnel	9	12,420
Supplies	9	9,120
Filing	22	36,000
County Audits	68	145,900
Disbursements	26	49,640
Audits:		
Departments, etc.	81	164,880
Liquor Control Board	55	101,200
Public Assistance	41	70,980
Institutions		
State-Owned	16	35,500
State-Aided	7	16,240
Total	360	$718,420

Table IV-E shows the number of officers and employes of the Department, classified according to the salary grades for the years 1933 to 1940 inclusive.

TABLE IV-E

DEPARTMENT OF THE AUDITOR GENERAL STATEMENT SHOWING NUMBER OF EMPLOYES BY PAYROLL CLASSIFICATION AND ANNUAL SALARIES PAID—BY BUREAUS AND DIVISIONS, JUNE 1, 1940

Classification	Number of Employes	Annual Salaries
Administrative		
Auditor General	1	$12,000
Deputy Auditor General	1	8,500
Research Analyst	1	3,000
Secretary	1	2,400
Secretary	1	2,100
Secretary	1	1,800
Clerk	1	2,100
Senior Stenographer	1	1,500
Senior Typist	1	1,500
Senior Typist	1	1,320
Senior Typist	1	1,200
Sub-total	11	$37,420
Corporation Tax Bureau		
Tax Auditor	1	$4,500
Tax Auditor	1	3,900
Tax Auditor	1	3,600
Tax Auditor	1	3,360
Tax Auditors	3	3,000
Tax Auditor	1	1,800
Senior Auditors	2	2,400
Auditor	1	1,980
Senior Typist	1	1,620
Senior Typist	1	1,500
Computer	1	1,680
Computer	1	1,380
Sub-total	15	$39,120
Personnel Bureau		
Secretaries	3	$2,100
Stenographers	3	1,200
Senior Typists	3	1,200
Typist	1	1,020
Sub-total	9	$12,420
Supplies Bureau		
Supply Clerk	1	$1,800
Stenographer	1	1,380
Messenger	1	1,320
Watchman	1	1,500
Janitress	1	720
Janitresses	4	600
Sub-total	9	$9,120
Filing Bureau		
Director	1	$2,400
File Clerks	2	1,860
File Clerks	5	1,800
File Clerks	2	1,620
File Clerks	2	1,680
File Clerks	7	1,500
File Clerk	1	1,380
File Clerk	1	1,200
Janitor	1	1,200
Sub-total	22	$36,000
County Bureau		
Administrative Director	1	$5,500
Supervising Auditors	3	5,000
Senior Auditor	1	3,000
Senior Auditor	1	2,520
Senior Auditors	5	2,400
Senior Auditors	3	2,280
Senior Auditors	10	2,100
Auditors	7	2,000
Auditors	2	1,980
Auditor	1	1,960
Auditors	6	1,920
Auditors	2	1,860
Auditors	9	1,800
Investigator	1	1,800
Clerk	1	1,440
Clerk	1	1,200
Secretary	1	3,600
Secretaries	2	3,000
Senior Stenographer	1	1,620
Senior Stenographers	3	1,500
Stenographer	1	1,380
Stenographers	5	1,200
Stenographer	1	1,140
Sub-total	68	$145,900

Classification	Number of Employes	Annual Salaries
Bureau of Disbursements		
Director	1	$3,600
Assistant Director	1	3,300
Assistant Director	1	2,400
Legal Assistant	1	3,900
Supervising Auditor	1	3,500
Senior Auditor	1	2,880
Senior Auditor	1	2,700
Senior Auditors	2	2,100
Auditor	1	1,980
Auditor	1	1,920
Auditors	2	1,620
Clerk	1	1,620
Stenographer	1	1,320
Stenographer	1	1,200
Stenographer	1	1,020
Senior Typist	1	1,200
Typist	1	1,080
Machine Operator	1	1,620
Machine Operators	2	1,320
Machine Operator	1	1,080
Machine Operators	2	1,020
Messenger	1	1,200
Sub-total	26	$49,640
Bureau of Audits		
Director	1	$5,000
Departmental Audits		
Supervising Auditor	1	$4,200
Supervising Auditor	1	3,600
Supervising Auditor	1	3,300
Supervising Auditors	2	3,000
Senior Auditors	3	2,700
Senior Auditor	1	2,600
Senior Auditor	1	2,500
Senior Auditors	8	2,400
Senior Auditor	1	2,280
Senior Auditor	1	2,240
Senior Auditors	13	2,100
Auditor	1	2,000
Auditors	4	1,980
Auditors	2	1,920
Auditors	3	1,860
Auditors	13	1,800
Auditor	1	1,740
Auditors	4	1,680
Auditors	2	1,620
Secretaries	4	1,800
Sr. Stenographers	2	1,620
Sr. Stenographer	1	1,500
Stenographer	1	1,500
Stenographers	4	1,200
Senior Typist	1	1,320
Senior Typist	1	1,200
Clerk	1	1,200
Computers	2	1,080
Sub-Total	81	$164,880
Liquor Store Audits		
Senior Auditors	2	$2,700
Senior Auditors	2	2,400
Senior Auditor	1	2,280
Senior Auditors	5	2,100
Auditors	5	2,000
Auditors	3	1,980
Auditors	3	1,920
Auditors	2	1,860
Auditors	15	1,800
Auditor	1	1,740
Auditors	2	1,680
Auditors	6	1,620
Auditors	4	1,500
Sr. Stenographer	1	1,500
Stenographer	1	1,200
Computer	1	1,200
Computer	1	1,080
Sub-total	55	$101,200
General Assistance Audits		
Supervising Auditor	1	$3,600
Supervising Auditor	1	3,120
Senior Auditors	2	2,400
Senior Auditors	2	2,100
Auditors	2	1,980
Auditors	2	1,860
Auditors	2	1,800
Auditor	1	1,680
Auditors	6	1,620
Auditor	1	1,500
Supervising Investigator	1	2,400
Supervising Investigator	1	2,100
Investigators	2	1,800
Investigators	3	1,620
Investigators	2	1,500
Investigator	1	1,200
Case Readers	3	1,500
Clerk	1	1,320
Clerk	1	1,080
Clerk	1	1,020
Messenger	1	1,320
Stenographer	1	1,380
Stenographer	1	1,200
Stenographer	1	1,080
Typist	1	1,020
Sub-total	41	$70,980
State-Owned Institutions		
Supervising Auditor	1	$3,420
Senior Auditors	4	2,700
Senior Auditor	1	2,400
Senior Auditor	1	2,200
Senior Auditors	2	2,100
Auditor	1	1,980
Auditor	1	1,920
Auditors	3	1,800
Auditor	1	1,680
Auditor	1	1,500
Sub-total	16	$35,500
State-Aided Institutions		
Director	1	$4,000
Senior Auditor	1	2,400
Senior Auditors	3	2,100
Auditor	1	1,920
Auditor	1	1,620
Sub-total	7	$16,240
Grand Total	360	$718,420

E. FINANCES

During the biennium 1937-39 expenditures of the Auditor General's Department totaled $1,429,552.74. A detailed presentation of these expenditures by object is set forth in the following table:

TABLE IV-F

DEPARTMENT OF THE AUDITOR GENERAL
OBJECT CLASSIFICATION OF EXPENDITURES
JUNE 1, 1937 TO MAY 31, 1939

Object Classification	Amount Expended
Salaries	$1,180,449.29
Fees	2,516.50
Printing, Binding and Stationery	16,633.95
Food and Forage	843.33
Materials and Supplies	12,119.35
Traveling Expenses	126,167.66
Motor Vehicles, Supplies & Repairs	18,274.39
Freight, Express & Cartage	290.80
Postage	6,413.71
Telephone & Telegraph	5,833.10
Newspaper Advertisement & Notices	24.73
Light, Heat & Power	360.55
Contracted Repairs	1,272.50
Rent of Real Estate	6,420.39
Rent of Equipment	228.70
Insurance, Surety & Fidelity Bonds	4,615.60
Other Maintenance Services	2,198.71
Motor Vehicles	16,780.02
Equipment & Machinery	28,109.46
Total	$1,429,552.74

FOOTNOTES

[1] 1929, P. L. 343.
[2] Pennsylvania Constitution, Article IV, Section 1.
[3] Pennsylvania Constitution, Article IV, Section 21.
[4] Pennsylvania Constitution, Article III, Section 12.
[5] Administrative Code, Section 2409.
[6] Fiscal Code, Section 401.
[7] Fiscal Code, Section 402.
[8] Fiscal Code, Section 404.
[9] Fiscal Code, Section 1502.
[10] Fiscal Code, Section 405.
[11] Fiscal Code, Section 406.
[12] Fiscal Code, Section 407.
[13] 1933-34 S. S., P. L. 15, Section 306.
[14] 1937, P. L. 1762, Section 201.
[15] Fiscal Code, Section 802.
[16] Administrative Code, Section 603

CHAPTER V

DEPARTMENT OF INTERNAL AFFAIRS

The Department of Internal Affairs is one of the oldest in the State Government. It predates the present Constitution and is one of the three administrative departments headed by an elected constitutional officer.[1]

A. FUNCTION

The Department of Internal Affairs was originally considered as the Department to which all powers and functions in regard to the domestic business of the Commonwealth should be relegated. As a result, this Department was one of the most important in the early history of the State. However, as society grew, many minor functions administered by the Department of Internal Affairs acquired increased importance and new departments were created to undertake the administration of these now major functions. In time, most of the important powers of the Department of Internal Affairs were transferred to newly-created agencies. Today, the Department administers functions which have not been given to departments of a more specific nature. Thus, it performs work of a rather diverse character.

B. POWERS AND DUTIES

The Department of Internal Affairs is one of the few State departments whose powers and duties are specifically mentioned in the Constitution, which states:

"The Secretary of Internal Affairs shall exercise all the powers and perform all the duties of the Surveyor General subject to such changes as shall be made by law. His Department shall embrace a Bureau of Industrial Statistics, and he shall discharge such duties relating to corporations, charitable institutions, the agricultural, manufacturing, mining, mineral, timber, and other material or business interests of the State as may be prescribed by law. He shall annually and at such other times as may be required by law make a report to the General Assembly."[2]

Specifically, the Department is now vested with the powers and duties to:

1. Serve as the Land Office of the Commonwealth and the depository of the early land records, grants and conveyances.
2. Keep all title papers relating to property owned by the Commonwealth, and supply copies to interested parties.
3. Collect, compile and publish statistics concerning:
   a. Labor
   b. Industries
   c. Public Utilities
   d. Local Government Finances
   e. Miscellaneous State Activities
4. Test and regulate standard weights and measures of all types, and supervise city and county sealers of weights and measures.
5. Classify, gather, and index information of value to the improvement of municipal government administration in Pennsylvania.
6. Check prospective bond issues of local governmental units to insure observance of the constitutional limits on borrowing power.
7. Assist in promoting city-planning of parks, playgrounds and public improvements.
8. Maintain a thorough and extended geology and topography survey of the Commonwealth.
9. Serve as the informational agency for questions directed to the State Government.

In addition, the Secretary of Internal Affairs possesses certain powers through his membership on several administrative boards.

C. ORGANIZATION AND OPERATIONS

For the performance of these powers and duties, the Department of Internal Affairs, as is shown in Chart V-1, page 6851, is organized and operates as follows:

1. Bureau of Administration

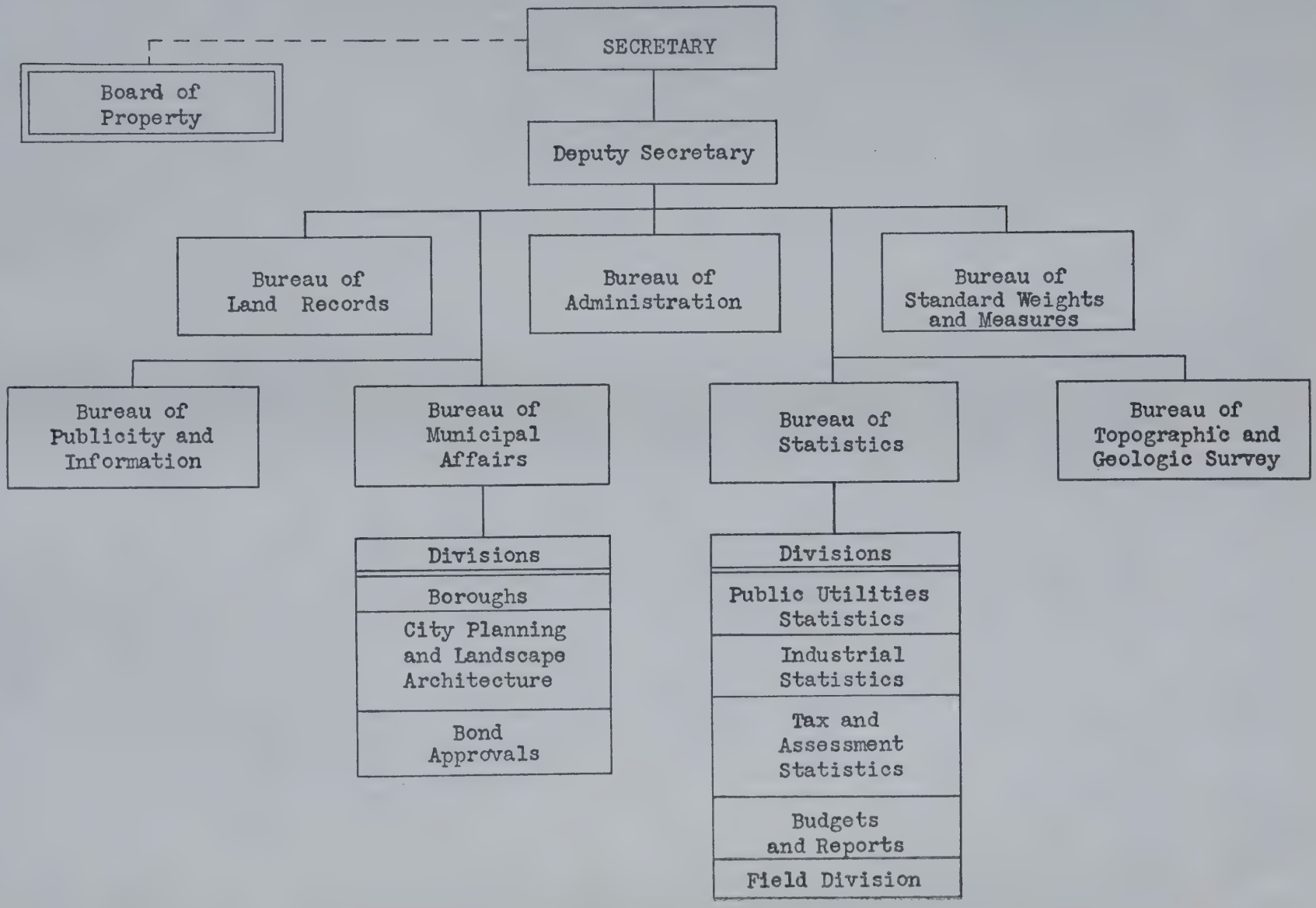
The Secretary of Internal Affairs is the chief officer of the Department. In addition, he is a member of the General State Authority, the Board of Pardons, the Board of Property, the Pennsylvania Park and Harbor Commission of Erie and the Geographic Board.

Immediately under the Secretary of Internal Affairs is the Deputy Secretary, who assists the Secretary in the conduct, management and supervision of the Department, and in the absence of the Secretary is in charge of the Department. He is also constituted the Clerk of the Board of Property.

These two officials are a part of the Bureau of Ad-

CHART V-1

ORGANIZATION OF THE DEPARTMENT OF INTERNAL AFFAIRS



ministrative, which Bureau prepares the budget requests, directs and audits departmental expenditures, purchases departmental supplies, and in a general way superintends the activities of the entire Department. This section handles the usual headquarters duties with regard to management, correspondence, supplies, accounting, filing, etc.

2. Bureau of Land Records

The Bureau of Land Records predates all of the Department's bureaus, having been in continuous existence since 1861. It is concerned with several types of records.

First, it serves as the depository of the original titles, conveyances and records of all land within the boundaries of the State. These records indicate the original owners and titles, many dating back to William Penn, and form the basis for all subsequent real estate records throughout the State. These papers are indexed and filed in special equipment.

Occasionally, a piece of unappropriated land is discovered. When such a discovery is reported, a thorough search is made of the records in the Bureau to determine if the land is really unappropriated. If no title can be found, a survey and appraisal of the land is made and a value placed thereon for sale purposes. Under a stipulated procedure, the Bureau of Land Records, acting for the Commonwealth, sells the land with the title thereto.

Secondly, the Bureau of Land Records maintains the records and reports of State boundary surveys. In this capacity it is responsible for the inspection and maintenance of the Commonwealth's boundary monuments. The Bureau also keeps records of county boundary lines and surveys thereof.

Thirdly, the Bureau is the custodian of all deeds, contracts, maps, surveys, title insurance policies, abstracts of titles and other documents or instruments relating to real estate owned or acquired by the Commonwealth. The papers are properly recorded and filed.

A fourth activity of the Bureau of Land Records is the preservation of miscellaneous maps and papers of early Pennsylvania history, records of the Pennsylvania Canal Commissioners, etc.

Beside preserving, filing and indexing these various types of records, the Bureau is also charged with furnishing copies of such records to interested parties. Various reproduction methods from handwriting to photography are utilized to make copies of the patents, deeds, warrants, connected drafts, etc. Heads of State departments may obtain such copies without cost when needed for official business. Private persons must pay such fees as are stipulated by law.[3]

From June, 1938 to June, 1940, the Bureau of Land Records handled requests resulting from 4,570 personal calls and 2,500 letters. It also recorded 392 deeds for lands acquired by the Commonwealth. During this same period, the Bureau performed the following copying work for State departments:

Copies of Patents	12
Copies of Deeds	30
Drafts	7
Chart of House of Representatives	1
Description of Governor's Mansion	1
Warrantee Maps (Containing 8585 tracts)	64

Also, over the past several years, the Bureau of Land Records has produced the following certified copies:

Certified Copies of Surveys and Patents	1391
Certified Copies of Applications and Warrants	356
Certified Copies of Miscellaneous Record	129
Corrected Drafts of Tracts of Land (containing 1597 tracts)	128

a. Board of Property

While the Board of Property is not under the control of the Bureau of Land Records, its work is closely related to that of the Bureau. It is a separate administrative board which hears and decides all controversies arising out of the operations of the Bureau of Land Records. This Board determines cases on imperfect titles, warrants to agree, rights of preemption, etc. Its decisions do not prevent any party from bringing action at common law. The Board meets only when there is a case before it.

3. Bureau of Standard Weights and Measures

The Bureau of Standard Weights and Measures has four major functions: (1) maintain uniform standards of legal weights and measures, (2) test and approve commercial weighing and measuring devices, (3) assist in the enforcement of laws relating to weights and measures, and (4) license private weighmasters.

To carry out this first function the Bureau maintains standard weights and measures corresponding to the standards as adopted by the Congress of the United States and verified by the National Bureau of Standards. Upon presentation at the office of the Department, the Bureau compares, tests and regulates with the State standards the standards employed by the local city and county sealers in their testing.

Before a manufacturer of measuring and weighing devices may offer for sale any such device to be used in trade or commerce in Pennsylvania, he must submit the device to the Bureau of Standard Weights and Measures for testing.[4] This constitutes the second function of the Bureau. If the Bureau of Standard Weights and Measures is satisfied that a tested device will give accurate measure or weight it assigns to it a serial number and certifies it to the manufacturer. The manufacturer must thereafter place the serial number on all such devices that are sold for commercial use in Pennsylvania. When the Bureau disapproves a device, it gives the reasons for disapproval to the manufacturer, who is then accorded a hearing, if he so desires. If the decision resulting from such a hearing is still adverse, the manufacturer may appeal to the Secretary of Internal Affairs and from his decision to a county court of common pleas.

The third function of the Bureau is to aid in the enforcement of the laws relating to weights and measures. Every city and county maintains an agency for the inspection and regulation of weights and measures and upon these agencies falls the major portion of the burden of enforcing these laws. However, the Bureau of Weights and Measures assists and supervises these local agencies. The standards used by the local officials are tested and approved by the Bureau to insure that they agree with the State standards. The Bureau issues rules and regulations to be followed by the local dealers. The Bureau also cooperates with local sealers in investigating

any complaints that are forwarded to it. In addition, each local sealer of weights and measures must make a monthly report of his activities to the Bureau.[5] As another means of supervising the enforcement of the laws, the Bureau holds numerous conferences with local enforcement officials.

However, the Bureau of Weights and Measures does not rely entirely upon local officials to enforce the laws. It has its own inspectors who test scales in commercial use and check the weights and measures of packaged and delivered commodities. When county and city inspectors of weights and measures file information against violators, the State inspectors frequently assist in the prosecutions and appear as witnesses. Where immediate action must be taken, State inspectors file information against the violators and prosecute at once. The Bureau tests the scales used by the Highway Department in enforcing truck load weight requirements. Occasionally the Bureau calls upon the State Police to cooperate with local enforcement officials.

The fourth and most recent function of the Bureau was added in 1935.[6] This was the duty to license weighmasters of solid fuels. When any fuel is not sold by liquid or metered measure, it must be accompanied by a cerificate of weight. These certificates can be issued only by licensed weighmasters employed by the company selling the fuel. Applicants for weighmasters must apply to the Secretary of Internal Affairs who, if satisfied with the applicant's moral character and his ability to weigh correctly, issues a license to the applicant upon payment of a fee of $5.00. Licenses can not be issued for a period exceeding three years, but may be renewed by the Secretary upon payment of another fee. Licenses may be revoked by the Secretary for dishonesty, incompetency, inaccuracy or violation of the law, after proper hearing.

The Bureau recently instituted a campaign against short weights among coal truckers and against overloading coal trucks beyond the weight limits prescribed in the Motor Vehicle Code. Existing scales are regularly investigated and tested for accuracy. Persons found guilty of short weight are immediately prosecuted and fined. An inspector may stop a truck and ask the driver for his weight slip and request him to go to a scale and test the weight, but he cannot compel the driver to go to the scale. If the driver refuses to go to the scale, the inspector can only file an information against him, obtain an officer and arrest him. The same applies with respect to enforcement of the overloading provisions of the Motor Vehicle Code.

The following indicates the number of inspections made, the number of devices condemned, and the number adjusted by the Bureau of Weights and Measures during the past three bienniums and the first year of the current biennium:

TABLE V-A

Volume of Work Performed by Bureau of Weights and Measures 1933 to 1940, Inclusive

Biennium	Number Inspected	Number Approved	Number Condemned	Number Adjusted
1933-35	3,323,437	3,023,755	260,096	39,586
1935-37	4,990,348	4,567,929	370,956	51,463
1937-39	4,932,956	4,694,658	189,585	48,713
1939-40	2,844,514	2,751,027	77,146	16,341

4. Bureau of Municipal Affairs

The Bureau of Municipal Affairs, although reorganized by the Administrative Code of 1929,[7] can trace its history back to 1916 when a Division of Municipal Information and Statistics was created, although at that time it was under the Department of Labor and Industry.

According to the Administrative Code,[8] the functions of this Bureau are to collect and make available statistical and other information for municipalities, aid in installation of uniform systems of municipal accounting, and aid municipalities in physical planning of civic and recreational areas and institutions. Subsequent legislation[9] placed upon this Bureau the function of approving municipal bond issues and investigating municipal sinking funds.

The Bureau of Municipal Affairs is divided into a Division of Boroughs, Division of City Planning and Landscape Architecture, and a Division of Bond Approvals. In addition, the Bureau has a small administrative section.

a. Division of Boroughs

While the Division of Boroughs is listed as an official section of the Bureau of Municipal Affairs, it does not appear to be charged with any particular duties, nor perform duties, nor perform any specific functions.

b. Division of Landscape Planning and City Architecture

The Division of Landscape Planning and City Architecture is charged with the responsibility of aiding public agencies in the physicial planning of their institutions or municipalities. This Division assists in the planning of transportation facilities, recreational areas and other municipal functions. It particularly assists in planning the landscaping of public buildings.

These services are only performed upon request of the public agency. The Division has no authority over municipalities to compel them to utilize its services or to force them to correct any undesirable conditions. The Division is not permitted to extend its services to private parties.

From June 1, 1938 to May 1, 1940, employes of this Division made 47 visits and 27 revisits, working with 10 schools, 28 municipalities, 24 State institutions and 2 county institutions. During this period they completed the drafting of 18 general plans, 7 grading and drainage plans, 21 planting plans, 6 detail and construction plans. The Division held 520 consultations, wrote 312 letters, prepared 21 articles for the Department's monthly bulletin, gave advice to 8 persons who called personally, compiled 16 reports, sent 337 blueprints, and its employes delivered 3 talks.

c. Division of Bond Approvals

While the Constitution of 1874 imposed limitations on borrowing by municipalities,[10] it was not until 1927 that any State agency was authorized to enforce this provision. In that year an Act was passed[11] giving the Department of Internal Affairs approval powers over municipal bond issues. To discharge this power a Division of Bond Approvals was created in the Bureau of Municipal Affairs.

Any political subdivision, except 1st and 2nd class cities and 1st class school districts, which now desires to issue

bonds, prepares its proceedings in accordance with the various governing statutes and files them in the Court of Quarter Sessions of the county in which the political subdivision is located. The proceedings are certified by the Clerk of the Court and then submitted in duplicate to the Division of Bond Approval. The Division examines the facts and proceedings and when it is determined that the proposed debt is within the limitations imposed by the Constitution and that the proceedings are in conformity with existing laws, they are approved and returned to the municipality. Where the proceedings are incorrect the solicitor of the municipality is requested to amend the proceedings. If it is determined that the anticipated loan is in excess of the constitutional limitations, the political unit is advised to withdraw the proceedings. Occasionally the solicitor involved is requested to come to the Division for an interview. The Division must certify its approval or disapproval within twenty days after receipt. Any interested party or any taxpayer who does not agree with the findings of the Department may take an appeal to the Court of Common Pleas of Dauphin County within thirty days after the date of approval or disapproval.

The authority of the Division does not extend to bonds which are not direct obligations of a municipality and which are self-supporting, such as bonds secured solely by the revenues of a municipal water company.

In 1939 the Division of Bond Approvals approved the issues shown in TABLE V-B.

In addition to the 246 noted, 16 housing authority loans totaling $62,368,000, and 41 school districts notes totaling $1,835,552 were approved by the Secretary of Internal Affairs.

Also, under the same 1927 Act[11] the Department of Internal Affairs was vested with the authority to investigate the sinking funds of those municipalities having outstanding obligations. Where municipalities have failed to establish a sinking fund or properly maintained their existing funds, the Division is authorized to order the establishment of a fund or the proper maintenance of the existing fund. The Division of Bond Approvals is charged with this work, and is now dispatching it on a limited scale.

TABLE V-B

DEPARTMENT OF INTERNAL AFFAIRS
BOND ISSUES APPROVED BY
THE DIVISION OF BOND APPROVALS
1939

Unit of Government	Number of Issues	Amount
County	11	$7,334,000.00
School District	101	6,469,600.00
Borough	85	2,689,600.00
City-Third Class	15	2,487,000.00
Township-First Class	14	832,000.00
Institution District	3	540,000.00
Poor District	3	297,000.00
Township-Second Class	14	149,081.25
Total	246	$20,798,281.25

5. Bureau of Statistics

The Bureau of Statistics is the one bureau of the State Government which is specified in the Constitution, wherein it is stated "His (Secretary of Internal Affairs) department shall embrace a bureau of industrial statistics . . ."[12]

The Bureau as now constituted is divided into five divisions, viz: (1) Division of Public Utilities Statistics; (2) Division of Industrial Statistics; (3) Division of Tax and Assessment Statistics; (4) Division of Budgets and Reports, and (5) Field Division.

a. Division of Public Utilities Statistics

The beginning of the work of the Division of Public Utilities Statistics dates back to the period prior to the present Constitution, when railway and other corporations were required to report annually to the Auditor General's Department. The transfer of such reports from the Department of the Auditor General to that of Internal Affairs was authorized by the Constitution of 1874.[13] Numerous legislative acts passed both before and since the drafting of the present Constitution have amplified the duties of this Division.[14]

In 1940 the following utilities reported to the Division:

183 Steam Railroad Companies
116 Street Railways Companies
21 Taxicab Companies
90 Bus Companies
313 Truck Companies
906 Motor Vehicle Operators
194 Telephone Companies
4 Telegraph Companies
140 Natural Gas Companies
38 Manufactured Gas Companies
62 Private Electric, Light, Heat and Power Companies
45 Municipal Electric Plants
28 Steam Heat Companies
428 Private Water Plants
232 Municipal Water Plants
3 Canal Companies
19 Pipe-Line Companies

Statistical compilations covering both individual companies and groups of companies are prepared from these reports. The data selected for tabulation includes assets, liabilities, revenues, expenses, number of employes, compensation, capital invested, volume of business or sales, as well as physical measures of the utilities operations.

Requests for information are received by mail or personal visits, by the utilities themselves, State departments, members of the Legislature, newspapers, students of transporation and others. This is conducted as a free service. Certain of these statistics were annually published with other statistics collected by the Bureau of Statistics in a book entitled "Report on Productive Industries, Public Utilities and Miscellaneous Statistics of the Commonwealth of Pennsylvania." This sold for $2.00. However, no such volume has been published since 1937, at which time figures for 1935 were released.

Similar data are collected by the Public Utility Commission. However, their figures are not available to the public but are used by the Commission in connection with rate cases and other work.

b. Division of Industrial Statistics

The Division of Industrial Statistics collects and compiles financial, volume and other statistics for most of the State's industries, performing a task similar to that done

by the Division of Public Utilities in the public utility field. The Division distributes forms throughout the State requestng desired data. In 1940 the Division received reports from 7,680 corporations, 2,737 partnerships and 6,731 individuals—a total of 17,148 reports. Of these, 135 reports were received from anthracite coal companies and 439 from bituminous coal companies. Thirty-one statistical items, including the number of salaried and wage employes, wages and salaries, horsepower, capital invested and value of products, are tabulated. The data is broken down into 12 major classes of industry and, further, into 320 separate lines of industry. The data are prepared not only for the State as a whole, but also for each of the 67 counties and for 99 leading industrial centers. The actual compilation of these statistics is carried on with the help of electric tabulating and sorting equipment.

Special reports are occasionally prepared and the Division frequently releases for public information certain selected data and figures. This Division collaborates in furnishing the industrial data for the "Report on Productive Industries, Public Utilities and Miscellaneous Statistics" referred to above.

However, while much data is released, the individual reports received from companies are kept strictly confidential. Only compiled and tabulated figures, with no references to specific companies, are published.

In addition this Division prepares the "Pennsylvania Industrial Directory." This contains the name, plant location, office address and number of employes of every manufacturing establishment in Pennsylvania doing a business in excess of $1,000 a year. This is published biennially and sells for $2.00 a copy. The last issue was published in 1938.

c. Division of Tax and Assessment Statistics

The Division of Tax and Assessment Statistics has been collecting data on local assessments and taxes since 1873. It annually receives from the commissioners of each county a statement showing, by taxing districts, the assessed valuation of real and other property within the county. For submitting such reports the commissioners are paid a compensation in accordance with a schedule of payments approved by the Auditor General. Under a 1937 Act[15] each tax collector is also required to file a detailed report with the Division.

From these reports, statistics on some 25 items, including assessed valuation, millage rates, tax levies and collections, and the cost of collections, are compiled not only for Pennsylvania as a whole, but for individual counties, institution districts, cities, boroughs, townships and school districts in the Commonwealth, aggregating over 5,000 units. These tabulations are reproduced and made available to members of the General Assembly, chambers of commerce, newspapers, universities, libraries, tax payers' organizations and others who may be interested.

d. Division of Budgets and Reports

The Division of Budgets and Reports was created to handle a new duty imposed upon the Department of Internal Affairs in 1935 and 1937. In these two years laws[16] were enacted requiring all local governmental units (except counties and cities of the 1st class, cities of the 2d and 2d-A classes, and all school districts) to use uniform budgeting and reporting forms and to file with the Department of Internal Affairs copies of their annual budgets and financial reports on these forms.

The Division of Budgets and Reports handles this work. It supplies these units with blank forms which call for detailed statements of receipts, expenditures, debt, assessment, tax collection, etc. (The forms were originally developed by the Division in cooperation with Committees of local officials.) The units fill out these forms and return them to the Division. Upon the return of these forms they are checked to see that they are properly filled out. If not, contact is made with the local officials to secure necessary corrections. The Division also assists officials in preparing budgets and reports.

These data are compiled and tabulated and made available to interested persons. Certain of the information is published or released. To date a complete annual report, as required by law, has not been published.

The Division possesses no regulatory power over the accounts or accounting systems of local units. It does not attempt to approve or disapprove of any municipalities financial practices. This Division possesses only the power to require that municipal budgets and finances be reported upon a uniform basis. However, in conjunction with these activities the Division has made certain limited attempts to promote uniform accounting systems for municipalities, a duty entrusted to the Department by the Administrative Code.

e. Field Division

The Bureau of Statistics also has a Field Division. This is a convenient designation to cover a group of employes who reside throughout the State and whose function it is to collect delinquent reports for all divisions of the Bureau, instruct corporations, municipal officials and individuals in the proper preparation of reports, and, generally, to obtain statistical information that can best be secured by personal contact.

6. Bureau of Topographic and Geologic Survey

The work performed by the Bureau of Topographic and Geologic Survey has been handled by several different branches of the State Government since its inception in 1836. The work was intermittently supervised by Geologic Surveys and a Topographic and Geologic Survey Commission. In 1919 a separate Bureau was set up in the Department of Internal Affairs to take over the work.[17] Between 1923 and 1927 the function was performed under the Department of Forests and Waters, and finally transferred back to the Department of Internal Affairs in this latter year.

The administrative code authorizes the Bureau to undertake, conduct and maintain a thorough and extensive topographic and geologic survey of the State, to collect geologic specimens, collect survey data of other States and to arrange for cooperation with U. S. Geological Survey or national organizations engaged in the work.[18]

The topographic mapping of the State is not actually performed by the Division of Topographic and Geological Survey. It is carried on entirely by the U. S. Geological Survey. However, the Division determines where the mapping is to be done, based on expressed or anticipated needs, and checks on the results, pointing out errors and aiding in securing data on political boundaries and cultural developments. The mapping of the State is over 90% completed, but many of the earlier maps, some of

which were made more than forty years ago, are in need of revision.

As distinguished from topographic mapping the Division is also concerned with geologic mapping. A large part of such mapping is done entirely by the Division. For work in more difficult portions of the State, the Division and the U. S. Geological Survey each furnish one or more geologists who cooperate in the task.

Another phase of the geological work is that of obtaining information on mineral resources. In order to have information regarding the several mineral resources of the Commonwealth, special State-wide studies of individual mineral resources have been carried out. While the studies vary in detail they cover oil and gas fields, bituminous coal fields, clays and shales, lead and zinc ores, limestones, etc. Reconnaissance studies of the ground water resources of the State have been completed and publishd in six volumes.

Under a 1937 Act,[19] records of certain deep oilwells must be filed with the Division. Gauging of wells scattered over the State has been in progress for over ten years.

In connection with this geologic and mineral work the Division of Topographic and Geologic Survey fulfills an important informational function. It serves as the reference bureau for various State departments in connection with geologic, water and mineral resources. The Division receives between 5,000 and 10,000 letters of inquiry throughout the course of a year, and averages 3 personal inquiries a day. The employes of the Division give between 50 and 75 public addresses a year, and write articles for the Department's monthly bulletin and other publications. One phase of this educational work has been the conducting, in cooperation with the Department of Public Instruction, of field excursions intended primarily for teachers. An outcome of these excursions has been a series of eight geologic guidebooks, each based on trips along one of the State highways.

A large portion of the Division's time is occupied with the preparation of reports, maps and drawings. This involves the maintenance of a Division library, as well as map filing, mounting and labeling of photographs, preparation of lecture lantern slides, the finished drafting of figures and maps, etc.

a. Cooperation with Other Agencies

In its work the Division of Topographic and Geologic Surveys cooperates with several other agencies. As was previously pointed out, the topographic mapping is performed in cooperation with the U. S. Geological Survey; most of the survey of water resources was conducted on the same basis. The Division has an agreement with the U. S. Bureau of Mines, which agency analyzes coal samples obtained by the Division. In a few instances the Division has cooperated with the U. S. Bureau of Soils in making soil surveys. In studying anthracite coal and silt problems, the work was done in conjunction with the Sanitary Water Board and the U. S. Bureau of Mines.

The Division has also cooperated with industries—the Survey doing the technical work, while the industry carried the cost of analyzing or testing any samples. The Survey has an agreement with the School of Mineral Industries at State College defining the fields of the two organizations—the Survey retaining in the main the field studies, while the School follows a parallel laboratory study of the same problems.

Furthermore, the Division has cooperated with professors and graduate students of Pennsylvania universities and colleges. Many such men conduct studies on their own account and make the findings available to the Division. In some instances the Division has acted as a publishing agent. In other instances, the person has been made a per diem employe of the Division.

7. Bureau of Publicity and Information

The Bureau of Publicity and Information is the public contact section of the Department. It releases all the publicity and handles requests for information. It has charge of all the publicity of the bureaus in the Department, and furnishes to the newspapers and to the general public, statistics and other information gathered and compiled in the Department. Since the Department contains the statistical office of the Commonwealth, it receives, through this Bureau, approximately 5,000 letters a year from every state in the Union, and from foreign lands, relative to various information concerning the Commonwealth.

In addition, the Bureau of Publicity and Information has charge of all the printing work of the Department. It also does the Department's duplicating work, including photo-copying, multigraphing, mimeographing, addressographing, etc. In addition to the work done for the Department, this Bureau does a considerable amount of photostating for other Departments.

D. PERSONNEL

To operate the above delineated organization, the Department of Internal Affairs, as of June 1, 1940, was staffed with the following personnel. (While the employes are assigned to specific bureaus, the Department follows a practice of shifting personnel as working conditions require).

1. Administrative Bureau

The office of the Secretary of Internal Affairs is provided for by the State Constitution.[20] The Secretary is elected at large every four years. He receives a salary of $10,000 per annum.

The Deputy Secretary of Internal Affairs is appointed by the Secretary, and receives $6,000 a year.

Including these two officials, as of June 1, 1940, the Bureau was staffed with the following regular employes:

	1	Secretary	$10,000 per annum
	1	Deputy Secretary	6,000 " "
	1	Administrative Assistant	3,600 " "
	1	Comptroller	2,400 " "
	1	Principal Clerk Stenographer	1,500 " "
	1	Principal Clerk Stenographer	1,380 " "
	1	Advanced Messenger	1,380 " "
	1	Senior Messenger	1,020 " "
	1	Senior Chauffeur-Mechanic	1,380 " "
Bureau —			
Total	9	Total Annual Salaries	$28,660 " "

2. Bureau of Land Records

As of June 1, 1940 the regular employes of the Bureau of Land Records were:

1 Director	$ 3,000	per	annum
1 Junior Draftsman	1,380	"	"
1 Special Typist Clerk	1,380	"	"
1 Principal File Clerk	1,380	"	"
1 Principal Index Clerk	1,860	"	"
3 Advanced Copyists	1,620	"	"
3 Senior Copyists	1,380	"	"
Bureau Total 11 Total Annual Salaries	$18,000	"	"

a. Board of Property

The Board of Property is composed of the Secretary of Internal Affairs, the Deputy Attorney General and the Secretary of the Commonwealth. The Deputy Secretary of Internal Affairs is Clerk to the Board.

3. Bureau of Standard Weights and Measures

As of June 1, 1940, the regular employes of the Bureau of Standard Weights and Measures were:

Administration			
1 Director	$3,000	per	annum
1 Senior W. & M. Inspectors	1,860	"	"
1 Senior Stenographer Typist	1,140	"	"
Inspection			
2 Principal W. & M. Inspectors	2,400	"	"
13 Senior W. & M. Inspectors	1,860	"	"
1 Advanced Truck Driver	1,620	"	"
Bureau Total 19 Total Annual Salaries	$36,600	"	"

The Weights and Measures Inspectors are assigned to specific districts throughout the State and are considered as based therein.

4. Bureau of Municipal Affairs

As of June 1, 1940, the regular employes of the Bureau of Municipal Affairs were:

Administration			
1 Administrative Assistant	$3,000	per	annum
2 Senior Stenographer Clerks	1,140	"	"
a. Division of Boroughs			
No Employes			
b. Division of City Planning and Landscape Architecture			
1 Chief of City Planning & Landscape Architecture	$2,400	per	annum
1 Junior Landscape Architect	1,620	"	"
1 Stenographer Secretary	1,380	"	"
c. Division of Bond Approvals			
1 Special Bond Clerk	2,100	"	"
1 Advanced Examining Clerk	1,620	"	"
1 Senior Examiner	3,000	"	"
2 Municipal Examiners	2,400	"	"
Bureau Total 11 Total Annual Salaries	$22,200	"	"

In addition, the Bureau employed on a per diem basis, one Acting Director at $16.15 per day. The Division of Bond Approvals also utilized the services of a Deputy Attorney General who was assigned to the Division by the Department of Justice.

5. Bureau of Statistics

As of June 1, 1940, the regular employes of the Bureau of Statistics were:

Administration			
1 Director	$6,000	per	annum
1 Stenographer Secretary	1,380	"	"
a. Division of Public Utility Statistics			
1 Chief of Public Utility Statistics	2,400	"	"
1 Advanced Report Clerk	1,620	"	"
1 Principal Typist Stenographer	1,380	"	"
b. Division of Industrial Statistics			
1 Chief of Industrial Statistics	2,400	"	"
1 Statistician	2,100	"	"
1 Senior Report Investigator	1,860	"	"
1 Advanced Computing Clerk	1,620	"	"
2 Report Investigators	1,620	"	"
1 Advanced Report Clerk	1,620	"	"
1 Senior Statistical Clerk	1,380	"	"
1 Senior Account Clerk	1,380	"	"
1 Head File Clerk	1,380	"	"
1 Principal Typist Stenographer	1,140	"	"
1 Supervising Tabulating Machine Operator	1,620	"	"
1 Senior Key Punch Operator	1,020	"	"
1 Principal Clerk Typist	1,140	"	"
c. Division of Taxes & Assessments			
1 Chief of Taxes & Assessments	2,400	"	"
1 Advanced Report Investigator	2,100	"	"
1 Statistician	2,100	"	"
1 Assistant Tabulating Accountant	1,860	"	"
1 Advanced Computing Clerk	1,620	"	"
d. Division of Budgets and Re-Reports			
1 Statistician	2,100	"	"
1 Advanced Report Investigator	2,100	"	"
1 Senior Report Investigator	1,600	"	"
2 Principal Typist Stenographers	1,140	"	"
1 Senior Typist	1,020	"	"
e. Field Division			
1 Chief of Field Force	2,400	"	"
1 Advanced Report Investigator	2,100	"	"
2 Senior Report Investigators	1,860	"	"
4 Report Investigators	1,620	"	"
Bureau Total 38 Total Annual Salaries	$68,820	"	"

In addition, the Division employed on a per diem basis 1 Principal Typist-Stenographer at $4.39 per day.

The report investigators connected with the Field Division are assigned to specific districts throughout the State and are considered as based therein.

6. Bureau of Topographic and Geologic Survey

As of June 1, 1940, the regular employes of the Bureau of Topographic and Geologic Survey were.

1 Chief Geologist	$7,000	per	annum
1 Advanced Geologist	5,000	"	"
1 Senior Geologist	3,600	"	"
1 Junior Geologist	2,400	"	"
3 Junior Assistant Geologists	1,860	"	"

1	Advanced Draftsman	2,220	"	"
2	Senior Correspondence Stenographers	1,620	"	"
1	Stenographer Secretary	1,380	"	"
Bureau Total 11	Total Annual Salaries	$30,420	"	"

In addition, the Division employed on a per diem basis:

1	Geologist	$13.85	per day
1	Geologist	10.00	" "
1	Assistant Geologist	7.50	" "
1	Assistant Geologist	7.15	" "
4	Junior Assistant Geologists	5.00	" "

7. Bureau of Publicity and Information

As of June 1, 1940, the regular employes of the Bureau of Publicity and Information were:

1	Principal Public Information Editor	$3,600	per annum	
1	Supervising Machine Operator	1,380	"	"
1	Senior Stenographer Clerk	1,320	"	"
Bureau Total 3	Total Annual Salaries	$6,300	"	"

8. Personnel Summary

As of June 1, 1940, the Department of Internal Affairs was staffed with the following regular personnel:

TABLE V-C

SUMMARY OF SALARIED EMPLOYES, DEPARTMENT OF INTERNAL AFFAIRS JUNE 1, 1940

Section	Number of Employes	Total Annual Salaries
Administrative Bureau	9	$28,660
Bureau of Land Records	11	18,000
Bureau of Standard Weights and Measures	19	36,600
Bureau of Municipal Affairs	11	22,200
Bureau of Statistics	38	68,820
Bureau of Topographic and Geologic Survey	11	30,420
Bureau of Publicity and Information	3	6,300
Total	102	$211,000

Also as of the same date, the Department of Internal Affairs had on its payroll 10 per diem employes receiving a total daily compensation of $64.04.

E. FINANCES

Despite the many public services rendered by the Department of Internal Affairs its income is very limited and considerably below its expense of operating. This is evident when the expenditures and receipts are considered by bureaus.

1. Bureau of Administration

The nature of the Bureau of Administration precludes its producing any income. As the executive office for the entire Department, its function is to administer the various other bureaus. In the 1937-39 biennium the Bureau expended $39,303. As the salaries for this Bureau aggregate approximately $18,000 annually or $36,000 a biennium, the major portion of the cost of the Bureau of Administration went for personal services.

Another item of expense, while not directly chargeable to the Bureau of Administration but which is none the less an administrative cost, is the salary of the Secretary of Internal Affairs. This is fixed by statutory enactment of $10,000 a year.[21] Thus, it amounts to $20,000 a biennium. Any traveling and other expenses incurred by the Secretary are paid out of the Bureau of Administration's appropriation.

2. Bureau of Land Records

The operations of the Bureau of Land Records produce revenue through the preparation of copies of records. While copies prepared for State departments and agencies are furnished without charge, there is a definite schedule of fees laid down by the law[22] for copies prepared for private persons. In the 1937-39 biennium these fees aggregated $2,054, of which $1,957 went into the general fund and $97 into a special account deposited in a private bank in the Secretary's name. This latter sum was held for land patents pending. (The Secretary holds such sums until a grant is made, at which time the money is transferred to the General Fund.)

As has previously been described, when any land is discovered for which no owner exists the Bureau of Land Records surveys the land and proceeds to sell it. This source of revenue amounted to $356 in the 1937-39 biennium.

Against these total receipts of $2,410 the Bureau of Land Records incurred disbursements of $44,532 for a net cost of $42,000. Approximately 80% or $36,000 of this amount went for the compensation of employes.

For the 1939-41 biennium it is estimated that $2,000 will be received for land office fees and $600 from sale of unappropriated land.

3. Bureau of Standard Weights and Measures

The numerous inspections and certifications made by the Bureau of Standard Weights and Measures are performed solely at the expense of the State. No charge is made to persons whose scales are inspected or to manufacturers whose scales are tested and approved. The only revenue produced by the weights and measures activities of the Department of Internal Affairs is the fee charged for licensing weighmasters. Each applicant for a weighmaster's license must pay a fee of $5 and a similar fee for each renewal of the license. In the 1937-39 biennium these fees amounted to $13,890.

The biennial payroll of the Bureau of Standard Weights and Measures aggregates over $70,000. This accounts for the major portion of the $100,054 the Bureau spent in the 1937-39 biennium. Taking into account the $13,890 of weighmaster fees, the net cost of the weights and measures functions of the Department of Internal Affairs for the two year period was approximately $86,000.

If budget estimates are accurately realized this Bureau will receive $27,775 of weighmaster fees in the 1939-41 biennium.

4. Bureau of Municipal Affairs

As was previously pointed out, the Bureau of Municipal Affairs is performing two functions: (1) aiding government bodies in landscape planning and city architecture, and (2) approving municipal bond issues. The first func-

tion is a service gratuitously performed upon the request of the governmental body. No fees are charged for the work. However, such is not true of the second function, as each municipality must pay a fee for the examination and approving of its bond issues by the Bureau of Municipal Affairs. In accordance with the 1933 Act[28] the present fee is $10.00 plus one-half of one mill on each dollar of the aggregate par value of the proposed issues. In the 1937-39 biennium the fees thus collected totaled $39,669.

This amount was more than sufficient to place the bond approval work on a self-supporting basis, and defraying a significant portion of the Bureau's total expenditures of $52,887 during the same period. This earning of over 70% of its expenses for a net cost of approximately $13,000, placed the Bureau of Municipal Affairs above all the bureaus of the Department of Internal Affairs in respect to the ratio of income to expenditures.

For 1939-41 it is estimated that this Bureau will receive $38,000 in municipal indebtedness approval fees.

5. Bureau of Statistics

For the bulk of its statistical work, the Bureau of Statistics charges no fees. The revenue produced by the work comes solely from the publication of the "Industrial Directory of Pennsylvania" and the "Report on Productive Industries, Public Utilities, and Miscellaneous Statistics of the Commonwealth of Pennsylvania." As previously noted, the data for these two books are prepared by the Bureau of Statistics. Both volumes sell for $2 each, but the receipts from sales go directly to the Department of Property and Supplies and thus are actually not received by the Department of Internal Affairs. In the 1937-39 biennium, sales of the Industrial Directory produced $1,078 and sales of the Productive Industries Report Produced $27. The low receipts from the Productive Industries Report is accounted for by the fact that no new volume of this Report was published during the period and that the small receipts represent sales of previously issued volumes. The anticipated receipts from this source for the 1939-41 biennium are included in the budget of the Department of Property and Supplies.

The Bureau of Statistics spent more than any other Bureau in the Department disbursing $192,104 during the 1937-39 biennium. Over $135,000, or over 70% of this amount went for wages and salaries of employes.

6. Bureau of Topographic and Geologic Survey

In the matter of finances, the Bureau of Topographic and Geologic Survey occupies a unique position. It is the one section of the Department for which separate and specific budget allocations are made. Two appropriations are made for this Bureau—one for the Survey itself and one for publishing the work of the Survey.

In 1937-39, publications of the survey were sold by the Department of Property and Supplies for a total of $875. However, receipts from this source go to the Department of Property and Supplies and are included in that Department's budget estimates.

The Topographic and Geologic Survey produces some direct revenue in its recording of deep oil wells and other minor miscellaneous work. In the two years covered by the 1937-39 biennium, these special fees totaled $881 and were deposited in a private bank in the Secretary's name pending the rendering of an opinion by the Attorney General as to the disposition of this money.

During the same period, the Bureau expended $120,248 on the survey proper and incurred committments of $33,631 for publishing results. This produced a total cost of $153,879 and a net cost of $152,998 if the receipts of the Bureau are taken into account.

7. Bureau of Publicity and Information

The revenue producing efforts of the Bureau of Publicity and Information are reflected in the receipts of other Bureaus of the Department. That is due to the fact that the Bureau of Publicity and Information aids the other bureaus to publish their material. However, while the Bureau had no receipts in the 1937-39 biennium, certain very small and minor miscellaneous receipts are now being collected by it.

For 1937-39 the expenses of the Bureau amounted to $26,483.00. The Bureau had the lowest ratio of salaries and wages to total cost of all the departments' bureaus, personal service expenses amounting to approximately 50% of the total expenditures.

8. Summary of Finances

In summary, the aforementioned expenditures of the Department totalled $629,242 for the 1937-39 biennium, as shown in Table V-D. This was offset by receipts of $56,850, which resulted in a net operating cost of $572,392.

TABLE V-D

DEPARTMENT OF INTERNAL AFFAIRS
Summary of Expenditures, Receipts and Net Cost
1937-1939

Bureau	1937-39 Actual Expenditures	Receipts[b]	Net Cost
Administrative	$59,303[a]	$.....	$59,303
Land Records	44,532	2,410	42,122
Standard Weights & Measures	100,054	13,890	86,164
Munncipal Affairs	52,887	39,669	13,218
Statistics	192,104	.....	192,104
Publicity & Information	26,483	.....	26,483
Topographic & Geologic Survey	153,879	881	152,998
Department Total	$629,242	$56,850	$572,392

[a] Includes salary of Secretary of Internal Affairs.
[b] Receipts from publications included in budget of Department of Property and Supplies.

Budget appropriations to the Department for the current biennium (1939-1941) amounted to $575,750, while it is estimated that receipts comparable to those shown in the above table will total $69,575.

FOOTNOTES

[1] Article IV, Section 1.
[2] Article IV, Section 19; also 1874, P. L. 135
[3] Administrative Code, Section 1203; also 1927, P. L. 207.
[4] 1921, P. L. 389.
[5] 1929, P. L. 1757.
[6] 1935, P. L. 1356 as amended 1939, P. L. 865.
[7] Section 1204.
[8] Administrative Code, Section 1204.
[9] 1927, P. L. 91.
[10] Article IX, Sections 8 and 10
[11] 1929, P. L. 91.
[12] Article IV, Section 19.

[13] Article XVII, Section 11.
[14] Acts of April 9, 1870, May 11, 1874, May 13, 1889
[15] 1937, P. L. 2797.
[16] 1935, P. L. 1190 and 1937, P. L. 1608.
[17] 1919, P. L. 420.
[18] Administrative Code, Section 1202
[19] 1937, P. L. 2772.
[20] Article IV, Section 21.
[21] Administrative Code, Section 209.
[22] 1933, P. L. 100.
[23] 1933, P. L. 97.

CHAPTER VI

THE TREASURY DEPARTMENT

A. FUNCTION

The Treasury Department is one of the oldest in the State Government, some of its powers dating back to 1811.[1] Its administrative head, the State Treasurer, is a constitutional officer,[2] elected for a term of four years from the first Monday in May immediately following his election. He may not serve for two consecutive terms.[3] The State Treasurer serves in other capacities as follows:

Chairman, Board of Finance and Revenue
Member, School Employes' Retirement Board
Member, State Employes' Retirement Board
Member, State Workmen's Insurance Board
Member, General State Authority
Member, Pennsylvania-New Jersey-Delaware River Bridge Commission
Member, Pennsylvania-New York-Delaware River Bridge Commission

B. POWERS AND DUTIES

1. Constitutional

The State Treasurer, like the Auditor General, has but one duty imposed upon him by the Constitution.[4] All contracts for "stationery, printing, paper and fuel for the Legislative and other departments of Government, the printing, binding, and distributing of the laws, journals, and all other printing and binding" and repairs and furnishing the halls and rooms for the General Assembly, are subject to the approval of the Governor, the Auditor General and the State Treasurer.

2. Other

Additional duties imposed upon the Treasury Department by the Fiscal Code[5] include the following:

a. To deposit all moneys of the Commonwealth received by it, including moneys not belonging to the Commonwealth but of which the Treasury Department or the State Treasurer is custodian, in State depositories approved by the Board of Finance and Revenue.
b. To safely keep all securities to it or to the State Treasurer as custodian thereof, under authority of any act of Assembly.
c. To collect dividends, interest or any other income accruing on such securities and credit the proceeds thereof to the proper fund.
d. To surrender securities for redemption, in proper cases, and credit the proceeds thereof to the proper fund.
e. To make delivery of any securities lawfully sold by the department, board or commission which deposited them, upon receipt of written authorization from such agency.
f. To advise the Department of Revenue, and other agencies affected, of amounts credited to any fund as a result of collection or sale.
g. To collect from all State depositories, interest on State deposits.
h. To issue its receipt to the Department of Revenue for all money transmitted by that Department to the Treasury Department.
i. To cooperate with the Department of the Auditor General in the examination and audit of requisitions for disbursements, and in the examination and adjustment of claims against the Commonwealth.
j. To pay no money from any funds of the State Treasury, except upon warrant of the Auditor General, except moneys in the State Workmen's Insurance Fund, the Unemployment Compensation Trust fund or the Unemployment Compensation Administration Fund, which may be disbursed by check of the State Treasurer upon requisition of the Secretary of Labor and Industry.

3. Board of Finance and Revenue

The Board of Finance and Revenue, a departmental administrative board in the Treasury Department is vested with powers and duties as follows:[6]

a. To revise upon presentation to it of a petition for review any settlement made with any person, association, etc., by the Department of Revenue, the Department of the Auditor General and the Treasury Department.
b. To hear and determine any petition for the refund of taxes, license fees, penalties, fines, bonus, or other moneys paid to the Commonwealth and to which the Commonwealth is not rightfully or equitably entitled.
c. To hear and determine any petition for the remission of penalties imposed and paid for failure to file any tax or bonus report within the time specified by law.
d. To hear and determine petitions for the remission of penalties imposed but not paid for failure to file any tax or bonus report within the time specified by law.
e. To hear and determine petitions for the refund of moneys escheated into the State Treasury by order of the court, or paid voluntarily under the provisions of any act of Assembly regarding escheatable funds.
f. To select and designate, as depositories for State moneys, such banks, banking institutions, or trust companies, which are subject to national or State supervision and which comply otherwise with the provisions of the Code.
g. To select as depositories for State funds, private banking institutions located and doing business in this Commonwealth which agree in writing to the same supervision and comply with the same requirements as other State depositories.
h. To designate two banks or trust companies in each of Dauphin, Allegheny and Philadelphia counties and three banks or trust companies in any other part of the Commonwealth as active depositories in which shall be deposited sufficient daily receipts for the current needs of the Commonwealth. It may designate two additional banks or trust companies anywhere in the Commonwealth in the same capacity.
i To see that no bank, banking institution, etc., except those designated as active depositories, shall receive a deposit of State moneys in excess of 25% of its paid in capital and surplus, or have at anytime, an aggregate of deposits in excess of $500,000: Provided, however, that in the case of any particular depository these restrictions may be waived to permit the deposit of not more than one million in any bank, etc., designated as an inactive depository.
j. To see that the combined deposits in active deposi-

[1] Footnotes on page 6869.

tories shall not exceed the total sum prescribed by resolution.

k. To require the State Treasurer to reduce, change or wholly withdraw, within thirty days, any deposits held by a depository, in case the Board believes that the credit of such depository is impaired, the safety of the deposits imperiled or for any other reason.

l. To invite the Secretary of Banking to sit with and advise the Board, whenever it is considering applications for State deposits.

m. To supervise and direct the State Treasurer in receiving the incomes and revenues payable into the Sinking Fund, and in applying the same.

n. To see that the State Treasurer, under its supervision and direction, shall open books in his department and keep separate and distinct accounts of all Sinking Fund moneys received and disbursed under the Fiscal Code.

o. To prepare a statement of the total amount of money in said fund, on the first business day of each month, which, having been verified by oath or affirmation, shall be published in two newspapers, in Harrisburg, for public information.

p. To purchase bonds of the United States at the then market prices, if, in the opinion of the Board, the purchase or redemption of loans of the Commonwealth, cannot be made for the best interests of the Commonwealth.

q. To report and certify to the Governor biennially, for the preceding two calendar years, the detail of all transactions within and the condition of the fund, together with a summary statement of receipts and disbursements, and a complete statement of the total amount of bonds and moneys remaining in said fund.

r. To report thereto, within 10 days of the organization of the General Assembly, the amount of the public debt liquidated, the amount remaining due, the annual interest thereon, what increase or modification of the Sinking Fund may be made, and what increase or reduction of taxes may be required or made, in order that the Legislature may provide for such contingencies as may arise.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, as is indicated in Chart VI-1, the Treasury Department is divided into the Bureau of Securities and Deposits, the Bureau of Reconciliation and the Bureau of Disbursements. It has one departmental administrative board, the Board of Finance and Revenue.

1. Bureau of Securities and Deposits

The Bureau of Securities and Deposits, acts as custodian to the monies, receipts and securities deposited with the Treasury Department. All money received from the Department of Revenue or other sources passes through this Bureau to the various depositories, active or inactive, designated and approved by the Board of Finance and Revenue. It prepares a quarterly statement for the Auditor General giving in detail the different sums making up the total in the State Treasury as of the date of each report. This report includes the names of the banks and other depositories with the amount deposited in each, by fund. Such reports are open to public inspection.

The Bureau receives, records and holds in safe custody all collateral and bonds, deposited with the Commonwealth for its protection including surety and fidelity bonds. All securities deposited with the State Treasurer representing investments of custodial funds such as the Sinking Fund or the State Employes' Retirement Fund are the direct charge of this Bureau which maintains records, clips coupons and credits the amount collected thereon to the proper fund or funds.

All interest due the Commonwealth on deposits of its own or custodial funds is collected by this Bureau and credited to the proper fund. The rate of interest is fixed by the Board of Finance and Revenue but may not be less than 1% on inactive accounts.

At one time interest was collected on both active and inactive deposits. With the money market pretty well glutted with funds, it has become increasingly difficult to get any return on funds for current use. This situation has been further complicated by a Federal Law prohibiting the payment of interest on demand deposits by any member of the Federal Reserve System or any institution insured under the Federal Deposit Insurance Corporation. An effort has been made to meet this latter difficulty by depositing funds on a 30 day notice basis. With the larger number of special funds, each of which must be physically segregated as well as separately accounted for, it is extremely difficult to estimate the amount needed for each for a 30 day period. The additional amount necessary to draw in order to cover maximum probable demand in each fund represents a considerable loss in interest during each year. This loss will increase as the demand for money grows.

2. Bureau of Reconciliation

The Bureau of Reconciliation makes intra-departmental audits of the other bureaus of the Treasury Department acting as a check upon affairs and expenditures of the bureaus. It is responsible to the State Treasurer to see that all acknowledgements of deposits made in the various State depositories are in agreement with the report of the deposit made by the Bureau of Securities and Deposits. Similarly, the Bureau verifies the fact that all the receipts of the Department go into the approved depositories. It makes a daily reconciliation of the balances at the State depositories, as submitted by the individual depository, with the records of the Department. It also verifies the cancelled checks issued by the Bureau of Disbursements against the records of disbursements shown by that Bureau.

3. Bureau of Disbursements

The Bureau of Disbursements is the auditing and check writing agency of the Treasury Department. All requisitions and accounts presented to the State for payment, except the State Workmen's Insurance Fund and the two Unemployment Compensation Funds, after being audited by the Auditor General are sent to the State Treasurer for his approval. After the approved requisition is returned the Auditor General issues his warrant which is the authority for drawing the check. The State Treasurer draws on the three funds excepted above on requisition of the Secretary of Labor and Industry.

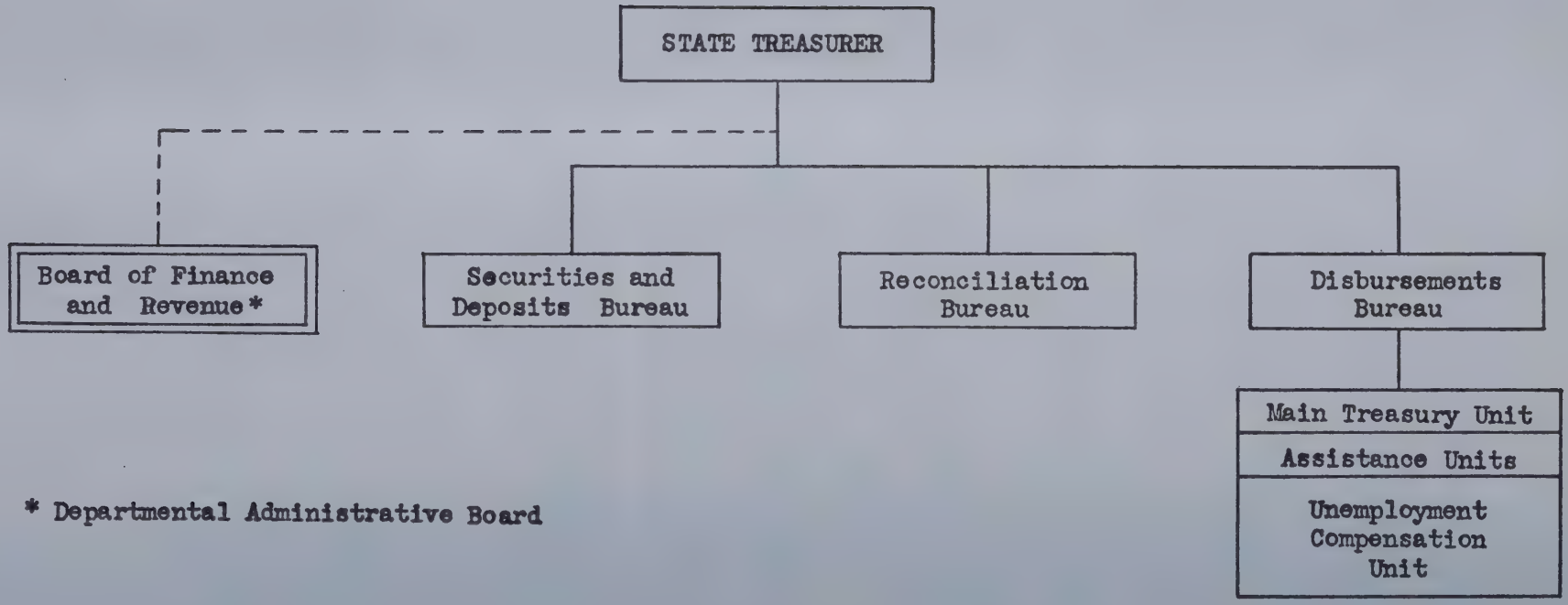
The Bureau of Disbursements is divided into the Main Treasury Section, the Public Assistance Section and the Unemployment Compensation Section.

a. Main Treasury Section

This section writes the checks and takes care of pay-

CHART VI-1

ORGANIZATION OF THE STATE TREASURY DEPARTMENT



* Departmental Administrative Board

roll and other requisitions for most of the State Departments and funds, with the exception of relief and social security payments. It also maintains a personnel card record of every salaried employe of the Commonwealth which is a duplicate of the record maintained by the Auditor General. This Section spot checks all requisitions to establish fidelity and legality, duplicating to that extent the work of the Auditor General. Under the Fiscal Code, the auditing by the Treasury Department could be expanded almost indefinitely according to the State Treasurer's interpretation of his duty.

b. Public Assistance Section

The Public Assistance Section handles relief checks for the Department of Public Assistance. Until November 12, 1940, all general assistance checks, about 1,200,000 per month, were written and signed by the Treasury Department despite a statutory[7] provision requiring that the Department of Public Assistance take over the writing not later than August 5, 1939.

The procedure for handling relief checks is definitely stated in the amended Fiscal Code[7] which provides that the Treasury Department, upon requisition, shall furnish serially numbered checks to the Department of Public Assistance which enters thereupon the name, address, amount of payment and other necessary data. The latter Department is then directed to "prepare a requisition on the Auditor General in the total amount of such checks, and the Auditor General shall issue his warrant on the Treasury Department in the same total amount. Upon receipt of this warrant the Treasury Department shall sign and mail the checks to the payees designated thereon."

Complaint is made by the Treasury Department that the new system has not resulted in either efficiency or economy. The difficulty lies chiefly in the interpretation placed upon the last sentence quoted above. The warrant is supported by a duplicate of the check in sheets of five. The Treasurer feels that in order to adequately protect the Commonwealth the original check must be compared with the duplicate. This practice would disclose a fraud by an employe filling in the checks who might substitute a blank sheet for the checks, so that the duplicate would list the proper person, and then fill in the check to himself or some other person not entitled to relief. A much simpler form of fraud, inserting a fictitious name on both original and duplicate would escape detection under the present method of comparison.

There is no doubt that, lacking a judicial opinion or one by the Attorney General relieving him of responsibility, the State Treasurer has the right to determine for himself what constitutes a reasonable safeguard on any disbursement. In reaching a conclusion on such safeguard, however, several points should be considered, namely.

(1) The method by which requisitions are prepared and checked before presentation.
(2) The procedure for writing checks by the Department of Public Assistance.
(3) The opportunity for and possibility of fraud.

Requisitions are prepared and checks written in the four regional offices of the Departmert of Public Assistance: Philadelphia, Pittsburgh, Scranton and Harrisburg. The same general method of checking is used as has been in effect on payrolls for a great many years. Starting with a requisition which was checked in detail, each requisition is compared with the preceding one, all differences being set up on a reconciliation form each item of which, other than name dropped, is supported by a "ran." The "ran" is a form giving a summary of the case and reasons for change, if any. These "rans" are submitted to the central office where a new addressograph plate is prepared. This plate is proofread in the field before it is used in writing checks.

The checks are written at present in sheets of five by an addressograph machine which carries the name and address of the person to whom relief is granted, the amount and type of relief, the case number and such other pertinent data as may be desired. The process is rapid and practically automatic in that the operator simply places a drawer of plates in the machine and feeds the checks. The same plate is used for posting to the ledger card and many other purposes. It would be entirely possible for the State Treasurer to have his representative present at the writing of all checks so that the method of mathematical proof could be used.

A constant control is maintained on the plates so that there would have to be considerable collusion before an unauthorized plate could be inserted. The method of writing checks is such that any interruption of the process or insertion of blank sheets would be noticed immediately. Not only does the average amount of the checks discourage fraud but the relief client would make immediate protest and start an investigation as soon as his check failed to arrive on time.

There is no question that any difficulties in administering the present method of handling checks can be solved by a little real cooperation among the departments involved.

c. Unemployment Compensation Section

The funds and expenditures for both personnel and beneficiaries receiving unemployment compensation are handled under the regulations of the Federal Social Security Board. Taxes under the unemployment compensation laws are collected by the Department of Labor and Industry and by them transmitted to the State Treasury. A check for the amount collected is deposited by the State Treasurer in a Federal Reserve Bank in Philadelphia to the credit of the Treasurer of the United States on the basis of a requisition drawn by the Department of Labor and Industry.

As funds are needed for the payment of expenses and benefits, the Department of Labor and Industry draws a requisition on the Social Security Board through the Federal Reserve Bank for the sums needed. Usually about $2,000,000, enough to last a week or ten days, is requisitioned at a time. These moneys are deposited in State depositories by the State Treasurer who draws checks upon them on requisitions.

The Commonwealth is responsible for the authenticity of each check issued. The Treasurer is not required to have a warrant drawn by the Auditor General in order to pay out the funds for unemployment compensation. He may issue checks on requisition of the Department of

Labor and Industry. In view of the responsibility of the Commonwealth, it is interesting to note that there has been no audit of these funds by the Auditor General. The question as to his powers and duties in this regard was submitted to the Attorney General in August, 1940. Under date of December 19, 1940, the Attorney General has ruled that the Auditor General is required to make periodic audits of the affairs of the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund. This work is now in process.

4. Board of Finance and Revenue

a. Organization and Powers

The Board of Finance and Revenue, a departmental administrative Board in the Treasury Department,[8] consists of the State Treasurer, who is statutory chairman,[9] the Attorney General, Secretary of the Commonwealth, the Auditor General, and the Secretary of Revenue. Three members constitute a quorum. The Board elects its secretary, who need not be a member and such other officers and employes as may be necessary for the proper conduct of its work. It has broad powers in relation to the handling of State funds,[6] the settlement of taxes on petition, and the refund of taxes or other money paid to the Commonwealth due to a mistake in fact or at law.

b. Procedure on Petition for Review

Within 90 days of the date of any settlement,[10] the party with whom the settlement was made may file a petition for resettlement with the department which made the settlement.

Within 30 days[11] after notice of action on a petition for resettlement, the party with whom the settlement was made, may, by petition, request the Board of Finance and Revenue to review such action. The petition must state specifically the reasons upon which the petitioner relies and must be supported by an affidavit that it is not made for the purpose of delay and that the facts set forth therein are true. Unless the Board acts upon a petition within 90 days, the resettlement is considered sustained. The Board, however, has never failed to act on a petition within the allotted time. The petitioner may appeal to the Dauphin County[12] Court of Common Pleas from the decision of the Board.

c. Petition by Department

Within one year from the date of settlement[13] or resettlement, except such as have been appealed from, the department which made the settlement may, by petition request the Board to authorize a resettlement thereof on the ground that from evidence on hand, the settlement or resettlement was erroneously or illegally made. If the request is granted, the Department must resettle the account according to law and credit or charge the amount resulting from such resettlement on the current account of the party with whom it is made.

If the original settlement was made by the Department of Revenue, the resettlement is subject to the approval of the Auditor General and in case of a disagreement between the two departments must be referred to the Board of Finance and Revenue as in the case of original settlements.

Where settlements have been made jointly by the Auditor General and State Treasurer, either may petition for authority to make a resettlement. If authority is granted, the resettlement must be by joint action as in the original settlement.

A credit or charge, arising from resettlement on petition by the Department, affecting a corporation which leases or operates, or is leased and operated by another corporation, or which owns or is owned by another corporation, in whole or part, may, with the consent of both corporations be transferred, to either corporation.[14] Such charge or credit is also subject to assignment[15] and, when properly assigned, shall be applied to the account of the assignee if the assignor shall first have paid all taxes whatsoever owed to the Commonwealth.

d. Effect of Payment upon Appeals

Payment of an account on which a settlement has been made in favor of the Commonwealth[16] may be made without prejudice to the right of petition for resettlement by the Department of Revenue or review by the Board of Finance and Revenue or of appeal to the Dauphin County court, provided,

(1) That the payment be accompanied by a protest that all or part of the payment is not legally due, and

(2) That the payment include, interest due on the principal sum to date of payment and other charges fixed by law.

Payment of an account prior to settlement will in no way prejudice the rights of petition and appeal of the person, association or corporation making payment.[17]

e. Importance of Board

Table VI-A shows the volume and nature of matters considered by the Board for three bienniums and the latest fiscal year.

The work of the Board has shown a steady increase in volume and, as a consequence, in importance. In view of the fact that it functions with regard to refunds, the interest on bonds, and supervision of the sinking fund, it is responsible for the handling of some 16-18 millions in State appropriations.

It has become increasingly difficult for the heads of the important fiscal departments of the State to render, as ex-officio members of the Board, the kind of service the importance of the work deserves. The work of the Board requires more time than they can afford to give. As a result, the heads of the departments can do little more than ratify the recommendations and decisions previously made by them as individuals or by the experts associated with the Board. In spite of the dfficulties involved, the Board performs an important and necessary service.

D. PERSONNEL

In Table VI-B, page 6865, is presented a summary statement of Treasury Department personnel and annual salaries as of June 1, 1940.

Table VI-C, Page 6865, shows a detailed statement of personnel by job classification and annual salaries at June 1, 1940.

TABLE VI-A

TREASURY DEPARTMENT

Volume and Nature of Matters Considered by Board of Finance and Revenue June 1, 1933 to May 31, 1940

Matters Considered	Bienniums 1933-35	1935-37	1937-39	Fiscal Yr. Ended May 31, 1940
Petitions for Review	885	589	1,928	904
Petitions by Department of Revenue under Section 1105—Fiscal Code	2.650	1.334	1.514	491
Petitions for Refund of Taxes	2,442	1,827	7,506	3,596
Petitions for Remission of Penalties	490	277	451	140
Claims for Refunds	5,473	8,610	7,925	8.859
Approvals of Tax Refunds not included above	1,163	1,653	1,459	1,050
Payments for Publishing Monthly Money Statements	168	168	97	75
Releases, Approvals, and Substitutions of Bonds and Collateral for State Deposits	1,667	826	638	346
Total	14,938	15,284	21,318	15,461

TABLE VI-B

SUMMARY STATEMENT OF PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Bureau	Number of Employes	Annual Salaries
Administrative	12	$55.000
Bureau of Securities and Deposits	19	43.620
Bureau of Reconciliation	30	43.500
Board of Finance and Revenue	16	32,600
Bureau of Disbursements:		
Main Treasury	107	170.490
Assistance Section	292	410.670
Unemployment Compensation Section	81	123,960
Total	557	$879,840

TABLE VI-C

TREASURY DEPARTMENT

STATEMENT SHOWING NUMBER OF EMPLOYES BY PAYROLL CLASSIFICATION AND ANNUAL SALARIES PAID—BY BUREAUS AND DIVISIONS
JUNE 1, 1940

Classification	Number of Employes	Annual Salaries
ADMINISTRATIVE		
State Treasurer	1	$12.000
Deputy State Treasurer	1	7.500
Executive Assistant	1	7.500
Administrative Assistant	1	6.000
Legal Assistant	1	5 000
Special Agent	1	5 000
Director Public Information	1	3.300
Secretary	1	2,400
Stenographer-Secretaries	2	1.800
Stenographer	1	1,380
Clerk-Typist	1	1,320
Total	12	$55,000
SECURITIES & DEPOSITS BUREAU		
Chief	1	$7,500
Assistant Chief	1	3 600
Bond & Surety Clerk	1	3.300
Interest Clerk	1	2,100
Assistant Interest Clerk	1	1,620
Senior Bookkeeper	1	2,400
Senior Bookkeeper	1	2,100
Senior Teller	1	2,520
Senior Teller	1	2,400
Senior Teller	1	2,100
Senior Teller	1	1,800
Junior Tellers	2	1,800
Stenographer-Secretary	1	1,800
Stenographer	1	1,620
Stenographer	1	1,380
Senior Typists	3	1,260
Total	19	$43,620
BUREAU OF RECONCILIATION		
Assistant Chief	1	$2,400
Secretary-Stenographer	1	1.560
Clerk-Typist	1	1,380
Clerk-Typist	1	1.320
Stenographer	1	1,200
Senior Reconcilers	3	1,920
Senior Reconcilers	2	1,800
Junior Reconcilers	2	1,500
Junior Reconciler	1	1,440
Supervisor-Check Sorters	1	1,800
Senior Check Sorter	1	1,680
Senior Check Sorters	2	1,500
Senior Check Sorter	1	1,200
Junior Check Sorters	7	1,140
Senior Tabulators	4	1,260
Junior Tabulator	1	1,140
Total	30	$43,500
BOARD OF FINANCE & REVENUE		
Acting Secretary	1	$5,000
Clerk	1	2,400
Law Clerk	1	3,600
Law Clerk	1	3,000
Docket Clerk	1	1,800
Transcriber	1	1,800
Secretary	1	1,500
Stenographers	9	1,500
Total	16	$32,600
BUREAU OF DISBURSEMENTS		
Main Treasury Section		
Chief	1	$5,000
Assistant Chief	1	2.400
Assistant Disbursing Officer	1	3.600
Supervisor-Check Signers	1	2,400
Supervisor-Senior Bookkeepers	1	2,100
Supervisor-Verification	1	2,100
Supervisor	1	1,860
Assistant Supervisor	1	1.920
Assistant Supervisor	1	1.620
Senior Accountant Bookkeeper	1	2,500
Senior Bookkeeper	1	2.100
Senior Bookkeepers	4	1,920
Senior Bookkeepers	2	1.860
Junior Bookkeeper	1	1.620
Stenographer-Secretary	1	1.560
Clerk-Typists	2	1.320
Senior Typists	11	1.260
Junior Typists	12	1.140
Special Auditors	2	3.600
Senior Auditors	2	2.100
Senior Auditor	1	1,920
Senior Auditors	5	1.800
Senior Payroll Auditor	1	1.860
Junior Payroll Auditors	2	1,500
Junior Check Signer	1	1.620
Warrant Clerk	1	1,440
Warrant Clerk	1	1,320

Classification	Number of Employes	Annual Salaries
Warrant Clerk	1	1,140
Senior Clerk	1	1,200
Senior Verifier	1	1,920
Junior Verifier	1	1,800
Junior Verifier	1	1,620
Junior Verifier	1	1,500
Junior Verifier	1	1,400
Junior Verifier	1	1,380
Junior Verifier	1	1,320
Junior Verifier	1	1,140
Photostat Operator	1	1,860
Clerk-Mechanic	1	1,620
Senior Addressograph Clerk	1	1,380
Senior Addressograph Clerk	1	1,320
Senior Bookkeeper	1	1,800
Total	75	$126,320
Investigation		
Chief	1	$4,000
Special Investigator	1	2,400
Special Investigator	1	2,100
Senior Clerk	1	1,620
Junior Clerk	1	1,140
Total	5	$11,260
Personnel		
Junior Typists	3	$1,140
Total	3	$3,420
Filing & Storeroom		
Supervisor	1	$1,920
Senior Clerk	1	1,620
Junior Clerk	1	1,200
Chauffeur-Clerk	1	1,500
Total	4	$6,240
Miscellaneous		
Chauffeur-Clerk	1	$2,100
Receptionist	1	1,620
Messenger-Clerk	2	1,680
Messenger-Clerk	1	1,200
Messenger-Clerk	1	1,140
Junior Clerk	1	1,140
Senior Watchman	1	1,380
Senior Watchman	1	1,320
Watchman	2	1,200
Watchman-Janitor	1	1,200
Supervisor-Janitress	1	1,500
Janitresses	2	720
Janitresses	4	690
Janitor	1	690
Total	20	$23,250
Grand Total—Main Treasury Section	107	$170,490
Assistance Section		
Bureau Chief	1	$5,400
Assistant Chief	1	3,300
Senior Disbursing Officers	2	3,600
Senior Disbursing Officers	2	3,000
Assistant Disbursing Officers	1	2,400
Assistant Disbursing Officers	3	2,100
Assistant Disbursing Officer—Department Head	1	2,400
Assistant Disbursing Officer—Clerical Supervisor	1	2,100
Assistant Disbursing Officer—Clerical Supervisor	1	1,800
Secretary	1	1,800
Secretary	1	1,560
Stenographer-Secretary	1	1,620
Stenographer-Secretary	1	1,500
Stenographer-Secretary	1	1,380
Stenographer-Secretary	1	1,320
Stenographer	1	1,500
Stenographers	5	1,320
Supervisor	1	2,340
Supervisors	3	2,100
Supervisor	1	1,680
Supervisor	1	1,620
Supervisor	1	1,500
Supervisor	1	1,440
Clerical Supervisor	1	1,800
Assistant Supervisor	1	1,680
Investigator	1	2,100
Investigator	1	1,800
Senior Investigator	1	2,400
Senior Investigator	1	2,040
Senior Investigator	1	2,160
Senior Investigator	1	2,100
Junior Investigator	1	1,860
Junior Investigators	15	1,620
Junior Investigator	1	1,560
Senior Investigator	1	1,800
Accountant	1	1,920
Accountant	1	1,500
Senior Accountant	1	1,680
Senior Accountants	3	1,620
Junior Accountants	7	1,560
Accounting Clerk	1	1,560
Accounting Clerks	36	1,440
Senior Auditors	3	1,800
Junior Auditor	1	1,620
Junior Auditors	3	1,560
Junior Auditors	5	1,440
Senior Reconciler	1	1,920
Senior Reconciler	1	1,800
Junior Reconciler	1	1,620
Senior Re-Deposit Clerks	2	1,560
Re-Deposit Clerk	1	1,320
Head Records & Supplies	1	1,440
Verification Clerks	6	1,320
Junior Verifier	1	1,440
Junior Verifiers	19	1,140
Senior Verifier	1	1,320
Senior Addressograph-Clerk	1	1,380
Senior Addressograph-Clerk	1	1,200
Junior Addressograph-Clerk	1	1,260
Addressograph Operator	1	1,140
Senior Tabulators	2	1,320
Junior Tabulators	13	1,140
Senior Warrant Clerks	3	1,320
Junior Warrant Clerks	2	1,140
Check Clerk	1	1,140
Senior Clerk	1	1,560
Senior Clerk	1	1,500
Senior Clerk	1	1,380
Senior Clerk	1	1,260
Senior Clerks	7	1,320
Junior Clerks	40	1,140
Telephone Clerks	2	1,140
Senior Typist	1	1,260
Junior Typists	17	1,140
Junior Check Sorters	24	1,140
Mail Clerk Heads	2	1,320
Mail Clerk	1	1,140
Inventory Clerk Head	1	1,320
Chauffeur-Clerk	1	1,620
Messengers	5	1,140
Watchmen	2	1,140
Janitor	1	1,140
Janitor	1	720
Janitresses	3	690
Total	292	$410,670

Classification	Number of Employes	Annual Salaries
Unemployment Compensation Section		
Bureau Chief	1	$4,500
Senior Disbursing Officer Deputy Chief	1	3,300
Assistant Disbursing Officer	1	2,400
Auditors	2	2,100
Assistant Auditors	7	1,620
Junior Accountants	2	2,100
Assistant Accountant	1	1,860
Junior Assistant Accountants	4	1,620
Verification Clerks	6	1,380
Advanced Clerk	1	1,620
Advanced Record Clerk	1	1,860
Accounting Clerks	16	1,440
File Clerks	3	1,140
Check File Clerks	10	1,140
Assistant Chief Investigator	1	2,400
Senior Investigators	3	2,100
Investigators	4	1,620
Senior Stenographer-Secretaries	2	1,620
Stenographer-Secretary	1	1,380
Stenographers	3	1,320
Senior Typists	6	1,140
Machine Operators	2	1,140
Messenger	1	1,140
Watchmen	2	1,020
Total	81	$123,960
Grand Total—		
Bureau of Disbursements	480	$705,120

E. FINANCES

1. Expenditures

During the 1937-39 biennium, the Treasury Department expended $137,204,795.41. As is shown in Table VI-D, a comparatively small portion of these expenditures were incurred for operation of the Department itself.

TABLE VI-D

TREASURY DEPARTMENT
SUMMARY STATEMENT OF EXPENDITURES
1937-1939

Purpose	Amount
Salary of State Treasurer	$24,000.00
Salaries and Expenses, Main Office	632,120.99
Salaries and Expenses, Board of Finance and Revenue	66,116.35
Salaries and Expenses, State Employes' Retirement Board	71,644.27
Subsidies, Grants and Bounties	134,809,841.85
Expenditures from Appropriations	$135,603,723.46
Allocations to Bureau of Assistance	1,601,071.95
Total Expenditures from Appropriations and Allocations	$137,204,795.41

Table VI-E, below, shows a functional breakdown of departmental expenditures by object for the 1937-39 biennium. This breakdown, however, does not follow the organizational set-up of the Department in effect at the present time. For example, the Bureau of Assistance is now a subdivision of the Bureau of Disbursement, while the State Employes' Retirement Board was transferred to the Department of State on June 1, 1939.

Table VI-F, page 6868, shows an analysis of expenditures for Subsidies, Grants and Bounties as shown on Table VI-E, below.

TABLE VI-E

TREASURY DEPARTMENT

FUNCTIONAL EXPENDITURES BY OBJECT CLASSIFICATION

JUNE 1, 1937 to MAY 31, 1939

Object	Main Office	Board of Finance and Revenue	State Employes' Retirement Bd.	Bureau of Assistance †	Total
Salary of State Treasurer	$24,000.00	.....	.....	.....	$24,000.00
Salaries	465,517.03	55,031.98	57,080.98	762,560.67	1,340,190.66
Fees	50.00	.....	235.88	908.38	1,194.26
Printing, Binding & Stationery	36,567.24	2,636.45	1,519.96	80,033.79	120,757.44
Food and Forage	611.04	.....	12.40	14.75	638.19
Materials and Supplies	38,602.37	4,279.51	2,488.58	52,546.34	97,916.80
Traveling Expenses	8,226.48	1,607.58	969.75	26,543.73	37,347.54
Motor Vehicle Supplies & Repairs	3,752.83	20.56	.....	2,240.05	6,013.44
Freight, Express & Cartage	1,338.37	.....	2.80	2,093.26	3,434.43
Postage	36,526.21	.....	1,310.00	597,119,97	634,956.18
Telephone & Telegraph	3,162.63	399.19	354.85	4,796.21	8,712.88
Light, Heat, Power, Water, Sewage & Fuel	173.16	.....	.....	4,095.80	4,268.96
Contracted Repairs	496.70	559.00	39.94	16,637.13	17,732.77
Rent of Real Estate	405.63	.....	.....	13,510.12	13,915.75
Rent of Equipment	395.35	.....	.....	2,332.05	2,727.40
Insurance, Surety & Fidelity Bonds	11,673.74	40.85	386.05	1,849.07	13,949.71
Other Maintenance Services & Expenses	650.29	.....	578.15	291.66	1,520.10
Motor Vehicles	5,671.58	.....	.....	877.09	6,548.67
Equipment & Machinery	18,300.34	1,541.23	6,664.93	32,621.88	59,128.38
Subsidies, Grants & Bounties	750.00	134,162,241.85	646,850.00	.....	134,809,841.85
Total	$656,870.99	$134,228,358.20	$718,494.27	$1,601,071.95	$137,204,795.41

† Disbursements made from funds allocated from appropriations made to the Department of Public Assistance.

TABLE VI-F

TREASURY DEPARTMENT
ANALYSIS OF SUBSIDIES, GRANTS AND BOUNTIES
JUNE 1, 1937 TO MAY 31, 1939

Purpose	Amount
MAIN OFFICE	
Painting Portrait of State Treasurer ..	$750.00
BOARD OF FINANCE AND REVENUE	
Refunding Inheritance Taxes—Resident	102,475.42
Refunding Inheritance Taxes—Non-Resident	494.94
Refunding Inheritance Taxes—Resident (Special)	774,173.89
Refunding Fees of Examining Boards	1,592.00
Refunding Notary Public Fees	375.00
Refunding Moneys Subject to Escheat	26,375.40
Refunding Overpayments into State Treasury	2,824.49
Refunding Institutional Payments	17,573.98
Refunding Overpayments by Retired County Officers	582.37
Refunding on Stock Transfer Stamps	1,142.02
Refunding Securities Fees	180.00
Refunding Liquor Taxes	1,478.92
Refunding Documentary Stamp Taxes	15,872.50
Refunding Amusement Taxes	360.58
Refunding Liquid Fuels Tax	3,064.07
Payment of Claims Against Commonwealth	3,065.25
Interest & Sinking Fund, Veterans' Compensation Bonds	5,425,439.29
Interest & Sinking Fund, General Expense Bonds	5,890,625.00
Interest on Tax Anticipation Notes, Series "CT"	900,000.00
Sinking Fund on Series "CT" Tax Anticipation Notes	60,000,000.00
Expenses Issuing Tax Anticipation Notes, Series "BT"	3,000.00
Expenses Issuing Tax Anticipation Notes, Series "CT" & "DT"	18,696.02
Compensation of Loan and Transfer Agent	19,687.50
Interest on Tax Anticipation Notes, Series "DT"	899,929.33
Interest Obligations to Pennsylvania State College	12,500.00
Expense of Publishing Monthly Statements	40,733.88
Sinking Fund on Series "DT" Tax Anticipation Notes	60,000,000.00
Total—Board of Finance and Revenue	$134,162,241.85
STATE EMPLOYES' RETIREMENT BOARD	
Annuity Reserve Account Number Two	$397,900.00
Contingent Reserve Account	198,950.00
Motor Police Retirement System	50,000.00
Total—State Employes Retirement Board	$646,850.00
Grand Total	$134,809,841.85

2. Interest on Deposits

As the result of the condition of the money market for the past several years, the State Treasurer has found increasing difficulty in finding banks willing to meet the collateral deposit requirements to become a State depository. This situation was made still more difficult when, in 1937, a Federal law was passed prohibiting members of the Federal Deposit Insurance Corporation or the Federal Reserve System from paying interest on demand deposits.

The Legislature, in 1939[18] broadened the class of acceptable collateral to include "any bonds or notes which the United States fully guarantees both as to principal and interest," bonds of the Pennsylvania Turnpike Commission or the General State Authority, or bonds or tax anticipation notes of the Commonwealth or of any municipal sub-division, institution district or school district. It also permitted the collateral to be deposited "with the Federal Reserve Bank of Philadelphia or Pittsburgh" as well as with the State Treasurer.

An attempt has been made to meet the situation created by the Federal Act by depositing funds in accounts requiring 30 days notice prior to withdrawal. Between $30,000,000.00 and $35,000,000.00 are now carrying 1 per cent interest to the Commonwealth under this system. In order to do this it is necessary to estimate the needs of some 20 to 30 separate funds for 30 days in advance. It is necessary to estimate the maximum possible demand for each fund since the identity of each is maintained in each depository. Were it possible to carry all funds under one account title, controlling the fund identity by book record, $15,000,000.00 to $20,000,000.00 additional could be placed on interest according to the Treasury Department.

The statute[19] does not specifically require that each fund must be maintained physically separate according to present practice. It simply provides that "The moneys paid into the State Treasury, and the moneys of which the State Treasurer is custodian, shall be credited by the Treasury Department to the following funds.....," listing twenty funds by name. This list has increased, without amendment to the Fiscal Code, until the Auditor General in his report for the 1937-39 biennium lists 15 operating and 26 custodial funds.

The deposit of all funds in one account with a bookkeeping or ledger control over each fund would in no way affect nor impair the sanctity of any fund. The law provides[20] that, "No money shall be paid out of any fund of the State Treasury, except that the State Workmen's Insurance Fund, until a requisition therefor shall have been presented to or prepared by the Auditor General."

Payments may be made from the State Workmen's Insurance Fund,[21] and, by ruling of the Attorney General, from the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund, on requisition of the Department of Labor and Industry. The statutory requirement[22] as to the two last named is that payment be made "under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine."

With the individual funds credited with each deposit thereto and charged with each requisition drawn thereon, the actual money being lumped without attempt to maintain identity, the system would be identical with modern banking practice.

3. Tax Anticipation Notes

The State has been issuing tax anticipation notes each

biennium since 1935 to meet the expenses of Government during the period when revenue collections are low. These notes are secured by the revenue of the biennium for which they are issued and carry an interest rate of less than 1½%. The outstanding weakness in the plan of financing current operations by tax anticipation notes is that they do not pledge the full faith and credit of the Commonwealth. Due to this failure, which could be corrected only by constitutional amendment, the Commonwealth is in a position where (1) It must pay a higher rate of interest, and (2) It is on the same basis as an individual in dealing with Federal Reserve Banks.

It is estimated by Treasury Department officials that even at the present low rate of interest a saving of more than $500,000 a year could be effected on full faith and credit obligations. Considerably larger savings would result if the condition of the money market would change so as to increase the interest rates. This estimate is based on the fact that large cities such as New York and Boston have sold full faith and credit bonds at interest rates for far below that of the tax anticipation notes.

Under the ruling by the Comptroller General of the United States, Pennsylvania Tax Anticipation Notes may not be purchased by any Federal Reserve Bank in an amount greater than 10% of its capital stock. This is the same limit placed on these banks as to commercial borrowers. This ruling, necessitates a wider spread of the notes and increases the expenses of issuing them. The expense of issuance has ranged between $30,000 and $40,000 per biennium.

FOOTNOTES

[1] 1811 P. L. 145.
[2] Pennsylvania Constitution, Article IV, Section 1.
[3] Pennsylvania Constitution, Article IV, Section 21.
[4] Pennsylvania Constitution, Article III, Section 12.
[5] Fiscal Code, Sections 301-307.
[6] Fiscal Code, Sections 502-506.
[7] 1939 P. L. 261, Section 1503.
[8] Administrative Code, Section 202.
[9] Administrative Code, Section 405.
[10] Fiscal Code, Section 1102.
[11] Fiscal Code, Section 1103.
[12] Fiscal Code, Section 1104.
[13] Fiscal Code, Section 1105.
[14] Fiscal Code, Section 1106.
[15] Fiscal Code, Section 1107.
[16] Fiscal Code, Section 1108.
[17] Fiscal Code, Section 1109.
[18] 1939 P. L. 261.
[19] Fiscal Code, Section 302.
[20] Fiscal Code, Section 307.
[21] Fiscal Code, Section 307.
[22] 1937 P. L. 2897.

PART III

DEPARTMENTS HEADED BY OFFICERS APPOINTED BY THE GOVERNOR

CHAPTER VII

DEPARTMENT OF AGRICULTURE

The importance of agriculture in Pennsylvania's economy was evidenced by the early interest of the Commonwealth in the subject. In 1876 a State Board of Agriculture was established and in 1889 the first animal indemnity act was passed. In 1895 the Livestock Sanitary Board was created and paralleled the Department of Agriculture until 1919, in which year the Board's duties were transferred to a Bureau of Animal Industry in the Department of Agriculture.

A. FUNCTION

The Department of Agriculture, as its name indicates, is that branch of the State Government concerned with the agricultural industry. It functions to promote, protect and regulate the agricultural interests of the Commonwealth. All phases of agriculture, including animals, plants, markets, seeds, fertilizers, etc., come within the jurisdiction of the Department. In addition, the Department of Agriculture is charged with certain functions with regard to foods and also with regard to dogs. The Department is the enforcement agency for numerous laws relating to the fields with which it is concerned, and is responsible for coordinating the State's agricultural activities with those of the Federal Government.

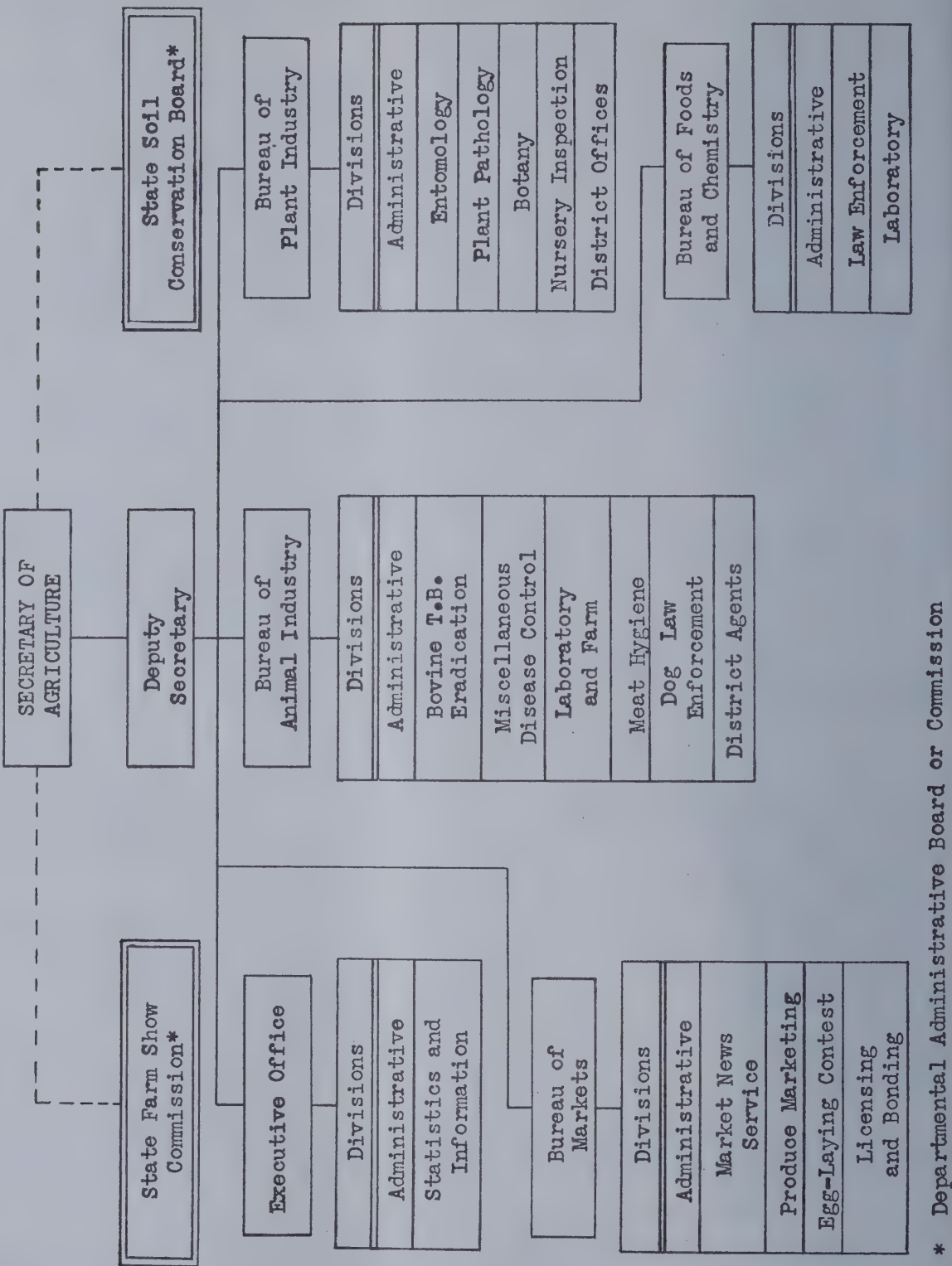
B. POWERS AND DUTIES

To fulfill its function, the Department of Agriculture is charged with the following powers and duties:

1. To promote the animal industry of the Commonwealth by:
   a. Preventing, suppressing, controlling and eradicating any dangerous transmissible animal diseases by examining and testing animals, establishing and enforcing necessary animal quarantines, assisting private veterinarians in their diagnoses and treatment, and cooperating with the Federal Government's program in the field.
   b. Providing for licensing of breeding animals kept for public service.
   c. Regulating manufacture, sale and use of animal biologies.
2. To promote the plant industry of the Commonwealth by:
   a. Preventing, suppressing, controlling and eradicating any plant infection produced by harmful insects or plant diseases, by inspecting plants, establishing and enforcing plant and pest quarantines, promoting proper treatments, and cooperating with the Federal Government's program in the field.
   b. Inspecting and certifying nurseries.
   c. Regulating the manufacture and sale of seeds, fertilizers, insecticides, and fungicides.
3. To promote the marketing of the Commonwealth's agricultural products by:
   a. Gathering and diffusing market information.
   b. Establishing and enforcing standards for the grading and classification of farm products.
   c. Promoting and assisting in the organization and conduct of public markets, cooperatives and other marketing associations.
   d. Encouraging and aiding through contests and performance records, increased egg productivity and quality.
   e. Licensing and bonding dealers of domestic agricultural products.
4. To protect the healthfulness of the food supply of the Commonwealth by:
   a. Inspecting and analyzing foods offered for sale throughout the Commonwealth.
   b. Licensing certain types of food establishments and handlers.
   c. Inspecting certain types of food establishments and handlers.
5. To perform such miscellaneous activities related to agriculture as:

CHART VII-1

ORGANIZATION OF THE DEPARTMENT OF AGRICULTURE



a. Collecting and diffusing agricultural statistics of all types.
b. Inspecting and certifying apiaries.

6. To plan, arrange and manage the State Farm Show.

7. To supervise and administer the State's Soil Conservation Laws.

8. To enforce the Dog Laws of the Commonwealth.

C. ORGANIZATION AND OPERATIONS

To carry out its powers and duties, the Department of Agriculture is divided into five bureaus. As is indicated by Chart VII-1, these bureaus are further sub-divided into a total of twenty-four divisions.

1. Executive Office

The first of the Department's five bureaus is the

Executive Office. This office is the general administrative agency of the Department, and is composed of two divisions, namely, the Administrative Division and the Statistics and Information Division.

a. Administrative Division

The Administrative Division of the Executive Office is charged with the general administration of the entire Department. It handles the general correspondence and files. In addition, the Division keeps the accounts for the Department and handles its expenditures and receipts. The Department's purchasing is done by the Administrative Division, which also formulates and prepares budgets requests.

Other functions of this Division are reproduction, mailing and messenger services. The Division operates mimeograph, duplicating, photastatic and photographic equipment for the entire Department. When time permits, similar work is performed for other Departments. The Administrative Division's mailing section handles all the mail of the Department's Harrisburg offices and provides messenger service for all the offices with the exception of the laboratories.

The volume of duplicating and mailing work performed by the Administrative Division is indicated by the following figures for the fiscal year June 1, 1939 to May 31, 1940:

Envelopes addressed	512,674
Copies folded	471,929
Mimeograph copies	612,613
Multilith copies	1,071,460
Multigraph copies	251,385
Bulletin requests	8,257

b. Statistics and Information Division

The Division of Statistics and Information collects and publishes data on the agricultural industry of the Commonwealth. It also performs certain specialized duties.

Primary among this Division's operations is crop and livestock reporting. Pennsylvania is part of a nationwide system, coordinated by the Agriculture Marketing Service of the United State Department of Agriculture, whereby farmers are enlisted to report their activities with regard to crop prospects, livestock trends, farm prices, intentions to plant, etc. In Pennsylvania there are 10,000 farmers gratuitously cooperating in this work. The Division of Statistics and Information collects this information from the farmers by means of questionnaires and interviews and then compiles and publishes it along with other data as to conditions in competing states, farm real estate conditions, etc. Reports, of which 75 to 100 are issued annually, go to cooperating farmers, schools, county farm agents, interested organizations, government agencies and newspapers.

This Division also prepares copy for the Department's printing, annually setting up and editing six to ten general bulletins, and approximately 400 miscellaneous printing jobs for the entire Department, as well as the Egg-Laying Contest and Farm Show. The Division of Statistics and Information also prepares a weekly news bulletin and special releases to keep the public informed of the provisions of laws enforced by the Department and to stress the importance of the agricultural industry in Pennsylvania. The Division aids in the preparation of the Department's annual reports and designs posters and writes advertisements for the Farm Show.

Finally, the Division of Statistics and Information yearly handles from 10,000 to 12,000 inquiries from the public, predominantly from farm taxpayers. Some of these inquiries require research in order to be answered.

2. Bureau of Animal Industry

The Bureau of Animal Industry is charged with performance of the Department's duties with regard to the livestock and poultry aspects of the agriculture industry.

a. Administrative Division

The Administrative Division is responsible for the general administration, direction and coordination of the various office, field and laboratory activities of the Bureau of Animal Industry. This Division formulates the Bureau's policies, plans and procedures; aids in the preparation of budgets; authorizes expenditures and verifies accounts and vouchers; prepares the Bureau's payrolls and personnel records; purchases and distributes supplies and equipment; and performs the general correspondence and filing work of the Bureau.

This Division also receives certain miscellaneous revenues which it transmits to the Department of Revenue. These revenues include recovered Dog Law damages, receipts from sale of surplus products, license fees from domestic animal dealers, meat hygiene fines and miscellaneous fines.

Another duty of the Administrative Division of the Bureau of Animal Industry is to carry out the provisions of the law relating to virus and biological products.[1] These provide that before any virus or biological may be injected into an animal intended for human consumption, the permission of the Department of Agriculture must be secured. Sales of or tests with tuberculin or mallein must be reported to the Department, and before any animal biologic which has not been approved by the United States Bureau of Animal Industry may be manufactured or sold in Pennsylvania, the permission of the Department must be secured. The Administrative Division keeps the records which result from these acts and issues the permits to manufacture or sell.

b. Bovine Tuberculosis Eradication Division

The Bovine Tuberculosis Eradication Division is charged with the duty of guarding the public health and promoting the livestock industry by administering and applying approved methods and measures to prevent, suppress, control and eradicate bovine tuberculosis, in accordance with the laws relating to the subject.[2]

This object is achieved through a combination of inspectional and quarantine activities. There is a nationwide scheme of bovine tuberculosis control sponsored by the Federal authorities and in which the Pennsylvania Department of Agriculture cooperates, through the Division of Bovine Tuberculosis Eradication. This scheme embraces certifying herds through one of two plans.

Under the Individual Accredited Herd Plan, any owner of cattle may engage at his own expense an accredited, practicing veterinarian to inspect his herd for tuberculosis. If the herd is found to be free of the disease, the veterinarian certifies the fact to the Division and the owner is issued a Tuberculosis Free Accredited Herd Certificate.

[1] Footnotes on page 6887.

The second plan is called the Modified Accredited Area Plan. Under this plan all the herds in a designated area—in Pennsylvania a county constitutes such an area—are tested and where conditions are satisfactory the entire area is accredited as being tuberculosis free. Such inspections are made upon request of the farmer to the Department of Agriculture. Under this plan the herd owners or county commissioners must agree to furnish the funds to pay the cost of identification tags, disinfectant and transportation of the inspecting veterinarians, but the veterinarians are furnished by the Federal or State Bureaus.

Through 1938 approximately 168,000 herds, comprising 1,400,000 cattle, were tested under these plans. In December of 1936 the entire State was recognized by the United States Department of Agriculture as a Modified Tuberculosis Free Accredited State. Retests are conducted by the Federal and State authorities and practicing veterinarians so that all cattle are tested for tuberculosis every three years. Sixty-days and six-month retests are conducted on infected herds.

In addition to these activities, the Division of Bovine Tuberculosis Eradication also utilizes its quarantine powers.[3] The Division may establish and enforce quarantines of any infected, exposed, suspected or susceptible animals on, in, for or against any premises, area or locality. Quarantines may be imposed against the importation of cattle into the State from any suspected out-of-State areas. Quarantines may be enforced to prevent the shipping of cattle out of any particular area in the State. The Accredited Plans aid in the quarantine work by indicating those herds or areas which are known to be free of tuberculosis.

The Division of Bovine Tuberculosis Eradication employes veterinarians whose major function is the inspection of cattle for tuberculosis. These bovine tuberculosis veterinarians do the examining and certifying required under the Modified Accredited Area Plan. They also make such periodic reinspections as are necessary. These inspectors examine cattle shipped into the State, and test cattle at stockyards. Wherever it is deemed necessary to prevent the spread or continuance of tuberculosis, the bovine tuberculosis inspectors may order the destruction of any animal. In such cases there is a method specified in the law[4] for indemnifying the owner for his loss.

Another phase of the bovine tuberculosis eradication work is the testing of stocker and feeder bulls at stockyards. While most cattle must be tuberculin tested before entry into the Commonwealth, stocker and feeder bulls consigned through the Pittsburgh and Lancaster stockyards need not be, but are inspected at such yards. If necessary, a tuberculin test is conducted by an agent of the Department at the stockyards.

c. Miscellaneous Disease Control Division

As the Bovine Tuberculosis Eradication Division is only concerned with the disease of tuberculosis, the Bureau of Animal Industry has another division concerned with other diseases in animals. This is known as the Miscellaneous Disease Control Division.

In general, this Division operates in a manner similar to that of the Bovine Tuberculosis Eradication Division, both being possessed of the same inspection and quarantine powers. This similarity in many subjects is due to the fact that the same laws govern both fields of endeavor.[5] However, the Miscellaneous Disease Control Division is concerned with poultry, pig, and other animal diseases, as well as with those in cattle. The Division acts in cooperation with the practicing veterinarian after he reports the appearance of a disease, gives assistance to these veterinarians in diagnosing and correcting breeding difficulties, and assists in diagnosing conditions caused by poisonous plants.

For the discharge of its duties, the Division employs veterinarians as animal inspectors. These employes are not the same inspectors as inspect for bovine tuberculosis.

Some of the Division's activities are of such significance as to be discussed separately.

(1) Bang's Disease

The activities of the Division with reference to Bang's Disease closely parallel the tuberculosis work. The Individual Accredited Herd and Modified Accredited Area Plans are employed in the same manner, and in cooperation with the Federal Government. Herds are diagnosed by agglutination blood tests, infected animals are removed, premises disinfected, and the herd then managed under sanitary principles.

Inspections for this disease have been made in connection with 62,593 herds, comprising approximately 536,000 cattle. Over 51,000 cattle with positive reactions were discovered between June 1, 1937 and November 1, 1940. However, 773 herds, comprising 12,100 cattle are awaiting initial tests under the Individual Herd Plan, while 227 townships with 204,165 cattle are awaiting initial tests under the Modified Accredited Area Plan.

(2) Hog Cholera

Another important disease of concern to the Division of Miscellaneous Disease Control of the Bureau of Animal Industry is Hog Cholera. The Division attempts to control the disease by promoting vaccination, disinfection and sanitation and by regulating the use of anti-Hog Cholera serum and Hog Cholera virus. Upon complaint, the Division's inspectors investigate outbreaks of Hog Cholera, and where necessary establish and enforce quarantines. The Division also gives advisory service to practicing veterinarians. Where the Division's agents see fit, they vaccinate the hogs, the cost of the biologics being paid by the owner. In 1938 approximately 68,000 hogs were so vaccinated.

(3) All Other Diseases

Other diseases which break out and concern the Division of Miscellaneous Disease Control are Anthrax, Blackleg, Hemorrhagic Septicemia, Glanders, Rabies, Fowl Cholera, Scabbies in sheep, Mange in horses and cattle, and Johne's Disease. The Division's inspectors are constantly on the lookout for these diseases, investigating all complaints brought to their attention. The inspectors assist veterinarians in diagnosis and advise as to the proper means of control and eradication. Where necessary, quarantines are established and enforced. In certain diseases, such as Glanders, indemnities are paid to owners whose livestock is ordered destroyed by State agents. The Division also regulates the movement of sheep, goats and swine

into the State, and imposes quarantines against importations where the situation requires such action.

(4) Stallion Enrollment

Before any stallion or jack may stand for service and be offered for breeding upon a commercial basis, he must be licensed by the Bureau of Animal Industry.[6] The Division of Miscellaneous Disease Control has charge of this service, issuing, recording, and transferring such licenses, upon presentation of the proper credentials. Licenses must be renewed each year. In 1939 this Division licensed 447 stallions and jacks.

(5) State Institutions

The Division of Miscellaneous Disease Control cooperates with State-owned institutions and the local practicing veterinarians employed by these institutions, and supervises the work of preventing, controlling and eradicating the transmissible diseases of animals and poultry maintained by the institutions. Livestock at State institutions is periodically inspected. Also, all animals and poultry purchased by the institutions are examined by employes of the Division. The health status of all such animals must be approved before delivery.

d. Laboratory and Farm Division

As an essential tool in its work, the Bureau of Animal Industry maintains a laboratory and farm at Somerdale. The farm covers approximately 60 acres and contains an experimental herd of cattle. This laboratory performs diagnostic and research work.

(1) Diagnostic Work

The laboratory receives specimens from the Department and private veterinarians for analysis as to the presence of any disease. Reports as to findings are sent to those who have submitted the specimens and treatment is administered accordingly. There is no charge for this service. Between January 1 and October 1, 1939, 596,470 such specimens were examined. Approximately 50% of these specimens were from poultry.

(2) Research Work

The laboratory conducts regulatory research in transmissible diseases and parasites in animals and poultry to determine effective and economical control methods. The laboratory also cooperates in research with private veterinarians. It observes the results of biologic and medicinal agents. In 1939 the laboratory supervised the drawing of approximately 600,000 specimens of poultry blood for examination for pullorem disease. The results of such research work are published for the information of the veterinary profession and livestock and poultry raisers.

e. Meat Hygiene Division

There are in effect in the Commonwealth laws prohibiting the manufacture, packaging, sale, etc., of meats unfit for human consumption.[7] Three levels of government aid in the enforcement of meat laws and in the achievement of the public health purpose. The Federal Government inspects meat which enters into interstate commerce. The larger municipalities, through their health departments, inspect slaughter houses within their own limits. These municipal inspectors, as well as the Federal inspectors, are certified as agents of the Commonwealth and their inspection accepted by the State. The Meat Hygiene Division of the Bureau of Animal Industry deals chiefly with the uncovered portion of the field—the inspection of markets and slaughter houses in rural areas and small municipalities. This is done through State meat inspectors who are assigned to cover specific districts. The State's inspectors hold Federal certificates and their inspections are accepted by the Federal authorities.

Meat that is acceptable is so stamped. Unwholesome meat is destroyed to prevent use. The State supervises 2,000 slaughter houses and 31 abattoirs. In the period January 1, to October 1, 1939, 309,838 carcasses and 23,486,388 pounds of meat and meat products were examined.

The Division of Meat Hygiene is charged with the performance of three special functions.

(1) Livestock Dealer's License

The laws of the Commonwealth provide that before any person may deal in livestock he must secure a license. The Division of Meat Inspection is the agency for the issuance of such licenses. Applications are made to the Division by applicants for dealer's or broker's licenses. The Division checks the applicants for moral and financial responsibility and, when they appear satisfactory, issues licenses to principals and their agents. Licenses must be renewed each year. A record is kept of all licenses and any violations by such licensees.

As of October 1, 1939, the Division had licensed 910 dealers and 268 agents.

(2) Legal Investigations

The Division of Meat Hygiene also investigates alleged violations of livestock laws and quarantines. Where such violations can be substantiated the Division institutes prosecutions and conducts hearings and trials in cooperation with the Department of Justice.

(3) Community Sales

A section of the Division of Meat Hygiene inspects livestock at community sales. It supervises the dipping of sheep and goats. It makes proper disposition of all sick or diseased livestock offered at such sales and also imposes quarantines where the situation requires.

Field agents inspect approximately 50 community sales per month, and during the same period average 20,000 anti-mortem examinations.

f. Dog Law Enforcement Division

Some phases of the enforcement of the Commonwealth's Dog Laws[8] fall within the province of the Department of Agriculture. To carry out this work a Dog Law Enforcement Division is established in the Bureau of Animal Industry.

The Division cooperates with the Department of Revenue in the licensing and relicensing of dogs. The Division employs a staff of investigators who operate in assigned districts and are equipped with special trucks. These inspectors investigate and locate unlicensed dogs and either dispose of them or bring proceedings against owners. Where livestock or poultry is killed or damaged by dogs, the owner complains to one of the Department's investigators, who investigates the complaint and then holds a hearing. If satisfied that the death or damage was caused

by a dog, the investigator appraises the amount of damage suffered. The owner of the dog is liable for this damage, although he may request that a disinterested person appraise the damage. If the owner of the dog is unknown, the Department of Agriculture reimburses the owner of the livestock. The Department has a right of recovery from the dog owner should he subsequently be discovered.

The Division of Dog Law Enforcement also supervises the payment by the State of the fee of $1.00 for the killing by deputized local officials of each unlicensed dog, the Secretary of Agriculture being required to approve all vouchers for the payment of such fees. The Division also assists in the adjudication of cases of licensed dogs unlawfully killed, and investigates complaints of stealing or poisoning of dogs.

The Division possesses the power to quarantine areas where there is an excessive amount of damage by dogs. Such a quarantine is imposed upon receipt of a petition signed by residents of the area and after an investigation of the condition has been made by a Dog Law inspector. The inspectors also supervise the general enforcement of the Dog Law by local police officers.

Approximately 1,000,000 dogs are licensed and relicensed annually. In the nine month period January 1, to October 1, 1939, 1,102 damage claims were adjusted by means of which owners of livestock and poultry received $16,639.

g. District Agents Division

The activities of the Bureau are discharged from ten district offices located in Montrose, Meadville, Hollidaysburg, Sunbury, Wellsboro, Harrisburg, Lancaster, Allentown, Pittsburgh and Philadelphia. Wherever possible the activities of the Bureau's divisions in any particular area are operated out of the same district office. These offices carry out investigations, diagnosis, prevention, control and eradication of transmissible diseases of animals and poultry owners in the district and cooperate with livestock and poultry owners and practicing veterinarians. Supervision of the general enforcement of the livestock dealers, dog, meat, hygiene and stallion enrollment laws is conducted out of these offices. They issue permits, enforce quarantines, discuss with and explain to local delegations of livestock owners plans and procedures of the Bureau. Field agents in these offices attend meetings and conferences in the district. These offices generally perform the local field work for the Bureau of Animal Industry.

3. Bureau of Plant Industry

The Bureau of Plant Industry is concerned with the plant aspects of the agricultural industry. The work of the Bureau is performed by five divisions.

a. Administrative Division

The Administrative Division has general supervision over the activities of the Bureau. It handles the general correspondence and filing. It receives moneys collected by the Bureau and keeps accounts of all funds received and transmitted to the Department of Revenue.

It is also the information source of the Bureau, receiving and answering requests for information as to insect pests, plant diseases, seed analysis, identification of plants, formulation of quarantines, etc. The Administrative Division prepares exhibits for the Farm Show, vocational schools and State agencies.

This Division coordinates the Bureau's activities with similar activities of the Federal Department of Agriculture.

b. Entomology Division

The Bureau's work with regard to insects is centered on the Division of Entomology. Not only does this Division deal with those insects that are pests, but also with those which are beneficial to the farmer.

(1) Apiary Inspection

The Division of Entomology is the agency which performs the duties placed upon the Department of Agriculture by the Apiary Inspection Act.[9] Under this Act the Division annually inspects every queen apiary in the State, granting certificates, good for one year, to those apiaries which are free of disease. A statement of this certification must accompany any bees shipped from such apiaries. If a queen apiary is diseased no bees may be shipped therefrom until the disease is destroyed and the apiary approved by an agent of the Division.

During the 1940 season, the Division of Entomology inspected some nine thousand general apiaries, containing some fifty-two thousand colonies of bees. This is done by a staff of apiary inspectors, each of whom is assigned to a particular district. These inspectors inspect upon request, according to a planned procedure. If an inspector finds any disease he notifies the owner and also indicates if the disease may be successfully treated. If the disease can be successfully treated, such treatment must be administered within fourteen days or else the apiary is subject to destruction, as is the case with all apiaries being affected with diseases which can not be successfully treated. All the apiaries in a particular county are inspected and when found to be healthy the county is designated as a clean area. The present facilities of the Division permit State-wide coverage about once in five years.

(2) Japanese Beetle Control

In controlling the Japanese Beetle the Division of Entomology cooperates very closely with the United States Department of Agriculture, coordinating its inspections and certifications with Federal quarantine regulations. The Division is empowered to quarantine individual nurseries, entire areas and even the entire State when it finds conditions warrant such an action.[10] It may also impose a quarantine against shipments into Pennsylvania from any State which it believes to be infected in regard to the particular commodity being shipped. The Federal Government also imposes similar quarantines on interstate shipping. The Division of Entomology fits into the picture by having its special Japanese Beetle Inspectors, most of whom are stationed in specific districts, inspect and certify for shipment to points outside the State, various fruits, vegetables and other products restricted by Federal and State quarantines.

In addition, the Division disseminates general advice on how to control Japanese Beetles through spraying, soil treatment, parasites, etc., and assists in the application of such treatments.

The Division annually certifies for shipment approximately 1,000 packages of farm products, 8,000,000 plants, and 2,000 cars of sand, soil and manure.

(3) Gypsy Moth Eradication

Another insect which is harmful to agriculture is the Gypsy Moth. While this pest has ben practically eliminated in most Pennsylvania counties, it still exists in an area embracing parts of Lackawanna, Luzerne, Carbon and Monroe Counties. This is the only important infestation of this pest west of the New England area. Because of this fact, the Federal Department of Agriculture is actively cooperating with the Division of Entomology in its work against this pest.

The Division has special agents who cover assigned districts in which eradication projects are operating. These inspectors scout to locate infestations, clean up forest debris which harbors the insect, inspect certain products moving out of the area, supervise spraying, etc. Both Federal and State regular and emergency funds have been used in this work.

(4) Fruit Moth Control

The Fruit Moth is an insect destructive to fruit crops. While the damage caused by the Fruit Moth is most serious in the northwestern counties, it is found generally throughout the State, as Pennsylvania is part of the larger region in which this pest causes injury. This has produced the active cooperation of the Federal Government.

The Division of Entomology's task is to make surveys to determine the extent and degree of injury. It also rears and distributes to growers those parasites which combat the Fruit Moth.

(5) Miscellaneous Insect Control

In addition to the three above enumerated insect pests, the Division of Entomology utilizes its inspection, quarantine, and general powers to control other insects harmful to the agricultural industry. The Division identifies and classifies approximately seven to eight thousand insects per year, collected by its own agents or sent in by farmers or growers. A corollary of this identification work is the recommending of methods for controlling the identified insect. Where necessary, regulatory procedures are instituted. At present, particular attention is being directed at the European Corn Borer, Blueberry Maggot and Tomato Pin Worm.

(6) Insect Surveys

An essential part of the work of the Division of Entomology is the making of insect surveys. Such surveys, made by regular employes of the Division, determine the extent and intensity of insect conditions. Outbreaks of pests are investigated and insect cases involving shipments from outside points are checked. Some of this work is performed in cooperation with the Federal Department of Agriculture because many of the problems are regional rather than confined solely to Pennsylvania.

The results of the surveys form the basis for action and the imposing of quarantines. The results are also publicized along with recommendations for control. Recent surveys have been made of the European Corn Borer, Tomato Pin Worm, Chinch Bug, Peach Moth, Army Worm, and Blueberry Maggot.

(7) Testing Insecticides and Fungicides

The law[11] provides that any domestic manufacturer of insecticides or fungicides, or any person who imports such materials for resale within the State, must register each brand with the Department of Agriculture, which possesses the power to refuse registration if the material does not comply with the law.

The Division of Entomology fulfills a portion of the Department's duties in this field. It subjects the products to field and laboratory tests to determine their value and effectiveness. Also, as a means of apprehending fraud, it maintains a check on the sale of new products. Some of this work is carried on in conjunction with seed inspection.

c. Plant Pathology Division

Another important section of the Bureau of Plant Industry is the Division of Plant Pathology. This Division is concerned with agricultural damage caused by plant diseases, as distinct from damage caused by insect pests. The Division possesses the same inspectional, quarantine, and correctional powers as the Division of Entomology.

It has inspectors who, under the direction of the Harrisburg office, inspect orchards and fields to discover diseased plants. Where such are found, the inspectors may order their treatment or, if they can not be treated, may order their destruction. The Division inspects the shipping of plants or plant products and may impose quarantines thereon when the situation requires.

Specific plant diseases with which the Division is concerned include Peach Yellows. To combat this disease, the Division's agents annually inspect some 300 orchards containing approximately 400,000 trees. Diseased trees are ordered destroyed. Another disease is Cedar Rust which affects apple trees. The Division's activities in this regard follow the usual inspection procedure and the ordering of the removal of red cedar trees, which action is the only remedy for this disease.

The Division of Plant Pathology actively cooperates with the Federal Government in controlling Black Stem Rust, which affects cereal crops. The cure for this lies in removing the common barberry, and at the end of 1938 a total of 9,307,275 bushes had been removed from 5,493 properties in 16 counties. Potato Wart Control is also another activity of this Division. Most of this infection in the United States lies within scattered areas in thirteen Pennsylvania counties. To prevent the spread of this disease the Federal authorities actively cooperate with the Division of Plant Pathology in enforcing quarantine regulations and furthering eradication through soil treatment. Because disease is a serious limiting factor in the production of small fruit crops, the Division is interested in brambles plants upon which such crops grow. It inspects all plantings of brambles from which plants are sold to State growers. This involves inspecting several hundred thousand domestic plants annually, as well as plants shipped into the State.

In the case of Dutch Elm Disease, which has apparently spread from New York and New Jersey to those Pennsylvania counties bordering on the Delaware River, the Division of Plant Pathology cooperates with the Federal authorities in surveys and scouting and by so doing gives legal status to the work in this State. Pennsylvania's tobacco growing industry suffers from a disease termed Tobacco Wildfire. The Division is cooperating with Pennsylvania State College in furthering a program of controlling this serious disease.

These few examples of specific diseases indicate the variety of problems confronting the Division of Plant Pathology and its methods of operation. In a general way the Division makes surveys, identifies plant diseases and makes recommendation for their control, cooperating with the United States Department of Agriculture on regional problems. In addition, the Division prepares exhibits for the Farm Show and other displays.

d. Botany Division

A fourth Division of the Bureau of Plant Industry is the Division of Botany. The function of this Division is to enforce the Seed Law.[12] This Law requires the manufacturers and sellers of seeds to observe certain standards of purity and germination, and to properly label their packages. The Division has seed inspectors who check on seeds offered for sale and take samples which are analyzed at the seed laboratory in Harrisburg. The Botany Division supervises some 2,500 dealers, annually makes 1,500 to 2,000 inspections, and analyzes 2,000 to 3,000 samples.

Another function of the Division of Botany is to certify domestic seeds to encourage development of a supply of home-grown stocks of superior quality. Growers of such seeds apply to the Division of Botany for certification of their seeds. The Division analyzes such seeds and when they meet certain prescribed standards they are designated as "certified". The annual seed production of the State approximates 200,000 bushels of seed potatoes, 30,000 to 40,000 bushels of wheat, 6,000 to 7,000 bushels of barley, and 12,00 pounds of tomato seed.

e. Nursery Inspection Division

A fifth function of the Bureau of Plant Industry is inspecting plant nurseries. In accordance with the Plant Pest Act,[13] the Division of Nursery Inspection annually inspects, upon request, nurseries and dealers in nursery stock and their agents. Where no plant pests or diseased stock is found the nursery is certified. Where unsatisfactory conditions are discovered, either no certificate is issued or a qualified certificate is granted. Out-of-State nurserymen shipping to Pennsylvania must possess and produce a certificate from their resident State. Approximately 1,000 resident nurseries are inspected each year by the Division, as well as 450 resident dealers and from 3,000 to 4,000 resident agents.

The Division cooperates through correspondence and conferences with officials of other States to facilitate the free movement of plant materials between the States. As do most other Divisions, the Division of Nursery Inspection prepares exhibits for the Farm Show and for other purposes.

f. District Offices

In addition to its Harrisburg Office, the Bureau of Plant Industry has four district offices whose location and functions are:

Hazleton—Potato Wart control and eradication, and seed inspection.

Wilkes-Barre—Gypsy Moth eradication and nursery inspection.

Holildaysburg—Certification, seed and Potato Wart inspection.

Norristown—Nursery and seed inspection.

The Division also maintains close contact with Federal offices at:

Philadelphia—Japanese Beetle quarantine and inspection.

Pittsburgh—Japanese Beetle quarantine and inspection.

4. Bureau of Markets

The previously described bureaus in the Department of Agriculture are chiefly concerned with assisting the farmer in improving his production. However, after the products have been raised there is the task of profitably disposing of them. The Department of Agriculture contains a section which deals with this phase of the problem. This section is the Bureau of Markets, a Bureau which is charged with promoting the merchandising of the State's agricultural products and helping the farmer realize the maximum amount for his investment and labor. Most of the work of the Bureau is regulatory. This Bureau operates through six Divisions.

a. Administrative Division

The Administrative Division supervises the general activities of the Bureau. It handles the general correspondence and filing, keeps account of funds received and transmitted, helps in the gathering and diffusion of market news, and publicizes transportation conditions and freight rates. It promulgates such rules and regulations as the Department is permitted to establish or authorized to enforce. This includes rules and regulations for the grading of farm products and the licensing of dealers.

b. Market News Service Division

This Division of Market News Service keeps the public and farmers apprised of market conditions. It issues daily reports on livestock market conditions from Pittsburg and Lancaster. Daily reports on fruit, vegetable. poultry, egg and butter markets are issued at Philadelphia and Pittsburgh. These reports are publicized by newspapers and radio. Special reports are issued from time to time. Much of the work is performed in cooperation with the United States Department of Agriculture, the data being collected by joint State-Federal employes.

The Division also assists by conferences and inspections, in the organization and conduct of public markets, cooperates and other associations. Representatives of its Division attend meetings of such organizations and confer on management or finances with their officers.

The Division of Market News is also charged with collecting and maintaining the annual financial reports which each agricultural cooperative is required to file with the Department of Agriculture.[14]

c. Fruit and Vegetable Marketing Division

The Bureau of Markets contains a Division of Fruit and Vegetable Marketing. This Division's work is fourfold.

Primary is the establishment and enforcement of official standards for fruits and vegetables. The Department is empowered to establish grades for fruit and vegetables, such grades to conform, where possible, to the standard grades of the Federal Government.[15] The Division promulgates the requirements for such grades. Any packer, grower or shipper may either term his products as un-

classified or use the classification established. However, if a classification is used, the products must conform to the standards established by the Division.

Grades have been established by the Division for over 20 commodities. Most commodities are graded by persons licensed by the Bureau of Markets and the United States Department of Agriculture. These licenses grade the fruits and vegetables at shipping points, canning plants, warehouses, cold storages, packing houses, etc. These licensees are either compensated by the company for whom they do the grading or by the various growers' organizations.

Occasionally employes of the Division may do grading, in which cases fees are charged. However, the primary activity of the Division is to establish grade regulations and then inspect to insure that these regulations are being followed by the licensed graders. Inspections may be made at terminal markets, shipping points, stores, etc. Bulk raw products are inspected at canneries before processing. This grading inspection is a cooperative State and Federal activity and is financed on a joint basis through a Federal-State Inspection Fund.

The Division of Fruit and Vegetable Marketing also performs certain miscellaneous operations. It conducts meetings, grading demonstrations, exhibits, etc., relative to fruit and vegetable marketing. It prepares and disseminates market information. It also collects and tests spray residue samples of fruit to insure that protective sprays used in growing are not injurious to the public.

d. Poultry and Egg Marketing Division

The Division of Poultry and Egg Marketing carries out the Bureau of Markets' functions with regard to eggs and poultry. In doing this it performs several types of operations.

One operation is standardizing poultry flocks by the selection of birds in poultry flocks according to a standardization program. This aids purchasers of poultry stock in that they may obtain flocks of high standard types. Over 600,000 birds on 500 farms in 43 counties were handled in the 1937-39 biennium in this standardization work. During the same period 1200 reinspections of flocks and hatcheries were made. The Division has refused additional work of this character, feeling it could not be handled.

The Division of Poultry and Egg Marketing also helps promote the maintenance of records on poultry performance. Selected chickens on individual farms are trapnested to determine the number of eggs that they produce. Employes of the Division supervise this work by making inspection trips to determine that it is being carried on properly. In the 1937-39 biennium 216 two-day inspections were made on 19 different farms in 16 different counties. A total of nearly 14,000 birds were entered in the work during the two-year period.

To aid the marketing process, the Division established official standards for grading eggs in 1931. Eggs are graded at the markets by inspectors, who are employes of the markets. These inspectors apply to the Department of Agriculture which, through the Division of Poultry and Egg Marketing, examines and licenses them. Twenty to twenty-five inspectors are licensed annually. Each inspector must train for 3 to 6 weeks with the chief candler under whom he will work and who will be responsible for his classifications. The Division's agents periodically inspect the six cooperatives and two private markets where eggs are sold in the State, in order to enforce grading practices and retain uniformity. Periodic market summaries are published on comparative results of sales.

The Division of Poultry and Egg Marketing is the agent of the Department of Agriculture for enforcing the Fresh Egg Law.[16] This law requires that eggs being sold as "Fresh eggs" conform to certain specifications. Up to October, 1938, nearly 4,000 inspections of retail and wholesale outlets were made by agents of the Division. Notices of warning were sent to over 400 first violators and second violators were prosecuted and fined. These inspections were completed mainly in metropolitan areas throughout the State. Most of this work is now being done by the Bureau of Foods and Chemistry.

Finally, the Division of Poultry and Egg Marketing has its employes in attendance at 30 to 50 marketing meetings each year. It prepares numerous radio broadcasts, as well as publicity articles on egg and poultry marketing, and develops exhibits for the Farm Show and other purposes.

e. Egg-Laying Contest Division

To determine and demonstrate improved methods for increasing the egg production of poultry, and to afford farmers and poultry raisers official accreditation for the egg laying capacity of their poultry, the Department of Agriculture conducts an annual egg-laying contest through a division established specifically for that purpose in the Bureau of Markets. The contest is conducted in a special building adjoining the Farm Show Building.[17]

Any poultryman may enter a flock of 13 birds in the contest, of which there is a pullet and a hen division. These chickens are fed by the State and a record kept of each bird's egg production over a year's period and prizes awarded to the winners. The eggs produced are candled, graded, packed, and sold by the Division. The public and contestants are periodically informed of the progress of the contest

The contest has 1250 birds entered, who annually produce some 18,500 dozen eggs. Fifty percent of the hens are from Pennsylvania. There has been a waiting list of breeders for the last three years.

f. Licensing and Bonding Division

Before any dealer in agricultural products may do business in Pennsylvania he must secure a license from the Department of Agriculture.[18] To secure such a license the dealer must have an approved character and financial record, and post with the Department a security bond to insure the faithful accounting for and payment to producers of the proceeds of all farm produce handled or sold by the dealer. A Division of Licensing and Bonding of the Bureau of Markets is theoretically the section which handles this function. About 400 dealers are now licensed and bonded.

This Division also devotes part of its efforts to cooperatives, aiding them in preparing reports and in organization work, and working with dealers. Many disputes between producers and dealers regarding failure to pay or collection on bonds are adjusted by the Division, and settled without recourse to legal action.

5. Bureau of Foods and Chemistry

In addition to its work with respect to agricultural production and marketing, the Department of Agriculture is also charged with certain duties pertaining to foods and chemistry. This is a function important to all citizens of the State and constitutes a sizeable portion of the Department's work. To handle it, a Bureau of Foods and Chemistry exists, containing three divisions. It has two district offices—Philadelphia and Pittsburgh—which are utilized in enforcing the food laws.

a. Administrative Division

The Administrative Division of the Bureau of Foods and Chemistry performs the general duties common to administrative divisions. It handles the Bureau's general correspondence and filing, and keeps the Bureau's records. It issues such licenses as are required by law and receives license fees and fines and transmits them to the Department of Revenue, mantaining records of the transactions. The Division sponsors conferences with representatives of the food and agricultural products industries. This Division supervises the cooperation of the Bureau with the Federal Food and Drug Administration and with similar agencies in other States.

b. Law Enforcement Division

The Law Enforcement Division of the Bureau of Foods and Chemistry is charged with enforcing the numerous food laws of the Commonwealth.[19] The purpose of these laws is to prevent the manufacture or sale of adulterated, misbranded, filthy, putrid, decomposed and unwholesome food products.

Among the primary operations in this respect is the licensing of the manufacture of certain food stuffs. Among the products for which a license must be secured to manufacture or pack are oleomargarine, carbonated beverages, and ice cream. All bakers must secure licenses, as must egg-opening plants, cold storage plants, etc. These licenses are issued by the Law Enforcement Division. The Division inspects these plants and in case a violation of the law is discovered may suspend the license until the condition is corrected. There are special inspectors for carbonated beverage inspection.

The Law requires that brands of bakery and ice cream products, carbonated beverage and still drinks be registered with the Department of Agriculture. It is the function of the Division of Law Enforcement to so register these products upon application.

The major portion of the Division of Law Enforcement's task is its inspectional work. Its food agents, who are assigned to specific districts of which there are fourteen, make routine territorial inspections as frequently as possible, of any place where food is manufactured, transported, stored or sold, to see that all conditions and foodstuffs comply with the laws. This power extends to stores, restaurants, packing plants, warehouses, bakeries, etc. Where illegal conditions are found, the agent recommends corrective action and, where he deems it necessary, may institute proceedings against the responsible persons.

In 1938 the Division's agents made 63,000 investigations and inspections and instituted over 1,800 prosecutions for violations of the Pure Food Laws. In so doing, it collected and analyzed thousands of food samples.

In 1938, the Division licensed 4,200 oleomargarine dealers, 22 egg opening plants, 44 cold storage warehouses, 3,630 bakeries, 1,542 ice cream plants, and 960 manufacturers of carbonated beverages and still drinks. The Bureau once possessed certain duties with regard to milk, but these duties were transferred to the Milk Control Commission upon its creation.

In addition to the work of the Division of Law Enforcement with regard to the food laws, it performs similar work as required by the agricultural laws. There are eight agricultural laws covering poultry and animal feeds, lime and lime products, insecticides and fungicides, caustic poisons, linseed oil, bones and paint, putty and naval stores.[20]

Just as with the food laws, the Division has licensing, registration and inspection duties with regard to the agricultural laws. Manufacturers of feeding stuffs, fertilizers and lime products must obtain licenses from the Division. All brands of insecticides and fungicides are registered by the Division, although tested by the Bureau of Plant Industry. The Division's agents secure samples of the various products for analysis. The agents may institute prosecutions for violations where the situation requires that this be done.

The Division in 1938 issued 1410 licenses to 1,086 registered manufacturers of 5,832 brands of feeding stuffs. It issued 177 licenses to 116 manufacturers of 1,033 brands of fertilizers. It also issued 147 licenses to 145 manufacturers of 267 brands of lime products.

In addition to its specific functions wtih regard to the food and agricultural laws, the Law Enforcement Division also carries on educational and advisory work by answering specific requests for information and furnishing such information upon application of the various industries involved.

c. Laboratory and Consulting Chemist Division

An integral tool to the enforcement work of the Bureau of Foods and Chemistry is the Division of Laboratory and Consulting Chemists. This Division operates a chemical laboratory in Harrisburg to which most of the food agents send for analysis the food samples which they collect. A report of the analyses is sent to the agent.

The Laboratory also performs chemical and microscopic analyses for the Bureau of Animal Industry and for the Department of Internal Affairs. It aids the Pennsylvania Motor Police in arson and poison cases. No fees are charged other State agencies for cooperative analytical work.

In addition to the Laboratory, the Bureau of Foods and Chemistry also employs several private chemists on a fee basis. Food agents in areas removed from Harrisburg, primarily Philadelphia and Pittsburgh, send food samples to these chemists for analysis rather than to the laboratory at Harrisburg. Occasionally certain of these chemists are called to Harrisburg to advise on special technical subjects. These consulting chemists are commonly referred to as the "Board of Chemists".

6. Departmental Administrative Boards

In addition to the above discussed bureaus and divisions, the Department of Agriculture also contains two administrative boards.

a. State Farm Show Commission

The State Farm Show Commission has the task of planning, arranging, and managing the State Farm Show. This show is held annually and is the largest indoor farm show in the United States. It includes exhibits of agricultural, industrial and artistic products, with displays of manufacturing, industrial and domestic art.

The show is held in the State-owned Farm Show Building, which possesses 10 acres of exhibit space and an arena seating 13,000 persons. In 1939 the show was attended by 278,000 persons, had 8,672 entries in competitive departments, included 300 commercial exhibits, and was the center of 35 concurrent agricultural conventions.

The Farm Show Building is under the management of the Commission, which possesses the power to lease its space to State departments, boards, and commissions, as well as to private exhibitors. At any time the Commission may lease the building to private agencies who use its facilities for approved purposes. Included among the purposes for which the building has been privately leased are dog shows, builders' shows, conventions, horse and cattle sales, dairy shows, auto races, State Police Rodeos, etc.

The Farm Show Commission is also authorized to sponsor meetings for the promotion of agriculture.

b. State Soil Conservation Board

In 1937 the Legislature passed the Soil Conservation Districts Law[21] for the purpose of conserving soil resources and preventing soil erosion. This Act established in the Department of Agriculture an administrative board called the State Soil Conservation Board to supervise the operations of the Act. The Act provided that upon petition and vote of approval of occupiers of land, soil conservation districts be established and administered by two supervisors appointed by the Board and three elected by the occupiers. The supervisors are empowered to conduct surveys and investigations, operate demonstration products, and carry on prevention and control measures.

The Soil Conservation Board is granted certain supervisory powers over these districts and charged with the duty of assisting such districts, keeping them and the public informed, coordinating district programs and securing the help of the Federal Government.

The Board, out of its appropriation, is authorized to allocate moneys to the individual soil districts to enable them to carry out their work.

As of the end of 1940, four Soil Conservation Districts had been organized in the State. The Soil Conservation Board had held five public hearings, made several surveys and conducted three referenda.

D. PERSONNEL

To perform its many varied activities, the Department of Agriculture possesses a large and diversified staff Much of the work is of such a specialized nature as to require trained and technical personnel.

1. Executive Office

The chief executive of the Department is the Secretary of Agriculture appointed by the Governor to serve at his pleasure, and receiving a salary set by the Administrative Code[22] at $10,000 per year.

The Executive Office of the Department of Agriculture, being of a general administrative character, is staffed with predominantly clerical employes. These include stenographers, typists, bookkeepers, duplicating machine operator, messenger, etc. Also in this office is the deputy-secretary and a comptroller. As of June 1, 1940 there were 23 such employes in the Office, receiving annual salaries totaling $37,220. Occasionally, temporary employes are hired on an hourly or per diem wage basis.

2. Bureau of Animal Industry

The Bureau of Animal Industry is one of the sections of the Department of Agriculture which employs a large proportion of specialists and technically trained workers. These are supplemented by the usual complement of stenographers, typists, clerks, etc.

a. Administrative Division

Heading the Bureau of Animal Industry is a Director of Animal Industry. Constituting the remainder of the Administrative Division are a group of clerical employes. As of June 1, 1940, the Administrative Division had an annual payroll of $10,980, this being the total annual compensation of 5 employes, including the Director.

b. Bovine Tuberculosis Eradication Division

The Bovine Tuberculosis Eradication Division is headed by a Chief of Bovine Tuberculosis Eradication. Under this Chief is an assistant chief and a staff of field veterinarians and trained workers. The Division also possesses an office manager who generally directs, subject to the supervision of the Chief, a number of clerical employes. The veterinarians, while not assigned to specific districts, work out of private offices.

As of June 1, 1940, the staff of the Division of Bovine Tuberculosis Eradication numbered 52, receiving salaries aggregating $84,210 per year. In addition, this Division follows the practice of employing certain personnel, particularly veterinarians, on a per diem basis, as needed.

c. Miscellaneous Diseases Control Division

The work of the Miscellaneous Disease Control Division is primarily performed by veterinarians and trained technical workers. These employes, plus the usual clerical workers, are under the direction of a Chief of Miscellaneous Disease.

The payroll of the Division, as of June 1, 1940, contained 46 employes whose annual salaries totaled $57,990. This Division also has a policy of employing veterinarians and other employes on a per diem basis, as needed.

d. Laboratory And Farm Division

The Laboratory and Farm Division is another place where technical and trained employes are essential. On the staff of the Division are technicians, pathologist, clerical and general workers, etc. As of June 1, 1940, there were 21 such employes of the Division of Laboratory and Farm. The annual salaries of these employes totaled $35,880.

e. Meat Hygiene Division

The bulk of employes assigned to the Division of Meat Hygiene are veterinarians who inspect meats, slaughter houses, community sales, etc., which are not covered by Federal or city inspectors. These State inspectors are granted Federal certificates and the Federal authorities

accept their inspections. The veterinarians and the clerical help of the Division are under the control of the Chief of Meat Hygiene.

As of June 1, 1940, the Division was staffed with 9 employes, drawing annual salaries aggregating $20,860.

f. Dog Law Enforcement Division

The work of the Dog Law Enforcement Division requires a staff of investigators in the field, constantly on the alert to enforce the laws. Such investigators compose the majority of the Division's staff. They are assigned to specific districts and provided with special State cars. The Division has the usual complement of clerical employes.

As of June 1, 1940, the Division's employes numbered 34 and their annual salaries totaled $52,320.

g. District Office Division

The District Offices located throughout the State are primarily staffed with veterinarians and such clerical and other employes as are needed. The number of such employes as of June 1, 1940, totaled 18, drawing salaries totaling $39,540 per year.

h. Summary of Bureau of Animal Industry Personnel

As of June 1, 1940, the seven divisions of the Bureau of Animal Industry were staffed with 185 regular employes, receiving total annual salaries of $301,780. At that time, in accordance with the general practice of the Department, there were also certain temporary employes, being compensated on a wage basis. A large number of these temporary employes were veterinarians, generally averaging about 17 working days per month.

3. Bureau of Plant Industry

The Bureau of Plant Industry is another Bureau whose many functions require the services of technically trained personnel. As with all bureaus, this technical personnel is supplemented by clerical and other employes, performing the routine non-technical work.

a. Administrative Division

In the Administrative Division, and heading it as well as the rest of the Bureau, is a Director of Plant Industry. Others on the staff of the Division include stenographers, typists and file clerk. These employes numbered 7 as of June 1, 1940, and their annual salaries at that time amounted to $11,840.

b. Entomology Division

The Division of Entomology is administered by a head entomologist, who directs a staff of entomologists, plus a clerical assistant. As of June 1, 1940, there were 4 employes in this Division, and their annual salaries totaled $11,520.

This Division makes extensive use of temporary employes compensated on an hourly wage basis. The number and character of such employes is dependent upon the season of the year. When Gypsy Moth, Japanese Beetle, or some other plant pest is prevalent, the Division hires temporary help to assist in the work at hand.

c. Plant Pathology Division

The work of the Plant Pathology Division is technical in nature, requiring the services of persons educated and experienced in plant diseases. For this reason the staff of the Division consists of plant pathologists, a potato wart inspector, and a stenographer-clerk for clerical duties. The staff is headed by a principal plant pathologist.

The total employes of the Division as of June 1, 1940, was 7. They received salaries amounting to $18,060 a year. The Division of Plant Pathology also seasonally expands its staff to handle any special problems that arise. An example of this is the increasing of the Potato Wart force in the fall of the year.

d. Botany Division

The principal function of the Botany Division is the analysis and certification of seeds. For this reason the Division is staffed with seed analysts and a head botanist. As of June 1, 1940, the Division had 3 employes, with an annual payroll of $5,100.

e. Nursery Inspection Division

The Division of Nursery Inspection has nursery inspectors who travel throughout the State inspecting and certifying nurseries and nursery stock. As of June 1, 1940, this work was being done by 3 employes, receiving salaries amounting to $6,060 a year.

f. Summary for Bureau of Plant Industry Personnel

As of June 1, 1940, the five divisions of the Bureau of Plant Industry employed a total of 24 employes whose annual salaries totaled $52,580. Some of these employes were located in the district offices of the Bureau and worked out of these offices.

In addition to its regular employes the Division follows the practice of hiring temporary employes on a wage basis to handle seasonal work as it arises.

4. Bureau of Markets

The Bureau of Markets does not perform the type of work which requires the technical training that is necessary in other bureaus of the Department. Its work is of a more general character, which accounts for the large proportion of clerical employes therein.

a. Administrative Division

The Administrative Division of the Bureau of Markets had 3 employes as of June 1, 1940. The annual salaries of these employes totaled $3,660.

b. Market News Service Division

The Market News Service Division requires the services of a market analyst and market reporter swho secure the desired information from the various markets. There were 4 employes doing this work as of June 1, 1940. Their annual salaries aggregated $7,660.

c. Fruit and Vegetable Marketing Division

As of June 1, 1940, the regular staff of the Fruit and Vegetable Marketing Division consisted of an advanced fruit and vegetable inspector, receiving an annual salary of $3,000. However, this is another division which seasonally supplements its regular staff with temporary employes compensated on a per diem basis.

d. Poultry and Egg Marketing Division

The Division of Poultry and Egg Marketing is staffed with poultry inspectors, supervised by a Chief of Poultry.

The staff of this Division as of June 1, 1940, was composed of 4 employes. The annual salaries of these employes totaled $8,580. Temporary employes are engaged from time to time as needed.

e. Egg-Laying Contest Division

Like many of the Divisions in the Department of Agriculture, the personnel of the Egg-Laying Contest Division is dependent upon the seasonal character of the Division's work. As of June 1, 1940, the regular salaried staff handling the Contest consisted of one poultry husbandman receiving $1,140 per year. At peak periods this salaried staff is supplemented by additional employes of this type, plus some clerical assistance. The Contest usually has at least one laborer hired on an hourly basis.

f. Licensing and Bonding Division

The work of the Licensing and Bonding Division is performed by the personnel of the Administrative Division.

g. Summary for Bureau of Markets Personnel

The salaried personnel of the Bureau of Markets is variable, depending upon the season of the year. As of June 1, 1940, the staff of the Bureau consisted of 13 employes drawing annual salaries aggregating $24,040. This Bureau follows a practice in vogue throughout the Department of hiring temporary employes on a wage basis as the work requires.

5. Bureau of Foods and Chemistry

The personnel positions in the Bureau of Foods and Chemistry are dependent upon the particular Division of the Bureau to which they are assigned.

a. Administrative Division

Employes in the Administrative Division of the Bureau of Foods and Chemistry are chiefly of a clerical and stenographic type. Also a part of the Administrative Division is the Director of Foods and Chemistry.

Including the Director, the staff of the Administrative Division on June 1, 1940, comprised 11 employes, receiving annual salaries aggregating $17,580.

b. Law Enforcement Division

The Law Enforcement Division of the Bureau of Foods and Chemistry has food agents who are stationed in specific districts, of which there are fourteen, and who are constantly circulating throughout their districts enforcing the Food Laws. There are special agents for the enforcement of the beverage laws as distinct from those enforcing the food and argricultural products laws.

There were 17 food agents and 4 beverage agents employed by the Division of Law Enforcement as of June 1, 1940. These 21 employes were compensated at rates of pay which totaled $39,900 a year.

c. Laboratory and Consulting Chemists Division

The very nature of laboratory work requires training and experience. For this reason the Division of Laboratory and Consulting Chemists is staffed with chemists. The Laboratory itself is under the direction of a head chemist. As of June 1, 1940, the Laboratory was operated by 9 employes, whose annual salaries amounted to $20,340

In addition, the Division has a group of consulting chemists who advise with the employes of the Division. These consulting chemists receive a fee of $10 a day and expenses whenever they are called in for consultation.

Occasionally the seasonal burden of work may require hiring other chemists on a temporary basis. For instance, during the apple harvesting season an experienced chemist was employed on a per diem basis to test spray residues at a branch laboratory in Arendtsville.

d. Summary for Bureau of Food and Chemistry Personnel

The Bureau of Foods and Chemistry on June 1, 1940, had 41 salaried employes on its payroll, at annual rates of pay totaling $77,820. At required times, temporary employes are hired on a wage basis.

6. Administrative Boards

The personnel of the Administrative Boards may be broken down into two categories: (1) the personnel of the Boards themselves and (2) the personnel under the supervision and control of the Boards.

a. State Farm Products Show Commission

The State Farm Products Show Commission consists of the Governor, the Secretary of Agriculture, another officer of the Secretary of Agriculture designated by the Secretary, an officer of the Department of Public Instruction, designated by the Superintendent of Public Instruction, the Dean of the School of Agriculture, and the Director of Agricultural Extension of the Pennsylvania State College, and three other persons appointed by the Governor for a term of four years. These three person must be selected by the Governor from a list of at least six candidates nominated by the State Farm Products Show Committee from among its members. The State Farm Products Show Committee is an organization composed of representatives from the various State agricultural associations which participate in the Show. However, if the Committee does not submit a list to the Governor, he may appoint any citizen of the State.[28]

The Secretary of Agriculture is Chairman of the Commission. All members serve without compensation, although they are reimbursed for all expenses incurred in the discharge of their duties.

Aside from the personnel of the Commission, there are the employes of the Commission. While the Farm Show is held for only one week each year, preparations for the Show constitute a year-round task for which personnel is required. In addition, there must be a maintenance crew on duty at the State Farm Show Building throughout the year. Thus, the Commission has a clerical staff, plus such employes as an electrician, heating plant operator, laborer, watchman, etc.

On June 1, 1940, there were 11 such employes on the staff of the Commission. Their annual salaries totaled $14,220.

During the holding of the Farm Show and when the show building is rented for other purposes, the staff is supplemented by as many temporary employes as are needed. These are generally compensated on an hourly basis.

b. State Soil Conservation Board

The State Soil Conservation Board is composed of the

Secretary of Forests and Waters, Secretary of Highways, Director of the State College Experimental Station, Chief Engineer of the Water and Power Resources Board, and the Secretary of Agriculture, ex-officio. The Board may invite the Secretary of Agriculture of the United States to appoint one person to serve on the Board.[24] All members serve without compensation, other than reimbursement for expenses incurred.

The limited appropriation allowed the Board in the 1937-39 budget does not permit hiring any permanent employes; consequently, the Board is without any regular salaried staff. Such employes as are needed to attend to the Board's hearings and other activities are hired on a temporary basis.

7. Summary for Department of Agriculture Personnel

As of June 1, 1940, the Department of Agriculture was staffed with regular salaried personnel as shown in Table VII-A. As of this date there were also several vacancies in positions that were in the process of being filled. This regular salaried staff is supplemented by temporary employes hired on an hourly, per diem, or a fee basis when needed. Some of this temporary personnel is periodically hired to handle work that is regularly required. The employment of other temporary personnel is occasioned by the seasonal character of the Department's work, which results in large additions to various Divisions during the peak seasons for their work.

TABLE VII-A

DEPARTMENT OF AGRICULTURE
SUMMARY STATEMENT OF EMPLOYES AND TOTAL ANNUAL SALARIES
JUNE 1, 1940

Bureau and Division	Number of Employes	Total Annual Salaries
Executive Office:		
Division of Administration	13	$ 31,080
Division of Accounts and Purchases	8	11,760
Duplicating and Mailing Section		
Total	3	4,380
Total	24	$ 47,220
Bureau of Animal Industry:		
Division of Administration	5	$ 10,980
Division of Tuberculosis Eradication	52	84,210
Division of Miscellaneous Diseases	46	57,990
Division of Laboratories	21	35,880
Division of Meat Hygiene	9	20,860
Division of District Offices	18	39,540
Division of Dog Law Enforcement	34	52,320
Total	185	$301,780
Bureau of Plant Industry:		
Division of Administration	7	$ 11,840
Division of Entomology	4	11,520
Division of Plant Pathology	7	18,060
Division of Botany	3	5,100
Division of Nursery Inspection	3	6,060
Total	24	$ 52,580
Bureau of Markets:		
Division of Administration	3	$ 3,660
Division of Marketing Reporting	4	7,660
Division of Fruit and Vegetable Marketing	1	3,000
Division of Poultry Marketing	4	8,580
Division of Egg Laying Contest	1	1,140
Total	13	$ 24,040
Bureau of Foods and Chemistry:		
Division of Administration	11	$ 17,580
Division of Law Enforcement	21	39,900
Division of Laboratory and Consulting Chemists	9	20,340
Total	41	$ 77,820
State Farm Products Show Commission	11	$ 14,220
GRAND TOTAL	298	$517,660

E. FINANCES

While the many activities of the Department of Agriculture entail sizeable expenditures, they also produce significant revenues. These revenues are primarily composed of license fees, inspection charges, violation of law fines, and earnings from shows and contests sponsored by the Department.

In the following discussion of finances, the various expenditures and revenues of the Department are considered as far as possible by the Bureau to which they apply. Expenditure figures have been furnished by the Department, while revenue figures have been taken from the Report of the Auditor General for the biennium 1937-39.

1. Executive Office

In the two years of the 1937-39 biennium, the Executive Office of the Department of Agriculture expended $116,802. Of this amount, the Administrative Division disbursed $75,405 for salaries and expenses, plus $887 from a stores account. The Division of Crop Reporting and Information accounted for the remainder of $40,510.

Another item to be added to the administrative cost is the salary of the Secretary of Agriculture, which amounted to $19,987 for the biennium. This amount, together with the other disbursements of the Executive Office, brings the total expenses of the Office to $136,789.

The activities of the Executive Office produce no direct revenue.

2. Bureau of Animal Industry

The activities of the Bureau of Animal Industry make it one of the major Bureaus of the Department. Certainly this is true from a financial viewpoint, as the Bureau is responsible for the expenditure of more money than any other in the Department.

a. Expenditures

In the 1937-39 biennium, the expenditures for the actual work of bovine tuberculosis eradication, miscellaneous disease control, meat hygiene inspection, and the operation

of the Bureau's laboratory and farm totaled $749,688. The Dog Law Enforcement activities of the Bureau necessitated the expenditure of $244,187. Thus, the Bureau of Animal Industry disbursed for salaries, wages, traveling expenses, supplies, rentals, etc., the sum of $993,875.

(1) Animal Indemnities

However, the activities of the Bureau of Animal Industry provoke an item of expense which amounts to more than the cost of operating the Bureau. This additional item is for the animal indemnities. When an agent of the Bureau, in connection with bovine tuberculosis eradication or miscellaneous disease control work, discovers any diseased animals he may order their destruction to prevent the spread of the disease. For livestock raisers the compulsory destruction of a portion of their herd is a serious economic blow. However, to compensate owners for their losses, which are incurred to benefit the public health, the Federal and State Governments have developed a plan for indemnifying owners of animals destroyed to prevent the spread of disease.

When an agent of the Bureau of Animal Industry orders the slaughtering of an animal, the agent proceeds to appraise the animal to determine its fair market value. (Dead or dying animals are not appraised). The appraised value must be agreed to by the owner. If the owner does not agree to the value, three appraisers are appointed—one by the agent, one by the owner, and one by both—to appraise the animal. The value set by the appraisers is the value used in determining the indemnity.

State law[25] provides that the amount of compensation paid by the Commonwealth, together with any salvage or other return the owner may receive, shall not exceed 90% of the appraised value. However, the State is not permitted to pay more than $60.00 for a horse, jack or mule, $32.50 for a non-registered bovine animal, $50.00 for a pure-bred registered bovine animal, $10.00 for a non-registered sheep, goat or pig, or $25.00 for a pure-bred registered sheep, goat or pig.

The Federal Government contributes to the indemnity paid. It has a schedule of indemnities which determine its contributions. In actual practice the animal is slaughtered and the owner sells what he can from salvage. He then renders a statement to the Department of Agriculture of what he has received for salvage. This amount is subtracted from 90% of the appraised value. From the resulting figure the Federal indemnity is subtracted. The remainder constitutes the State's contribution, provided it is not in excess of the maximum legally payable by the State. If it does exceed the legal limit, only the maximum is paid and the owner receives less than 90% of the value of the animal.

The amount of indemnities paid depends upon the number of animals condemned and the general market prices for animals. Indemnities constitute the largest single item of expenditure of the Department. During the 1937-39 biennium animal indemnities paid by the State amounted to $1,181,967. This amount, added to the operating expenditures of the Bureau, produced total expenses of $2,175,842 occasioned by the work of the Bureau of Animal Industry.

b. Receipts

The Bureau of Animal Industry has several sources of revenue. One source is the licensing of domestic livestock dealers. Each dealer or broker must annually pay $5 for a license, plus $1 for a license for each agent of the broker or dealer. In the 1937-39 biennium these license fees produced a total of $8,422.

A minor source of revenue to the Bureau of Animal Industry is the fining of violators of the meat and meat hygiene laws. In the 1937-39 biennium these fees brought in $67. Another source of income is really not a revenue but a refund. The State compensates owners of livestock which is damaged by dogs, but retains the right to proceed against the dog owner for reimbursement, where the owner is determinable. Damage so recovered by the Bureau amounted to $4,858 during the 1937-39 biennium. In addition, the Bureau recovered $13,865 from the sale of surplus products. Thus, total receipts of the Bureau totaled $27,212.

The Department of Agriculture, through its Division of Dog Law Enforcement, is charged with certain duties with regard to licensing of dogs and the prosecution of violators of the law. However, the revenue from this source does not clear through the Department. These funds are received by the Department of Revenue and in 1937-39 the dog license fees produced $1,358,468, while Dog Law fines brought in $14,450.

3. Bureau of Plant Industry

The Bureau of Plant Industry had in addition to its regular salary and expense appropriation several earmarked appropriations to control. The receipts of the Bureau are small.

a. Expenditures

For the 1937-39 biennium the expenditures of the Bureau out of its regular salary and expense appropriation amounted to $356,278. Of this amount, $48,389 was spent for Japanese Bettle control and $101,283 for Gypsy Moth eradication. The remainder of $206,606 financed the other general activities of the Bureau.

In addition to these expenditures, the Bureau of Plant Industry directs several earmarked appropriations. Out of a special appropriation for the purpose the Bureau expended $7,955 for experiments on tobacco and the control of Tobacco Wildfire. The Plant Pest Act of 1937[26] provided that if the Department required the destruction of any red cedar trees in its program of Apple Rust control, it could compensate owners up to 70% of the value of the destroyed plants. A special appropriation[27] was made for this purpose and during the 1937-39 biennium $417 was expended for plant indemnities.

b. Receipts

The Bureau of Plant Industry has few receipts. The Botany Division's work of testing and certifying is done upon a fee basis. These fees amounted to $1,118 for the two fiscal years of the 1937-39 biennium.

Other receipts of the Bureau come from fines imposed under the Plant Pest Act, and from reimbursements for work performed under these laws. During the biennium these two sources produced $969 and $556, respectively, bringing the total receipts of the Bureau of Plant Industry up to $2,643.

4. Bureau of Markets

The finances of the Bureau of Markets can be broken

down into two classifications, namely, the finances of the Bureau proper, and the finances of the Egg-Laying Contest Division.

a. Expenditures

During the 1937-39 biennium, the general salary and expenses disbursements of the Bureau proper amounted to $130,759. There is another item of expense which should properly be considered in the Bureau of Markets. This is the expense of promoting the potato interests. In the 1937-39 biennium, this work was actually done in the Executive Office. Now, however, it is being done by the Bureau of Markets and future expenditures for the purpose will be administered by this Bureau. Out of a special appropriation[28] for this purpose in the 1937-39 biennium, $17,640 was spent.

The Egg-Laying Contest has expenses for labor, feed, supplies, etc. For the contests covered in the 1937-39 biennium, these expenses aggregated $20,999.

If these three items of expense are added together, a total figure of $16,398 is produced. This represents the 1937-39 cost of performing the work now handled by the Bureau of Markets.

b. Receipts

Offsetting the expenditures of the Bureau of Markets are the fees produced by its activities. To examine and license egg inspectors who grade the eggs in the individual markets, the Bureau charges fees, which in the 1937-39 biennium amounted to $156. The Bureau also collects fees for inspecting farm products. The schedule of fees is established by the Department. In the 1937-39 biennium these fees totaled $27,725.

A third source of revenue for the Bureau of Markets is the licensing of farm products dealers. Dealers must pay an annual license fee of $10 for each place of business in which they desire to conduct business.[29] The Bureau of Markets collected $4,900 in the 1937-39 biennium from such fees.

The Egg-Laying Contest is also a revenue producer. Each poultryman who enters a flock in the Contest must pay an entrance fee of $20. For the 1937-39 biennium these entrance fees totaled $3,855.

5. Bureau of Foods and Chemistry

The nature of the work of the Bureau of Foods and Chemistry incurs considerable expense. However, the revenues produced by the work of the Bureau, both from fees and fines, are several times the expenditures. This is the one Bureau of the Department which is self-sufficient according to the present allocation of receipts and expenditures.

a. Expenditures

The salaries and expenses of the Administrative Division plus the salaries and expenses of the food and beverage agents, together with the cost of operating the laboratory and compensating the consulting chemists amounted to $295,399 for the 1937-39 biennium.

b. Receipts

Revenues produced by the Bureau of Foods and Chemistry are generally of two types, namely, license fees and violation fines. During the 1937-39 biennium, these sources produced $1,163,030 composed of $1,132,413 in fees and $30,617 in fines. These arise as follows, (1) revenues resulting from the Food Product Laws and, (2) revenues resulting from the Agricultural Laws.

(1) Food Products

The fee charged bakers for yearly licenses to operate, depends upon the amount of flour used per week by the bakery. If less than 100 barrels of flour are used per week the fee is $5.00, for bakers using between 100 and 200 barrels of flour per week the fee is $10.00, and a $20.00 fee applies to all bakeries using over 200 barrels per week.[30] In the 1937-39 biennium, these fees amounted to $40,080. For violations of the fines ranging from $25 to $100 are assessed and during the two year period these aggregated $3,632.

Manufacturers of carbonated beverages and still drinks must secure licenses each year, for which a fee of $50 per year is required.[31] During 1937-39 these fees thus collected by the Bureau of Foods and Chemistry totaled $97,300. Fines for violations by beverage manufacturers and sellers produced $1,595.

The $50 fee for annual licenses required of cold storage warehouses[32] amounted to $7,050 for the biennium and fines collected from such institutions during the period totaled $20. Those engaged in the business of egg-opening and separating must pay an annual license fee of $50.[33] These fees amounted to $2,150 for the biennium. Fines for violations of the fresh egg laws[34] total $500.

The license fees for ice cream manufacturers depends upon the volume of ice cream produced by the license. If a company annually producs 100,000 gallons or less, the fee is $10. If the production is between 100,000 and 250,000 gallons a year the fee is $50, while a $100 fee is charged for licenses issued to companies producing in excess of 250,000 gallons annually.[35] On this basis the ice cream license fees for the two fiscal years of the 1937-39 biennium totaled $37,095.

The largest single item of income of the Bureau of Foods and Chemistry are the fees received for oleomargarine and butter processing licenses. The following schedule of annual license fees applies: manufacturers—$1,000; wholesalers—$500; retailers—$100; restaurants. dining rooms, or hotels— $50; boarding houses—$10.[36] Although Pennsylvania has no oleomargarine manufacturers, there were sufficient sellers and users in the State to bring in $802,361 in fees in the 1937-39 biennium. Fines for violations of the laws over the same period equaled $200. Fines for violations of the butter law[37] totaled $2,425.

Other revenues received from law enforcement activities of the Bureau of Foods and Chemistry during the biennium included fines of $5,200 for violations of the Sausage Law[38] and $500 fines from Vinegar Law[39] violations. For violations of other pure food laws, fines of $11,762 were received by the Bureau. When certain activities of the Bureau with regard to milk were transferred to the Milk Control Commission, the revenues produced by such activities ceased to be a receipt of the Bureau.

These license fees and violation fines produced by the Bureau's enforcement work on the food product laws totaled $1,011,870—$986,036 for license fees and $25,834 for fines.

(2) Agricultural Products

Pennsylvania manufacturers and importers of concentrated commercial feed-stuffs for animals must register and file a statement and analysis of each new brand which they offer for sale. The Department charges a fee of $5 for each such new brand registered. In addition, each domestic manufacturer or importer of concentrated commercial foodstuffs must pay an annual license fee for each brand, based upon the volume of sales of the particular brand during the previous year. If 150 tons or less of the brand was sold the fee is $5; 150 to 300 tons, $10; 300 to 500 tons, $15; and over 500 tons, $25. However, if the manufacturer or importer voluntarily pays a $25 fee for a brand he need not make a statement of his sales. For certain pure feed-stuffs a flat $5 fee is charged.[40] Another source of income from feeding-stuffs is analysis fees. Any manufacturer or purchaser may send a sample to the Department for analysis for which a fee of $5 is charged. In the 1937-39 biennium the license and analysis fees for feeding-stuffs totaled $85,617. For violations of the feeding-stuff laws a fine of from $50 to $100 is charged for the first offense and from $100 to $200 for each subsequent violation. Over the biennium the enforcement activities of the Bureau of Foods and Chemistry produced $4,033 in fines.

The Bureau's enforcement of the Fertilizer Laws also brings in revenue. Pennsylvania manufacturers or importers of trade name fertilizers must pay an annual license fee based on the preceding year's sales of that product. If sales were 150 tons or less the fee is $15; 150 to 250 tons, $20; 250 to 400 tons, $30; 400 to 500 tons, $40; over 500 tons, $50. If no sales of the product have been made a fee of $15 is charged.[41] These fees brought in $47,900 during the 1937-39 biennium. Fertilizer fines, which are $25 to $100 for the first violation and not less than $200 for each subsequent violation, accounted for receipts of $750 during the 1937-39 biennium.

While the Bureau of Plant Industry tests insecticides and fungicides the Bureau of Foods and Chemistry enforces the laws with respect to them. This includes the registration of brands. Each domestic manufacturer or importer of insecticides or fungicides must register each brand of these products with the Bureau. A fee of $5 is charged for each brand registered. However, if a company registers more than five brands, the fee is only $1 for each additional brand over five.[42] The fees thus collected by the Bureau in 1937-39 amounted to $8,135.

Lime and gypsum manufacturers and importers must pay a license fee based upon the previous year's sales of each brand. If a brand sells 1,000 tons or less in a year, the fee is $5. Sales of 1,000 to 5,000 tons for a brand invoke a fee of $10, while any brand which sells over 5,000 tons a year may give rise to a $20 fee. If no sales have been made of a brand, a fee of $5 is charged. Any registered manufacturer or importer may have up to two brands analyzed each year by the Department at a cost of $5 an analysis.[43] These license and analysis fees amounted to $4,725 over the 1937-39 biennium.

The work of the Bureau of Foods and Chemistry in enforcing the agricultural products laws thus produced $146,377 in license and analysis fees and $4,783 in fines, for a total of $151,160.

6. Administrative Boards

Each of the administrative boards in the Department of Agriculture is either completely or partially independent in its financing.

a. State Farm Products Show Commission

There is a State Farm Products Show Fund into which all the revenues of the State Farm Products Commission are placed. Out of this fund are paid the expenses of the Commission, cost of maintaining the Farm Show Building, expense of running the Show, etc. During the 1937-39 biennium these expenses out of special operating fund amounted to $152,970. In addition, there is a regular appropriation in the Department's budget to supplement this fund. During the biennium, expenditures from this appropriation totaled $74,984, making total expenditures of $227,954 for the Commission.

During the same period the receipts of the Commission amounted to $165,289, all of which went into the State Farm Products Show Fund. Of this amount $30,206 came from concession revenues, $121,714 from exhibition fees, $6,037 from rental of the property, $4,861 from service charges. The remainder was made up of commissions on sales of exhibits, interest on deposits, sale of exhibits, sale of publications and miscellaneous revenue.

Thus, the Farm Products Show Commission expended $227,954 during the 1937-39 biennium while receiving $165,289.

b. Soil Conservation Board

The Soil Conservation Board has no source of receipts. In the 1937-39 biennium the salaries and expenses of the Board, plus the cost of holding referendums and other general activities amounted to $6,656.

7. Miscellaneous Finances

The Department of Agriculture has certain items, which, because of their nature, can not be considered in connection with any particular bureau.

An appropriation is made each biennium to the Department for "encouraging agricultural exhibits." In accordance with a 1917 law,[44] this money is used to make grants to local agriculture associations for prizes at their fairs and contests. No organization is permitted to receive more than they give in prizes for domestic products and in no event more than $1,000 a year. In the 1937-39 biennium these grants amounted to $117,736.

Another expenditure of a special nature was the disbursement of $6,589 for a Pennsylvania exhibit at the World's Poultry Congress. This expenditure was made pursuant to a special appropriation[45] which stated that because of the fact that the Congress was being held in the United States and that Pennsylvania is one of the important poultry states, a State exhibit should be sponsored.

In addition to these special items, there were also several items of miscellaneous receipts. Because they are lumped together it is impossible to correctly charge them to any particular section. In the 1937-39 biennium, the Department received miscellaneous fees of $21, miscellaneous fines of $4,217 and other miscellaneous revenues of $507.

8. Budget for 1939-41 Biennium

The original budget for the 1939-41 biennium for the

Department of Agriculture originally called for appropriations of $2,845,500. The Legislature increased this to $3,294,000 which was the amount finally approved. However, the 1939 Special Session of the Legislature reduced the amount by an $80,000 cut in the general salary and expense item to $3,214,000. These changes occurred as shown in Table VII-B.

TABLE VII-B

DEPARTMENT OF AGRICULTURE
BUDGET—1939-41 BIENNIUM

Title	Original Budget	Approved Budget	After Special Sess. Budget
Salary of Secretary	$ 20,000	$ 20,000	$ 20,000
Salaries and General Expenses	1,685,500	1,685,500	1,605,500
Encouraging Agricultural Exhibits	75,000	100,000	100,000
Egg-Laying Contest	15,000	21,000	21,000
Conducting Tobacco Experiments	.....	5,000	5,000
Animal Indemnities	1,000,000	1,400,000	1,400,000
State Farm Show Commission	50,000	50,000	50,000
World's Poultry Congress Exhibit	.....	1,500	1,500
Soil Conservation Board	.....	1,000	1,000
Potato Industry	.....	10,000	10,000
Total	$2,845,500	$3,294,000	$3,214,000

In addition to these appropriations the Governor allocated $151,400 for expenditures out of the State Farm Products Show Fund.

Offsetting these appropriations it was estimated that $1,438,157 would be received in licenses and fees, fines and other income.

Summary of Finances

Table VII-C summarizes the actual finances for the 1937-39 biennium and the estimated finances for the 1939-41 biennium, for the Department of Agriculture.

TABLE VII-C

DEPARTMENT OF AGRICULTURE
RECEIPTS AND EXPENDITURES
1937-1939 and 1939-1941 BIENNIUM

Item	1937-39 Actual Expenditures and Receipts	1939-41 Proposed Expenditures and Receipts
Expenditures[1]		
Salaries and Expenses—		
Executive Office[2]	$136,789	.....
Bureau of Animal Industry	993,875	.....
Bureau of Plant Industry	356,278	.....
Bureau of Markets	130,759	.....
Bureau of Foods and Chemistry	295,399	.....
Total	$1,913,100	[4] $1,625,500
Specific Appropriations—		
Animal Indemnities	$1,181,967	$1,400,000
Tobacco Experiments	7,955	5,000
Plant Indemnities	417	.....
Potato Interests	17,640	10,000
Egg Laying Contest	20,999	21,000
Encouraging Agricultural Exhibits	117,736	100,000
World Poultry Congress Exhibits	6,589	1,500
State Farm Show Commission	74,984	50,000
State Farm Show Fund	152,970	151,400
Soil Conservation Board	6,656	1,000
Total	$1,587,913	$1,739,900
Total Expenditures	$3,501,013	$3,365,400
Receipts[3]		
Licenses and Fees—		
Domestic Livestock Dealers Licenses	$8,422	$9,000
Seed Testing and Certificate Fees	1,188	1,300
Egg Inspectors Licenses	156	160
Inspecting Farm Products	27,725	29,034
Farm Produce Dealers Licenses	4,900	6,200
Egg Laying Contest Fees	3,855	3,400
Bakery Licenses	40,080	39,620
Carbonated Beverage Licenses	97,300	99,200
Cold Storage Warehouse Licenses	7,050	6,600
Egg-Opening Licenses	2,150	2,200
Ice Cream Licenses	37,095	37,330
Oleomargarine and Butter Processing Licenses	802,361	832,004
Feeding Stuff Licenses and Analysis Fees	85,617	85,306
Fertilizer Licenses	47,900	47,970
Insecticide and Fungicide Licenses	8,135	9,310
Lime and Gypsum Licenses and Analysis Fees	4,725	4,280
Miscellaneous Fees	21	40
Total	$1,178,680	$1,212,954
Fines—		
Meat Fines	$67	$84
Plant Pest Fines	969	800
Bakery Act Fines	3,632	5,850
Carbonated Beverage Fines	1,595	2,270
Cold Storage Warehouse Fines	20	40
Egg Fines	500	1,560
Oleomargarine Fines	200	400
Butter Fines	2,425	2,850
Sausage Fines	5,200	4,900
Vinegar Fines	500	100
Pure Food Fines	11,762	16,166
Feeding Stuff Fines	4,033	5,120
Fertilizer Fines	750	1,150
Potato Fines	.....	2,200
Miscellaneous Fines	4,217	5,168
Total	$35,870	$48,658
Miscellaneous Revenues—		
Recovered Dog-Law Damages	$4,858	$5,000
Sale Surplus Products	13,865	13,870
Plant Pest Reimbursement	556	200
Miscellaneous Revenues	4,745	25
Total	$24,024	$19,095
Farm Products Show Fund Receipts	$165,289	$157,450
Total Receipts	$1,403,863	$1,438,157
Excess of Expenditures over Receipts	$2,097,150	$1,927,243

[1] Supplied by Department.
[2] Includes Salary of Secretary.
[3] From Biennial Report of Auditor General, June 1, 1937-May 31, 1939.
[4] Appropriation in lump sum—not segregated.

FOOTNOTES

[1] 1913, P. L. 928, Sections 29 and 30. ffl
[2] 1913, P. L. 928; 1923, P. L. 73; 1929, P. L. 110; 1929, P. L. 533; 1931, P. L. 135; 1931, P. L. 682; 1935, P. L. 259; 1935, P. L. 1038; 1937, P. L. 138.
[3] 1929, P. L. 533; 1935, P. L. 1038.
[4] 1931, P. L. 682; 1935, P. L. 259 and Subsequent Amendments.
[5] 1909, P. L. 189; 1913, P. L. 928; 1929, P. L. 110; 1931, P. L. 135.
[6] 1911, P. L. 631; 1921, P. L. 200; 1929, P. L. 510.
[7] 1915, P. L. 587; 1917, P. L. 682; 1929, P. L. 899; 1931, P. L. 496; 1931, P. L. 650; 1937, P. L. 628; 1939, P. L. 656.
[8] 1921, P. L. 522; 1923, P. L. 16; 1925, P. L. 115; 1925, P. L. 641; 1927, P. L. 833; 1929, P. L. 456; 1929, P. L. 1713; 1931, P. L. 311; 1935, P. L. 227.
[9] 1921, P. L. 95.
[10] 1937, P. L. 318.
[11] 1917, P. L. 224; 1925, P. L. 136; 1931, P. L. 44; 1937, P. L. 318.
[12] 1929, P. L. 488.
[13] 1937, P. L. 318.
[14] 1919, P. L. 466; 1929, P. L. 885.
[15] 1929, P. L. 144.
[16] 1919, P. L. 900; 1931, P. L. 491; 1935, P. L. 88.
[17] 1931, P. L. 136.
[18] 1937, P. L. 901.
[19] Authorization for the food law enforcement work of the Bureau is found in the following Acts of the General Assembly: Administrative Code of 1929, as amended: General Food Law of 1909, P. L. 520, as amended; Advertising Law of 1913, P. L. 6, as amended; Bakery Law of 1933, P. L. 912, as amended; Butter Law of 1921, P. L. 129, as amended; Renovated or Process Butter Law of 1901, P. L. 643; Carbonated Beverages and Still Drinks Law of 1925, P. L. 730, as amended; Non-Alcoholic Drinks Law of 1909, P. L. 15, as amended; Sanitary Container Law of May 21, 1937, P. L. 788; Cheese Law of 1897, P. L. 202, as amended; Coffee and Chicory Law of 1915, P. L. 247; Cold Storage Law of 1919, P. L. 670, as amended; Pennsylvania Fresh Eggs Law of 1919, P. L. 900, as amended; Eggs Unfit for Food Law with Supplement of 1909, P. L. 13, as amended; Fruit Syrup Law of 1925, P. L. 10; Pennsylvania Ice Cream Law of 1933, P. L. 1116, as amended; Imitation Dairy Products in Charitable and Penal Institutions Law of 1893, P. L. 112; Lard Law of 1909, P. L. 17, Fresh Meat, Poultry, Game and Fish Law of 1905, P. L. 64; Kosher Products Law of 1929, P. L. 105; Adulteration or Coloring of Milk or Cream Law of 1897, P. L. 142, as amended; Filled Milk Law of 1923, P. L. 28, with supplement; Filled Milk Law Supplement of 1923, P. L. 929; Milk Container Law of 1925, P. L. 83, Milk and Cream Law of 1911, P. L. 712, as amended; Oleomargarine Law of 1901, P. L. 327, as amended; Oleomargarine Law Supplement of 1921, P. L. 467; Oyster Law of 1925, P. L. 34; Sausage Law of 1911, P. L. 51, as amended; Vinegar Law of 1897, P. L. 168, as amended.
[20] Authority for this work is found in the following Acts of the General Assembly: Feeding Stuffs Act of 1909, P. L. 395 as amended; Caustic Poisons Act of 1923, P. L. 139; Fertilizer Act of 1909, P. L. 344 as amended: Insecticide and Fungicide Act of 1917, P. L. 224 as amended; the Lime Act of 1915, P. L. 678, as amended Linseed Oil Act of 1913, P. L. 123, as amended; Paint, Putty and Naval Stores Act of 1925, P. L. 229; Bone Law of 1909, P. L. 143.
[21] 1937, P. L. 2724.
[22] Administrative Code, Section 209.
[23] Administrative Code, Section 430.
[24] 1937, P. L. 2724.
[25] 1931, P. L. 682; 1935, P. L. 259.
[26] 1937, P. L. 318.
[27] 1937, 99A.
[28] 1937, 54A.
[29] 1937, P. L. 901.
[30] 1933, P. L. 912.
[31] 1925, P. L. 730.
[32] 1919, P. L. 670; 1931, P. L. 134.
[33] 1913, P. L. 58; 1919, P. L. 267.
[34] 1919, P. L. 900; 1931, P. L. 491; 1935, P. L. 88.
[35] 1933, P. L. 1116.
[36] 1901, P. L. 327; 1901, P. L. 643; 1913, P. L. 412.
[37] 1921, P. L. 129 as amended.
[38] 1911, P. L. 51 as amended.
[39] 1897, P. L. 168 as amended.
[40] 1909, P. L. 395; 1933, P. L. 21.
[41] 1909, P. L. 344; 1917, P. L. 329.
[42] 1917, P. L. 224 as amended.
[43] 1915, P. L. 678; 1933, P. L. 894.
[44] 1917, P. L. 1195.
[45] 1937, 39-A.

CHAPTER VIII

DEPARTMENT OF COMMENCE

This Department was created by an amendment to the Administrative Code in 1939, and by the passage of the Commerce Law of that same year.[1] The Pennsylvania State Publicity Commission was abolished at the same time, and its duties of publicizing Pennsylvania's scenic, historic, and recreational advantages, to attract more tourists to the State, were transferred to the Department of Commerce. The State Planning Board, an unattached unit of the State since 1934, was made a Departmental administrative board within the Department of Commerce by the same Act which created the Department.

A. FUNCTION

The purposes of the Department is to reduce unemployment and to better the economic conditions in the Commonwealth by encouraging present industries to remain and expand, by promoting the development of new industries in the Commonwealth, and by stimulating tourist travel in Pennsylvania.

B. POWERS AND DUTIES

To carry out the above functions, the Commerce Law specifically assigned to the Department the following duties:

1. To investigate, study and undertake ways and means of promoting and encouraging the prosperous development and protecting the legitimate interests and welfare of Pennsylvania business, industry and commerce, within and without the Commonwealth.
2. To investigate, study and undertake ways and means of expanding markets and promoting and developing new markets for Pennsylvania products.
3. To promote and encourage the location and development of new business, industries and commerce within the Commonwealth.
4. To investigate and study conditions affecting Pennsylvania business, industry and commerce, and to collect and disseminate information, and engage in technical studies, scientific investigations and statistical research, and educational activities necessary or useful for the proper execution of its duties in promoting and developing Pennsylvania business, industry and commerce within and without the Commonwealth.
5. To cooperate with and assist persons, firms, associations, corporations, cooperative associations and other organizations, and the political subdivisions of the Commonwealth, in the execution of its duties and functions under this act.
6. To make to the General Assembly, from time to time, recommendations for the remedy or improvement of any conditions, and the elimination of any restrictions and burdens imposed by law, or otherwise existing, which adversely affect or retard the development and expansion of business, industry or commerce.
7. To initiate, promote and conduct, or cause to be conducted, research designed to further new and more extensive uses and consumption of natural and other resources and their by-products; and, for such purposes, to enter into contracts and agreements with research laboratories maintained by educational or endowed institutions in this Commonwealth, and to expend appropriations made to the department for such purposes.
8. To investigate and study conditions of unemployment, and to recommend specific remedies for the alleviation of such conditions, and aid in restoring employment in communities affected thereby, in order that the burden of public relief may be lessened.
9. To aid and promote the elimination of unfair competition and trade practices tending to impair price stability and which are harmful to the financial soundness of business, industry and commerce, and to the wages and working conditions of employes.
10. To encourage and develop commerce with other States and foreign countries, and to devise ways and means of removing trade barriers hampering the free flow of commerce between this and other States.

[1] Footnotes on page 6894.

11. To cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry and commerce.

In conjunction with these special powers, the Department was also granted the power "to plan and conduct a program of information, advertising and publicity relating to the business, industrial, commercial, agricultural, educational, recreational, scenic, historic, highway and residential facilities, advantages and attractions of the Commonwealth," by use of newspapers, magazines, and other media of advertising; and, "so far as it is practicable to do so, to coordinate the activities of persons, firms, associations, corporations and other organizations" engaged in the similar work of publicizing Pennsylvania's facilities, advantages and attractions. The Department is also empowered to advertise the State's business, industrial, commercial and tourist advantages through exhibits at fairs, expositions and other celebrations in Pennsylvania and elsewhere.

C. ORGANIZATION AND OPERATIONS

The Department is administered by the Secretary of Commerce, appointed by the Governor, by and with the consent of the State Senate. The Secretary is chairman, ex officio, of the State Planning Board; and, by apointment of the Governor, is also chairman of the Pennsylvania Commission in Interstate Cooperation.

No formal setup of the Department's internal organization has been officially adopted, but its functional organization is indicated by the following outline and Chart VIII-1.

The functions assigned to the Department of Commerce have been divided for administrative purposes among three principal divisions, namely, an Industrial Promotion Bureau, a Bureau of Tourist and Recreation Publicity, and a Planning and Research Bureau. The State Planning Board performs part of the research work authorized under the Commerce Law.

1. Executive Office

The Executive Office handles all the administrative problems of the Department. It deals with all the important departmental correspondence and much of the work connected with industrial promotion.

The contracts, obligations, and unexpended balance of the Pennsylvania Publicity Commission were assumed by the Department and placed under the supervision of the Executive Office. A considerable part of the work of this office during 1939 was devoted to administrative organization, since the Department was not created until May 10, 1939.

Directly under the supervision of the Executive Office is an Accounting Section in charge of a Comptroller, and a Publicity Section in charge of a Publicity Director who exercises direct supervision over industrial and tourist promotional advertising and publicity and the news releases of the State Planning Board.

2. Industrial Bureau

Acting under its legislative mandate, the Department has undertaken, through the Industrial Bureau, a Statewide industrial campaign, aimed at expansion of the activity of the industries already in the State, and the establishment of new industries, both large and small, at localities suited to their needs of labor, raw material and markets. This effort has involved a three part program: (1) the direct advertising of Pennsylvania's industrial advantages, (2) personal contact with large and small industrial firms in this and other States, and with representative groups in Pennsylvania's communities, and (3) industrial research as to factors of location, raw materials, labor supply, markets, tax structure and available plants or plant sites, for the benefit of Pennsylvania manufacturers, or of those of other States in search of efficient plant locations.

a. Industrial Advertising

The advertising campaign of the Industrial Bureau has been confined to magazines of national circulation. Its purpose has been to emphasize to manufacturers and business men the industrial advantages of Pennsylvania as the center of the richest and most populous markets of the Nation, and as the Nation's largest supplier of raw materials and source of industrial power. The expenditures for Industrial Promotion advertising during the last four months of 1939 amounted to $38,500, while a tentative allocation of $106,200 was made for 1940.

In addition to its magazine advertising for the promotion of the State's industrial advantages, this Bureau has also prepared the illustrated booklet "Pennsylvania, Its Many Industrial Advantages," which has been given a wide circulation among business executives. It has also issued a booklet listing Pennsylvania's industrial opportunities in the manufacture of products of which larger quantities are consumed in Pennsylvania than are produced here, and has now in preparation a third booklet entitled "All in Pennsylvania."

b. Field Work for Industrial Promotion

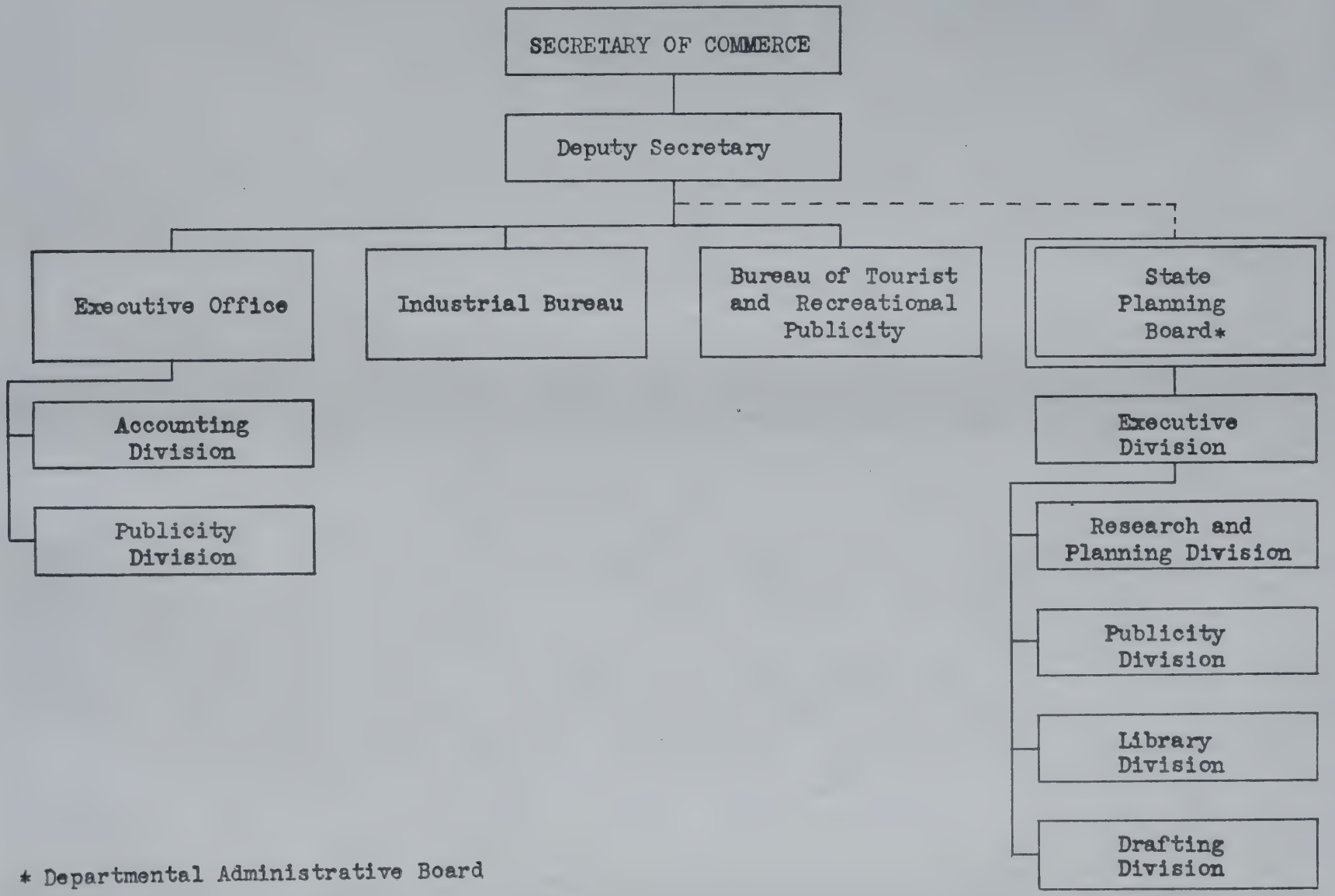
Within the Industrial Bureau, the Department employs several experienced industrial engineers to assist the Secretary of Commerce in making direct personal contact with manufacturers and communities. The object of this service is two-fold, namely, that of providing American industrialists with dependable information as to Pennsylvania's capacity to provide them with economical and efficient plant locations, and that of advising communities in the State as to industrial opportunities that may be developed in their locality. It is believed that the continued growth of Pennsylvania's productive capacity depends largely on improved efficiencies of location and on economies of operation made possible by research directed to the end of first discovering and then presenting, to all who can use them, the various capacities of the State to provide the labor, power, material and transportation for production.

Through this field service, the Department is of the opinion that industries contemplating removal to other States have been retained and their operation expanded in Pennsylvania. In one instance, the Department advises that an important industry employing more than 1600 workers had announced its intention of leaving Pennsylvania for another location when the Department intervened in the situation and was successful in its efforts to retain the industry. Since this time the industry in question has modernized its plant and increased its employment by thirty percent.

The policy of the Department with respect to Pennsylvania's industrial development, to quote from the Depart-

CHART VIII-1

ORGANIZATION OF THE DEPARTMENT OF COMMERCE



* Departmental Administrative Board

ment publication "Pennsylvania, Its Many Industrial Advantages," is that "Pennsylvania does not seek industries which are now happily located. It does, however, believe in pointing out the many industrial advantages of Pennsylvania to those contemplating a new business or a new plant."

It is the aim of this Department to present Pennsylvania's capacities fairly and exactly, in full awareness of the fact that whatever economies of operation benefit one American community must, in the end, benefit all. Thus, the tourist advertising, while exclusively designed to present the Commonwealth's attractions for out-of-State visitors, benefits directly and indirectly all communities through which travelers pass enroute to Pennsylvania. It is also obvious that increased production in this State creates markets for all American products.

The Department informed the Commission that a survey of established industries in Pennsylvania, in 1939, disclosed expansion representing a capital outlay of approximately $200,000,000, and a survey now in progress for 1940 indicates an expansion much in excess of the 1939 figure. It also emphasizes that although the record for the current year is necessarily incomplete, the information furnished to date indicates that 351 new industries, with the resulting new employment of 30,870 workers, have been established since the date of this Department's organization, and business indices point toward an industrial upturn in Pennsylvania this year, and for the year preceding present defense activities, which is more marked than in neighboring industrial States.

The Department advised the Commission that it has been directly responsible for substantial additions to Pennsylvania industry, and that the recent location in Philadelphia of a plant expected to employ 10,000 workers, was a direct result of this Department's intervention. While the plant in question will be operated in connection with the program of national defense, its equipment and product are of a type that will fit it to become an important unit in the peace-time production of the Commonwealth.

Miscellaneous activities in the Department's promotion service include dealing with problems relating to comparative taxes between Pennsylvania localities and those of other States. Efforts have been made to assist single-industry towns to diversify their industrial output. Information and assistance have been provided manufacturers endeavoring to obtain capital for plant expansion. Advice has been offered as to the effect of trade agreements upon the markets for Pennsylvania products. Marketing possibilities have been made a matter of research, and connections established between Pennsylvania manufacturers, and agents and customers in foreign lands, particularly in Latin America.

The Department has led in the movement against any obstruction to free commerce among the States, and its Secretary is the Chairman of the Commission on Interstate Cooperation for the elimination of such trade barriers as now exist.

The Department has assisted in efforts to reduce anthracite and bituminous coal freight rates, and has also cooperated in the work of the Anthracite Emergency Committee, of which its Secretary is a member. This Committee, representing 95% of the anthracite producers of the State, is attempting to conserve one of Pennsylvania's most valuable natural resources and to stabilize labor and production in the anthracite region.

In connection with the program of national defense, the Department has employed its Deputy Secretary to act in the interest of Pennsylvania locations and to present to manufacturers the possibility of use, for the defense program, of their reserve plant capacity. In this effort notable success has already been recorded. The Department has also supplied the National Defense Commission with a complete list of idle industrial plants suitable for defense purposes.

3. Bureau of Tourist and Recreational Publicity

In the Bureau of Tourist and Recreational Publicity are centered all activities of the Department designed for the promotion of tourist travel and vacation activity in the State. As the annual expenditure by tourists and vacationists in Pennsylvania is larger than the entire cash income of Pennsylvania's farmers and has, according to the reports of the United States Travel Bureau, averaged nearly one-third of a billion dollars for each of the past three years, it is greatly to the interest of the Commonwealth that Pennsylvania's advantages for recreational travel be called to the attention of the American public. This has been done with marked effect during the past year and a half of this Bureau's operation. For the purpose of tourists and vacation promotion the Bureau received $400,000 for the 1939-1941 biennium from the Motor License Fund. Since this appropriation was not available until June 1, 1939, only 4 summer months remained for tourist advertising in 1939. However, by September of 1939, the Department had received 24,736 requests for information from prospective tourists. In 1940, up to October 31st, the number of requests had increased to 47,691, a gain of nearly 100%. More than 8,000 came from New York, nearly 4,000 from Ohio and more than 1,100 from California. Something of the effectiveness of the work of the Tourist and Recreational Bureau may be gathered from the fact that in the month of June, 1939, when its active work began, there were received 575 inquiries from out-of-State tourists intending to visit Pennsylvania, while in June, 1940, after one year of operation, 5,335 such out-of-State inquiries were received in the office of this Bureau. Particularly notable is the fact that the percentage gain between 1939 and 1940 was considerably greater in out-of-State requests than in the total number received.

The work of the Bureau includes, first of all, advertising in newspapers and magazines. Upon recommendation of the Advisory Committee of the Pennsylvania Newspaper Publishers Association out-of-State newspapers were employed. A survey of 10 other States doing similar advertising indicates that the same policy is followed elsewhere. Many of the magazines used were national weeklies such as the Saturday Evening Post, Collier's, News Week and Time.

The 1939 Tourist and Recreational advertising expenditures, after June 1st, were $30,900 in magazines, $21,175 in newspapers, $652 miscellaneous, or a total of $52,725. The 1940 preliminary advertising allocations for 1940 were $80,800 in national magazines, $61,700 in newspapers, $18,700 in other publications, or a total of $161,200.

The Department points out that the United States

Travel Bureau estimated the expenditures by tourists and vacationists in Pennsylvania in 1939 as $339,860,000, an increase of more than 15½ million dollars over 1938, and the largest figure for tourist expenditures in Pennsylvania ever recorded since official annual estimates have been made. In the opinion of the Department this increase appears to afford gratifying evidence of enlarged business in the State resulting from the Bureau's activities.

In 1940 the Bureau of Tourist and Recreational Publicity undertook the distribution of 800,000 highway maps to tourists, 300,000 of which were distributed by the Pennsylvania Motor Police at 11 ports of entry throughout the Commonwealth, another 100,000 were assigned to the Pennsylvania Building at the New York World's Fair, and 100,000 have been mailed in response to direct inquiries from out-of-State tourists. The Bureau has received as many as 800 requests a day from these prospective tourists during the height of the season and such inquiries continue throughout the year.

In addition to the main highway routes, the Department's new recreational map shows the various historical sites and places of scenic interest in Pennsylvania as well as the forest areas, the water ways, and the State Parks. The Historical Commission and the State Chamber of Commerce have cooperated in this work. The publication of the above maps has saved unnecessary expenditures for the separate printing of a travel map by the State Highway Department. In addition to this recreational map, a pictorial booklet of the State's attractions has been prepared and distributed. This booklet includes 180 pictures of Pennsylvania's points of scenic and historic interest. It is divided into 10 sections for convenient reference by travelers in any part of the State.

The chief expenditure of this Bureau is for advertising and a very small percentage of its cost is paid out as salaries or expenses. It is estimated that the gain realized to the gasoline tax revenues of the State has much more than paid for the total cost of operating this Bureau, and the percentage of inquiries from its advertising has exceeded those generally obtained by private industry.

In the first full year of the Bureau's operation, from June 1, 1939 to May 31, 1940, gasoline sales in the State increased by 91,734,246 gallons and the gain to the Commonwealth in net tax revenue produced by the increase was $3,644,822. The Bureau's cost of operation is only 3½% of this increased tax return, and though it is not claimed that the Department's advertising is the sole cause of this growth in revenue, there is every evidence, in reports from agencies in our own and other States, that this Bureau's activities have greatly stimulated travel into Pennsylvania, and it is certain that such increased travel has resulted in large benefits to hotelmen and merchants in the Commonwealth. The Bureau's cost of operation of $123,388 in its first year is a very small sum for the maintenance and stimulation of a source of annual income to our people grossing nearly a third of a billion dollars.

A comprehensive coverage of economic and industrial research pertinent to Pennsylvania's industrial development is provided for in the Commerce Law as indicated previously in this report. The Staff of the State Planning Board has participated in this program to the extent that it has maintained a detailed study of the location and migration of Pennsylvania's industries, and keeps current an inventory of idle manufacturing plants. It has prepared statistical reports on foreign markets for Pennsylvania products in connection with the industrial promotion work of the Department. Data have been assembled on numerous products made in Germany which could no longer be shipped by that Nation to South America because of the war. This information has been supplied to appropriate Pennsylvania industries. In the hosiery industry each manufacturer has been provided with an outline of the Latin American market for his product. Studies have also been made of the bituminous and anthracite coal industries. Numerous contacts have been provided between Pennsylvania manufacturers and agents and importers in foreign lands. In addition to such research work carried on by the staff of the Planning Board, the Commerce Department is soliciting the cooperation of the public research agencies of the Commonwealth in technical inquiries bearing upon Pennsylvania's particular industrial opportunities.

At the suggestion of the Department a comprehensive program of research for the whole field of Pennsylvania's mineral industries is now being formulated by a joint committee of producers of Pennsylvania's raw materials, and of research workers from the staff of the Pennsylvania State College. Conferences have been under way for some months with representatives of scientific and technical institutions leading toward a greater emphasis on studies as to Pennsylvania's industrial and commercial development. Other conferences with representatives of major industrial groups have been inaugurated for the purpose of clarifying the problems of each industry and promoting fuller cooperation in the solution of their problems, as aids toward industrial expansion in the Commonwealth.

4. State Planning Board

As explained in the preceding section, the general research and planning activities of the Department of Commerce have been carried forward by the staff of the State Planning Board which was established as an independent agency in 1936[2] to administer the comprehensive planning program of the Commonwealth.

From July 23, 1934 to July 30, 1936 the Board existed by appointment of the Governor, but on the latter date it was established as an independent administrative board. In 1939 the Board was made a departmental administrative board and placed under the fiscal control of the new Department of Commerce.[3]

The Secretary of Commerce is ex-officio chairman of the Board. Four other members are appointed from among the heads or chief executive officers of State Departments, while the remaining five are appointed from among the citizens of the State. The latter may not hold any State office to which a salary is attached. The term of office is five years, except in the case of department heads who shall not serve beyond their term of office in other State service. The Board, with the approval of the Secretary of Commerce, appoints and fixes the compensation of the Secretary, who acts as executive director of the Board. He must be technically qualified for the duties of his office.

In addition to the Director there are three other employes in the Executive Division of the Board, three in the Drafting Division, two library assistants and the remainder in the Division of Research and Planning.

Among the principal duties of the Board is its mandate to collect and publish information relating to the proper development of the State and the conservation of its resources. Since its association with the Department of Commerce it has undertaken an intensive study of Pennsylvania's industrial problems, and particularly of all available facts bearing upon the stimulation of production and employment. This program has been pursued in addition to its regular duties involving the collection and interpretation of data bearing upon the State's natural resources, land use, and recreational and transportation facilities, and its studies of the State's population changes and their causes, of local taxation and of the financial structures of our various civil subdivisions.

The State Planning Board is also authorized under the Commerce Law of 1939 to administer and maintain its former activities under which it acts as adviser and coordinator of the efforts of all planning and zoning bodies within the Commonwealth, promotes the formation of planning and zoning bodies in communities not now so organized, provides information as to powers and procedures under the Pennsylvania Planning and Zoning Enabling Acts, and continues to perform its function of providing and making available data forming the groundwork for a comprehensive plan for the development of all of the State's resources.

The Board cooperates with local zoning and planning authorities and with other public bodies, and also with State and Federal departments, whenever the problems involved are of importance to the Commonwealth, such as those concerning highways, parks, parkways, water supply, flood control, forest conservation, soil erosion, and the recreational use of wild land.

As part of the Planning Board's inventory of Pennsylvania's resources, in addition to its large library of published and manuscript material, it also initiated the program of air photography of the State. By an agreement negotiated through the efforts of the Board, four State agencies and the United States Department of Agriculture have cooperated in the air photography of approximately 37,000 square miles of Pennsylvania's territory. To date all the photographs of this area have been received, excepting those covering four counties which should be completed within the next few months. The Planning Board has now indexed and filed 30,000 separate prints.

Other duties of the Planning Board, as prescribed in the statute of July 30, 1936, are concerned with the preparation of a State master plan for the physical development of the Commonwealth, its agencies and political subdivisions. The data essential for so large a task are being accumulated by the Board, and special studies of many of the State's areas have been completed. Under the rapidly changing economic and social conditions of the past decade more complete information than has ever yet been collected or compiled will be necessary before a State master plan adapted to such shifts of population as have occurred during the last ten years can be completed and presented to the people of the Commonwealth.

It is also prescribed in the statute creating the Planning Board that it shall prepare, amend, and keep up to date a long term development program of all major State improvement projects. Some part of this phase of its activities has been undertaken. The Board is continuing to cooperate with all State Departments and particularly has assisted in the program of the Capitol Grounds Extension Planning Committee, a considerable part of the work of which has been carried on in its office.

The Board is also empowered to advise with the various State Departments and other agencies with a view of coordinating all physical development plans, and in pursuance of this mandate has, among other activities, participated in the work of the Interstate Commission on the Delaware River Basin, the Atlantic Deeper Waterways Association, the Pennsylvania Roadside Council, and the Cooperative Roadside Improvement Committee. It has completed a survey of the Drainage Basins of Pennsylvania in cooperation with Federal agencies, and has initiated the organization of the Pennsylvania Recreational Council, in which all State and Federal agencies concerned in Pennsylvania's recreational land development are represented.

a. Executive Division

The Executive Director of the Planning Board, under the Secretary of Commerce, directs the activities of the Planning Board's staff and is particularly concerned in carrying out the Board's cooperative and coordinating functions.

b. Research and Planning Division

The largest division in the State Planning Board is that of Research and Planning, consisting of five research specialists, two stenographers and a stenographer clerk. It is in this Division that Pennsylvania's resources, markets, population and industrial trends, land uses, recreational opportunities, State and community planning and employment problems are analyzed and reviewed. This important work is made public from time to time in publications of the Board. In addition, twelve major studies are now available in representative public libraries throughout the State, while a much more extensive list of research investigations may be consulted in typewritten or manuscript form at the Planning Board offices. A monthly Bulletin issued by the Board contains, in the form of briefly written articles, the results of studies of interest to the general public. Among the important services of this Division is the aid extended to cities, boroughs and townships in the development of their planning and zoning requirements.

c. Publicity Section

The work of the Publicity Section consists of making known to communities, citizens' organizations, divisions of the State Government and other interested or affected agencies the extensive research work of the Board. In addition to the monthly booklet "Pennsylvania Planning", a weekly news release entitled "Know Your State" is supplied to some 300 Pennsylvania newspapers.

d. Library Section

It is the task of the Library Section to assemble for the use of the staff the latest developments and current

literature on mapping, planning resources and research work. Two library assistants are employed in the Section for this purpose.

e. Drafting Division

The development of a State master plan with its problems of land use, water conservation, drainage, flood control and forestry require numerous maps and illustrations and the services of expert draftsmen. It is the work of the draftsmen to interpret and clarify the Board's recommendations by means of charts and other forms of graphic presentation. During the past year and a half the Drafting Division of the Planning Board has also designed, painted and set up exhibits for use of the Department in the display of Pennsylvania's industrial advantages at the Pennsylvania Farm Show, the National Dairy Show and the Allegheny County Fair. It has also provided illustrations and designs for the Department of Commerce booklet "All in Pennsylvania".

D. PERSONNEL

As is shown in Table VIII-A, there were a total of 49 employes in the Department of Commerce on June 1, 1940, receiving aggregate annual salaries of $107,310.00.

TABLE VIII-A

SUMMARY OF DEPARTMENTAL EMPLOYES AND TOTAL SALARIES JUNE 1, 1940

Division	Number	Total Salaries
Commerce		
Salaried Employes	23	$55,600.00
Per Diem Employes	5*	5,100.00
Planning Board		
Salaried Employes	19	42,650.00
Per Diem Employes	2	3,960.00
Total	49	$107,310.00

* Seasonal for Tourist Publicity Mailing.

Table VIII-B contains a detailed presentation of the above employes by personnel title and annual salary.

TABLE VIII-B

DEPARTMENTAL EMPLOYES AND ANNUAL SALARIES JUNE 1, 1940

Divisional and Personnel Titles	Number	Annual Salary
Commerce		
Secretary of Department	1	$10,000.00
Deputy Secretary	1	7,500.00
Publicity Director	1	6,000.00
Dir. of Tourist and Recreational Publicity	1	3,000.00
Comptroller	1	3,000.00
Advanced Pub. Information Asst.	1	3,000.00
Principal Account Clerk	1	1,860.00
Advanced Chauffeur Clerk	1	1,620.00
Advanced Sect. Stenographer	1	1,860.00
Assistant Research Assistant	1	1,860.00
Secretary Stenographer	1	1,380.00
Secretary Stenographer	1	1,380.00
Secretary Stenographer	1	1,380.00
Secretary Stenographer	1	1,380.00
Correspondent Secretary	1	1,380.00
Sr. Stenographer-Clerk	1	1,140.00
General Clerk	1	1,140.00
Sr. Stenographer-Typist	1	1,140.00
Publicity Clerk	1	1,140.00
Jr. Publicity Clerk	1	1,020.00
Sr. Mail Clerk	1	1,020.00
Sr. Messenger Clerk	1	1,020.00
Typists Clerks @ $3.92 per diem	5	5,100.00
Sub-Total	28	$60,700.00
Planning Board		
Director	1	$ 6,000.00
Assistant Director	1	4,200.00
Principal Research Assistant	1	4,400.00
Advanced Research Assistant	1	3,600.00
Sr. Research Assistant	1	3,150.00
Research Assistant	1	2,400.00
Advanced Draftsman	1	2,160.00
Jr. Research Assistant	1	2,100.00
Jr. Editor	1	1,920.00
Draftsman	1	1,680.00
Sr. Secretary Stenographer	1	1,680.00
Sr. Library Assistant	1	$1,500.00
Sr. Stenographer	1	1,140.00
Sr. Stenographer-Clerk	1	1,140.00
Sr. Stenographer	1	1,140.00
Library Assistant	1	1,140.00
Sr. Messenger Clerk	1	1,080.00
Sr. Typist Clerk	1	1,020.00
Planning Consultant	1	1,200.00
Supervisor @ $9.23 per diem	1	2,400.00
Research Clerk @ $6.00 per diem	1	1,560.00
Sub-Total	21	$46,610.00
Grand Total	49	$107,310.00

E. FINANCES

1. Appropriations

The Department is operating for the biennium under appropriations of $400,000.00 for Tourist Promotion, $230,000.00 for Industrial Development and General Administrative Expenses, $20,000 for the Salary of the Secretary of Commerce, and $108,000.00 for the State Planning Board, as itemized in the following table.

TABLE VIII-C

Appropriations to the Department of Commerce 1939-41 Biennium

Purpose	Amount Appropriated
Salary of Secretary	$ 20,000.00
Salaries and General Expenses	230,000.00*
Tourist Promotion	400,000.00
State Planning Board	108,000.00
Total	$758,000.00

* Reduced from $280,000 in Special Session of 1940.

2. Expenditures

Between June 1, 1939, and May 31, 1940, the Tourist Division of the Department spent a total of $131,011.66 for advertising, literature, personnel and all expenses con-

nected with its work. The Administrative and Industrial Promotion activities of the Department during its first year were conducted at a cost of $113,693.54. The expenditures of the State Planning Board during the same period totalled $53,797.30.

Since this Department was not created until May 10, 1939, and since much of the first year of its existence was necessarily occupied in part by the organization of its activities, the following tables and foregoing data, covering its expenditures during that year must be interpreted in the light of the fact that time was required to develop the industrial field work of its staff, and its industrial and tourist promotion advertising campaigns.

The expenditures of the State Planning Board are separately listed in Table VIII-F and may be compared with its expenditures during the preceding biennium.

TABLE VIII-D

Expenditures of Department of Commerce June 1, 1939 to May 31, 1940

Object	Amount Expended
Salaries	$ 31,720.68
Wages	7,330.87
Fees	.....
Printing, etc.	11,608.28
Food and Forage	20.72
Materials and Supplies	492.86
Traveling Expenses	3,144.28
Freight and Express	264.04
Postage	6,512.00
Telephone and Telegraph	744.24
Advertising	179,299.00
Light, Heat and Power	26.94
Repairs	114.13
Rent of Real Estate	400.00
Rent of Equipment	68.25
Insurance, etc.	223.81
Other Maintenance	309.50
Equipment	2,425.60
Total	$244,705.20

Of the aforementioned $179,299.00 spent for advertising, $91,035.76 went for tourist publicity while the balance of $88,263.24 was expended for industrial publicity. A detailed presentation of the type of advertising media used and amounts expended is set forth in the following table:

TABLE VIII-E

Itemized Advertising Expenditures June 1, 1939 to May 31, 1940

Type	Amount Expended
MAGAZINES:	
Space	$134,958.94
Production	10,661.87
NEWSPAPERS:	
Space	28,389.15
Production	1,751.83
Display Cabinets	731.95
Miscellaneous	2,805.26
Total	$179,299.00

TABLE VIII-F

Comparative Expenditures of the State Planning Board For Biennium 1937-39 and 12 Months of Biennium 1939-41

Object	1937-39 Biennium	June 1, 1939 to May 31, 1940
Salaries	$81,116.24	$40,230.52
Wages	8,065.73	5,401.19
Printing	9,427.02	1,917.26
Food and Forage	93.10	56.12
Materials and Supplies	2,577.76	312.19
Travel Expenses	3,661.70	1,593.54
Express	55.97	23.68
Postage	3,465.00	1,312.00
Telephone & Telegraph	554.10	197.90
Repairs	23.00	27.50
Rent, Real Estate	5,153.00	2,585.00
Insurance and Bonds	217.29	22.90
Other Expenses	154.48	8.24
Equipment	2,772.49	109.26
Building Contracting	.....	.....
Subsidies	1,000.00	.....
Total	$118,336.88	$53,797.30

FOOTNOTES

[1] The Act of May 10, 1939 (P. L. 101) amending the Administrative Code; Act of May 10, 1939 (P. L. 111) is the Commerce Law.
[2] 1936, P. L. 81.
[3] 1939, P. L. 101

CHAPTER IX

DEPARTMENT OF FORESTS AND WATERS

The Department of Forests and Waters, as it now exists, was created under the Administrative Code of 1929, as amended in 1937. Its present functions include those formerly performed by a Division of Forestry as it existed in 1901, and the former Water Supply Commission.

A. FUNCTION

The Department of Forests and Waters exercises control over the State Forests and the Waters of Pennsylvania. It is charged with the protection of all forest land in the State from fire and insects, and control the encroachment upon all lands below average low water, and the use of all unallotted water within the State.

B. POWERS AND DUTIES

1. In Relation to Forests

The Department supervises and controls the forests of the State. It is empowered to buy lands for new forests when specific appropriations are made for the purpose, and manages the forests already acquired. It takes all necessary steps to conserve and protect the forests against fires, soil erosion, etc. and to reforest burned or eroded areas. It is authorized to divide the State into convenient forest districts and to appoint, with the approval of the Governor, a Chief Forest Fire Warden and such district forest fire wardens and such other local forest fire wardens and other assistants as shall be necessary for the prevention, control and extinction of forest fires. Through its foresters, forest rangers and other forest personnel, it administers the various laws pertaining to the State forests, promotes and develops forestry and the knowledge of forestry throughout the State, advises and assists land

owners in the planting of forests and shade trees, and obtains and publishes information on forest lands and forestry which is deemed helpful to the public interest.

With the advice of the State Forest Commission, the Department establishes necessary rules and regulations for conservation of its timber resources, protection of its water sheds, and conservation and regulation of its rivers and streams. Whenever it is deemed necessary, the Department may sell timber from the State forests and, with the advice of the State Forests Commission, may execute contracts or leases for the mining or removal of any valuable minerals found in the State forests. The Department establishes auxiliary forest reserves and distributes seedlings and transplants to private parties desiring to plant them.

The Department may set aside, for exclusive use as parks, parkways and other places of scientific, scenic, historical or wildlife interest, any State-owned lands. For limited periods, the Department may lease portions of the State forest for health, recreational, church or school purposes, or for the growing of crops other than forest trees. Where there are public roads running into or through or bordering upon State forests, the Department may maintain, repair and extend same, and may grant rights of way through these forests as long as such is not detrimental to the interests of the Commonwealth. With the consent of the State Forest Commission, it may give street railway companies the right to construct and operate their lines through and about the State forests. Municipalities may be granted the privilege of impounding water upon any State forest and of constructing operating lines in order to convey the water therefrom.

2. In Relation to Parks

The duties of the Department in relation to State parks have to do with the supervision, maintenance, improvement and preservation of all recreational State parks in the Commonwealth except the Pennsylvania State Parks at Erie, the Washington Crossing Park, the Valley Forge Park, and the Fort Washington Park. These latter are regulated by independent commissions. The Department establishes such rules and regulations as are necessary to manage, protect and develop the lands and resources of the State parks, for the purpose of preserving their historical and recreational values. It may lease for a limited period certain portions of these parks as camp sites to proper individuals and organizations, and may grant concessions under specified procedure. The Department, in order to maintain and regulate its rules and regulations, may appoint persons to police these parks and to make arrests without warrant for all violations of the law which they may witness, and to have such other powers as are usually conferred by law upon members of the police force in cities.

3. In Relation to Waters

The duties of the Department with regard to waters include the determination of public policy concerning the conservation, marketing, equitable distribution, development and use of the water resources. In this respect the Department conducts surveys and gathers important information looking toward such conservation and development. Similarly, it collects and maintains a complete inventory of all water resources of the Commonwealth and all other pertinent data concerning such resources, storage reservoirs and power development, in the Commonwealth. It constructs, maintains and operates the works for storage, flood control and channel improvement, including regular investigation and examination of all dams, wharves, embankments, bridges and other water encroachments, looking toward their necessary repairs and relocation. The Department also establishes and maintains gauging stations on rivers and issues bulletins forecasting gauge heights and the times thereof. In the performance of these functions, the Department cooperates with municipalities in the preservation of the water resources and the construction of projects and improvements.

An extremely important Board in this Department is the Water and Power Resources Board, which is the regulatory Board of the Department, holding all hearings upon and deciding matters coming within the jurisdiction of the Department of Forests and Waters relating to waters. Its powers largely apply to corporations and utilities which supply water for the public or transport the same; to the sale and transfer of any franchises on property to these companies; to the approval of construction of dams and other water obstructions in any of the waters of the Commonwealth; and to the approval of any obstruction under navigable rivers necessary for the conveyance of power to manufacturing plants.

C. ORGANIZATION AND OPERATIONS

Administration of the Department is under the Secretary of Forests and Waters, appointed by the Governor for a four year term. In addition to his duties as chief administrator of the Department, the Secretary serves on a number of boards and commissions. These are:

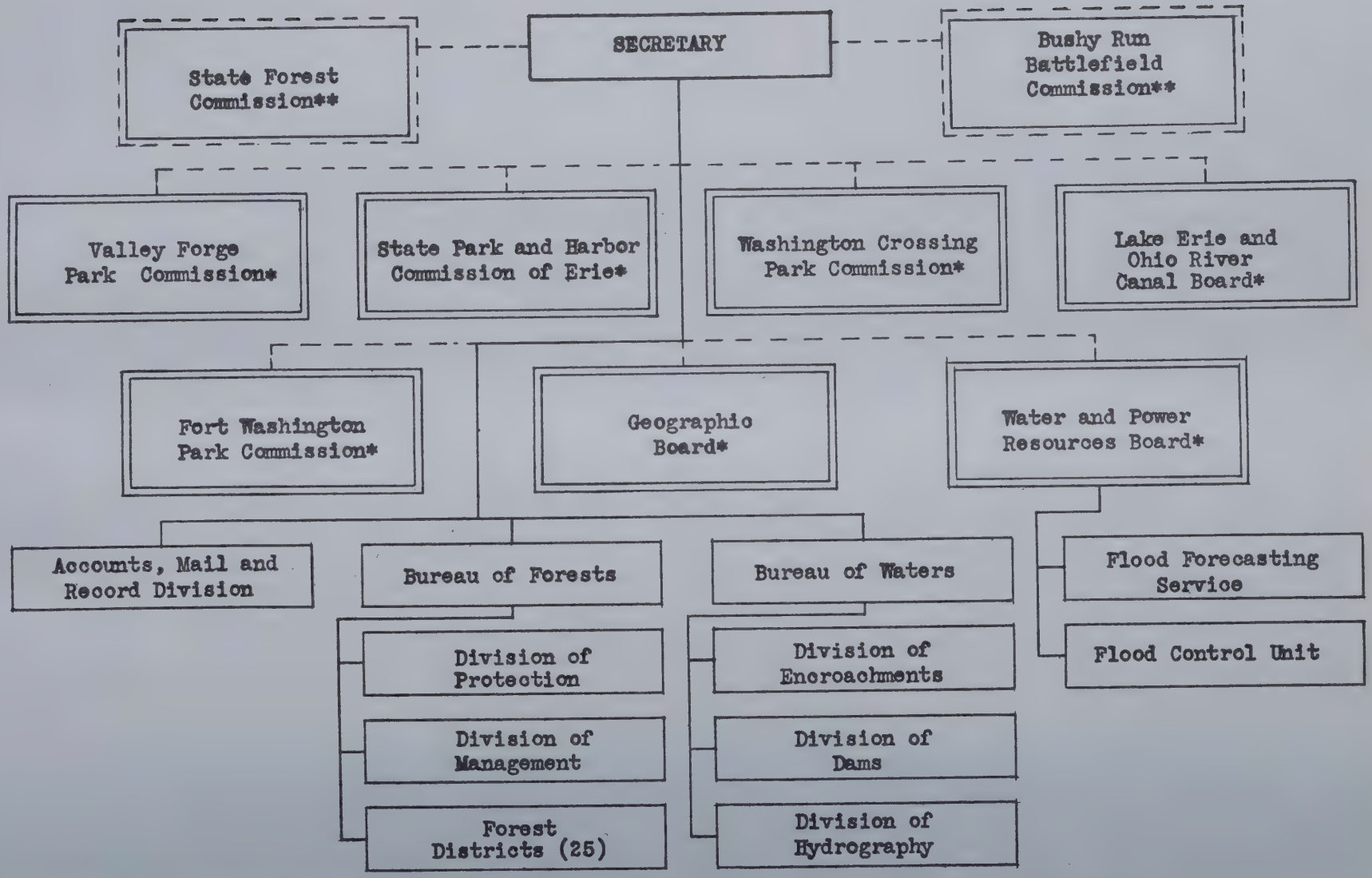
1. The State Forest Commission
2. The Water and Power Resources Board
3. The Geographic Board
4. The Navigation Commission for the Delaware River
5. The Valley Forge Park Commission
6. The Pennsylvania State Park and Harbor Commission of Erie
7. The Lake Erie and Ohio River Canal Board
8. The Bushy Run Battlefield Commission
9. The Conrad Weiser Park Board of Trustees
10. The Washington Crossing Park Commission
11. The Fort Washington Park Commission
12. The Sanitary Water Board
13. The State Planning Board

An examination of Chart IX-1 on page 6896 reveals that, for administrative purposes, the functions of the Department are performed by three major bureaus, namely, the Bureau of Forestry, the Bureau of Waters, and the Bureau of Parks. There is also an Executive Office with a Division of Accounts, Mail and Records. Divisions of Information and Research still exist, since they have never been formally abolished, but they are without heads and practically without personnel. Information, as such, is handled by the Executive Office, and Research activities head up under the Chief of the Bureau of Forestry. The latter also handles C.C.C. relations. No separate section concerns itself with Federal projects, or Federal aided projects. Federal matters concerning forestry are handled in the Division of Management.

In addition to the above, various boards and commissions are administered in the Department. These are:

CHART IX-1

ORGANIZATION OF THE DEPARTMENT OF FORESTS AND WATERS



* Departmental administrative board or commission.

** Advisory commission.

Valley Forge Park Commission, Washington Crossing Park Commission, Fort Washington Park Commission, the State Park and Harbor Commission of Erie, the Navigation Commission for the Delaware River, the Geographic Board, and, most important of all, the Water and Power Resources Board, which is divided into a flood forecasting service and a flood control unit, both working in close harmony with the Bureau of Waters. The Lake Erie and Ohio River Canal Board, although created a departmental commission within the Department is no longer in operation. Numerous other State parks, when created, are placed under the administration of Commissions, which, however, usually function upon rare occasions. Thus for example, the Conrad Weiser Memorial Park and the Drake Well Memorial Park do not operate under permanent commissions. Advisory commissions at present in the Department are the Bushy Run Battlefield Commission and the State Forest Commission. The State Parks Commission and Regional State Parks Boards were formerly advisory bodies but were dropped in 1939.

1. The Executive Office

Located in Harrisburg, this office supervises all departmental and intra-departmental activities. In charge of the Secretary, Deputy Secretary, and staff, it includes the following divisions:

a. The Division of Accounts, Mail and Records

This Division formerly functioned as a separate bureau of Accounts and Maintenance. It performs general accounting and secretarial services for the Department, keeping records of all receipts and disbursements, both in the Harrisburg Office and in the field. In the collection of revenues from such sources as the leasing of camp sites and the sale of seedlings, the Department serves as an agents of the Department of Revenue. On the expenditure side, salaries are by far the largest item. Thus, of a total appropriation of $2,000,330 for the Department, the appropriation for salaries and general expenses for the 1939-41 biennium totaled $1,160,000, or over half of the total appropriation. Of course, most of these expenses and most of the accounting work develops from the activities of the extensive field force, such as transportation, maintenance, etc.

b. The Field Staff

Besides the central offices in Harrisburg, the Department maintains an extensive field force. The State is divided into twenty-four forest districts, each in charge of a district forester. There are about sixty foresters and over eighty forest rangers in the forest service.

2. Bureau of Forests

The purpose of the State Forests, according to statute, is "To provide a continuous supply of timber, lumber, wood and other products, to protect the water sheds, conserve the water, and regulate the flow of rivers and streams of the State, and furnish opportunity for healthful recreation for the public." To fulfill this purpose the Bureau of Forests is first of all concerned with the protection of its forests from fires, disease, insects and other enemies; and, secondly, with conducting studies and investigations which will help the Bureau in carrying out these functions.

a. Division of Protection

This Division is mainly concerned with the protection of State forests from fire and other hazards. Pennsylvania's State forests comprise 1,651,979 acres of forest land, located chiefly in mountainous sections of some thirty-four counties. The foresters and assistant foresters in charge of the twenty-four districts, are practically all graduates of forest schools of collegiate rank. Most of them come from the State Forest School at Pennsylvania State College. These technical men are the outdoor type, trained in forestry and with a good working knowledge of engineering, mapping and surveying. There are approximately seventy-five of these graduate foresters, including some of the assistants. The Department's Forest Fire organization is built around this permanent force. In addition, however, to the regular employes of the forest service, there are over 4,000 forest fire wardens, and 31,000 forest fire fighters, located in all parts of the State. The fire wardens are paid on a per diem basis, and only when actually fighting fires. They receive about twenty-five cents an hour for an eight hour day and operate on an honorary basis. The number of local fire wardens and assistants in each district depends upon the size of the district, the forest area therein contained and upon the existing forest fire hazards. The powers of the chief Forest Fire Warden, the district fire warden and the local fire warden are outlined in great detail in the Administrative Code. These powers include generally the authority to appoint assistants in times of emergency, the duty to collect data in regard to fire hazards and forest conditions with the power to declare such hazards to be public nuisances, the duty to educate the public with regard to protection against fire and finally the authority to investigate all fires, the causes thereof, and to make arrests under certain conditions. At times several hundred of temporary employes are used for building roads, cutting timber, and other forest operations necessary to a speedy and efficient elimination of fires. Careful records are kept for each district showing the number of fires, the cost of their extinction, the total cost of forest protection and other similar matters. Regular reports containing the information in these records are sent to the central office at Harrisburg. The State Motor Police, as well as the fish and game wardens cooperate with and render valuable assistance to the forest rangers. The following Table shows the number of forest fires during each of the past seven years:

TABLE IX-A

NUMBER OF FOREST FIRES PER YEAR
1933 to 1939

Year	Number of Fires
1933	2,028
1934	4,188
1935	3,507
1936	2,926
1937	2,470
1938	3,463
1939	4,790
Average Yearly Number	3,391

The average annual cost of extinction of forest fires in the Commonwealth, from 1931 to 1939 inclusive, was $117,952, with a low of $34,137 and a high of $200,143. The average yearly burn, during the past five years, was 2,242 acres, or between one-tenth and two-tenths of one percent. Fourteen acres burn annually for each 10,000 acres of State forests.

Table IX-B shows the annual reimbursement to the State for fighting fires where it was possible to determine responsibility, during the years 1933 to 1939 inclusive.

TABLE IX-B

ANNUAL REIMBURSEMENTS TO STATE FOR FIGHTING FIRES 1933-1939

Year	Amount
1933	$3,035.37
1934	3,164.12
1935	5,357.36
1936	6,660.38
1937	5,923.71
1938	5,860.13
1939	9,861.59

Included in the more important equipment used in connection with protecting forests from fires are 145 steel forest fire observation towers, each 60 to 80 feet high. These are connected with the headquarters of the district foresters and forest rangers by 900 miles of special forest telephone lines in some forty-five counties. The towers are manned by approximately 75 tower guards and forest rangers.

The financial burden involved in the construction and maintennace of the telephone lines is rather heavy. Construction cost has varied from $200 to $350 per mile and maintenance has averaged $13,190 per year since 1931. Yearly maintenance cost per mile varies from $12 to $20. Some revenue is derived from rendering service to subscribers living in the areas covered. This revenue has averaged $750 during the past two years.

After several years of experimenting with the use of short wave radios on forest fire observation towers, thirty-four towers and five District Foresters' offices are now equipped with radios for reporting forest fires. Because of satisfactory results in protection work, an extended radio system is now being installed for use in forest protection, flood control warning and weather reporting. This system will cover 100 of the 145 towers and 19 of the 24 district offices. Weather and stream-flow reports will be automatically relayed to the Harrisburg office from the entire Susquehanna Watershed and from some portions of the Delaware and Allegheny River watersheds. This will give Pennsylvania the first system of its kind in the United States. In addition to these short wave radios and telephone lines for quick communication purposes, there are over 3,000 miles of roads and 4,000 miles of trails over which fire fighting crews can travel quickly to the scene of the fire.

The Forestry Bureau conducts research activities and makes studies of forests, trees, plants, insects and other diseases prevalent in the forests and injurious to the trees. It attempts to ascertain the most modern methods in handling the forest and to administer such information to the public as is thought necessary for the proper care of both State forests and private forests. The public relations work carried on involves the preparation of printed material concerning specific problems and subjects relative to forests, the preparation and printing of publications concerning forests, the use of motion picture reels to be exhibited among various organizations and groups showing the need of proper forest education.

Very special attention has recently been given to the control and elimination of white pine blister rust. In 1933, the Pennsylvania White Pine Blister Rust Act was passed providing for destruction of all trees, plants or bushes infected with the disease and authorized the Department to declare certain plants and bushes to be a public nuisance. It authorized their destruction, and set up certain control areas where fruiting currant, gooseberry and white pine may be grown. All the data and research information obtained in regard to State forests and forests generally are distributed through the issuance of various periodicals and bulletins. The purpose is to assist and advise land owners in the planting of trees and also to inform the general public regarding the use of trees and their conservation.

b. Division of Management

The agencies concerned with the management of forests and forest lands under the jurisdiction of the Department were at one time organized in three separate bureaus and later combined as the Bureau of Management, Lands and Parks. The present Bureau is now concerned with management of forests and forest lands, their acquisition, the sale of forest timber, seeds and seedlings and the general supervision, maintenance and utilization of State forests. The former functions with regard to parks and camp sites are now under a separate Bureau of Parks.

As already noted, the Department of Forests and Waters may acquire, by purchase, gift, lease or condemnation any lands, including tax delinquent lands or unredeemed seated or unseated lands, which in the judgment of the Department and with the approval of the State Forest Commission is essential for the protection of the State forest, for reforestation, for combating soil erosion, for flood control, and for fire prevention. The purchase price of any of these lands may not exceed $10 per acre. There are at present, 1,650,936 acres of forest land in Pennsylvania costing the Department approximately 28c an acre per year to manage, protect and utilize these forests. While given the general authorization to acquire such land, the Department, however, may not do so without specific appropriation made for that purpose. Since 1931 there have been no such appropriations; however, when new lands were purchased, the Commonwealth first had to conduct a survey to examine the titles and to remove all incumbrances thereon existing. A record of all the State lands over which the Department had jurisdiction is carefully kept.

Another function of the Division is to preserve and defend the Commonwealth's titles to its investments by the survey of lands to prevent encroachments, and by the adoption of measures to protect its property. The Department must analyze and settle any claims made to portions of the State forests by private individuals. Many miles of roads and trails must be surveyed preliminary to preparing the various State forest district maps so im-

portant in all forest fire protection work. Maps are also made for public use showing the various State parks, State forests, and other places of interest in the Commonwealth. Department officials state that, although the expense of printing maps must be borne by the Department, the revenue received therefrom goes to the Bureau of Publications for deposit in the General Fund. They feel that only the cost of printing maps, etc., for free distribution should be charged against their Department. All cooperative agreements between the various departments and agencies of the Commonwealth and the Department of Forests and Waters with regard to forests, are handled in this Division.

Because no new lands being acquired, most of the mapping, drafting and surveying work of the Department has greatly decreased with a resulting reduction in personnel. What work along these lines remains to be done is regularly taken care of by the graduate foresters. All of these men are sufficiently trained in the ordinary routine of surveying, drafting and mapping to do this work satisfactorily.

Whenever it appears that the welfare of the State, with reference to reforesting and the betterment of the State forests, will be advanced by selling or disposing of any of the timber in the State forests, the Department may do so on terms advantageous to it. This was originally thought to be a function that would enable the State to obtain great revenues; however, this has not proven to be the case. There is, at present, a lot of timber awaiting disposal. A great deal of this timber is mature and must be cut very soon in order to be saleable. Many of the pine and chestnut trees are deteriorating through age. The present price is $12.10 a thousand feet in log form at the highway. Although this may be a fairly good price for dead timber, it is unfortunate that the present market is not more favorable. Timber, when sold, is disposed of to the highest bidder. Recently the Department has been cutting trees with its own crews, trimming the limbs and taking the logs to the highway, where the bids are received. The explanation for this procedure is that it is necessary in order to insure protection to the standing timber.

It is a function of this Division to grow and furnish tree seedlings, and to provide information to timber land owners who are anxious to make their timber land produce the best results. The Division operates three large forest tree nurseries. The distribution of forest tree seedlings for a seven year period is shown in the following table.

TABLE IX-C

NUMBER OF FOREST TREE SEEDLINGS DISTRIBUTED ANNUALLY
1933 to 1939

Year	Number Distributed
1933	7,890,300
1934	9,740,800
1935	7,788,200
1936	7,250,950
1937	10,736,200
1938	14,575,300
1939	13,430,800

During the past 37 years, 216,451,127 forest tree seedlings and transplants have been raised and distributed. Of this number, 57,782,434 trees were distributed to private owners of forest lands in Pennsylvania. The sale and distribution of these trees and seedlings are made on a conditional basis. They can only be sold where the land owner agrees to plant in accordance with the practice adopted and followed by the district foresters. The new owner must also agree not to remove planting for fifteen years. Prices charged for seedlings depend upon the age, species and size of trees. The revenue produced very frequently is not sufficient to meet the cost of carrying on the work. While it might be possible to make higher charges, it appears more desirable to encourage the use and planting of seedlings in order to promote the development of a reforestation program, even though at times the work may not be entirely self-sustaining. Prices charged for seedlings are $2.00 per thousand, and for transplants $5.00 per thousand.

The importance of forest lands and the forest program is indicated by the fact that 15 municipalities within Pennsylvania secure their water supplies from forest areas in which State forests are located, and the further fact that more than 50% of their water sheds are located on State forest land. More than a quarter of a million people of the Commonwealth, as well as many industries, depend upon State owned forest land as a source of water supply. To make the State forests accessible, State forest roads and trails have been constructed. There are now approximately 3,000 miles of forest roads and 4,000 miles of forest trails located in the State forests. This road and trail system is valuable alike for protection from fires, for administrative purposes and for recreational facilities. In addition to these roads and trails, the Department of Forests and Waters maintains more than 3,000 miles of forest boundary lines. Civilian Conservation Corps camps, located in the State forests, provide labor for more than 7,000 young men who otherwise would be unemployed. More than 3,000 camp sites in the State forest lands are leased to individuals, clubs and other organizations at nominal annual rentals. Summer homes, cabins, hunting lodges and other buildings are erected on these sites by the lessees. Thousands of citizens are thus enabled to enjoy outdoor life in forest environment at moderate costs. Revenues from camp site leases during the past four bienniums are shown in Table IX-D.

TABLE IX-D

REVENUES DERIVED FROM CAMP SITE LEASES
1931 to 1939

Bienniums	Revenues
1931-1933	$57,097.74
1933-1935	59,316.27
1935-1937	64,396.85
1937-1939	69,710.27
Total	$250,521.13

3. Bureau of Parks

The work of the Bureau of Parks is quite similar to that of the Bureau of Forests. As already noted, at one time there was a combined Bureau of Management of Lands and Parks. Today the chief duties of the Bureau of Parks is to supervise, regulate, improve, and preserve all recrea-

tional parks belonging to the Commonwealth, except the Presque Isle State Park at Erie, Washington Crossing Park, Valley Forge Park and Fort Washington Park, which are regulated by separate commissions. This Bureau, however, extends its full services to the latter when advice and assistance are requested.

The Bureau is empowered to acquire by purchase, gift, lease or condemnation, land of such scenic and natural beauty which, in its estimation, should be maintained as State parks. In the management and development of these lands for State park purposes, the Bureau provides various shelters and park equipment such as picnic tables, fireplaces and latrines, sees to the enjoyment of these facilities by the public, polices the various areas and leases portions of these parks as camp sites or for other recreational or educational purposes. Every incentive is given to the general public to enjoy the natural beauty of the various portions of the Commonwealth, such as natural caves, waterfalls, et cetera. Family picnics, social functions and local gatherings are also encouraged through the development of this State park program. There are at present 25,000 acres of park and recreational areas comprising 28 forest parks, 56 picnic and wayside parks and 10 natural monument parks. Most of these parks are maintained mainly for tourists and picnickers and are provided with the necessary shelters and park facilities. There are also over fifty public camps containing the necessary equipment for camp sites. It has already been noted that 3,000 camp sites exist within the State forests and this Bureau is concerned with the handling of the leases for these camp sites upon which are built the various cabins, summer homes, hunting lodges and other buildings that may be desired by the lessees. Any individual, club or organization may secure one of these leases for a nominal rental ranging from $7.00 to $15.00 a year. The structures built upon these lands must be approved by the Department and must be laid out in accordance with the sanitation facilities of the areas. The leases are for not more than 10 years but are subject to renewal. The individual or organization desiring these camp sites may choose their location from a list made by the District Forester. During 1939, State parks were visited by more than 7,000,000 people, some staying for a day, others spending their entire vacations in the forests. In addition to the State parks, Federal agencies are developing five recreation demonstration areas, which when completed, will total 32,000 acres.

Park areas of historical importance now come under the jurisdiction of the Historical Commission. Ten parks are in this classification. The Department of Forests and Waters believes that eventually all park areas of historical importance should come under the management and control of the Historical Commission. It further believes that it should concern itself chiefly with problems of forests and waters, and only with recreation to the extent that such can be provided in the forest areas. Because of these facts, the Department is giving very little attention to the development of park areas of historical importance.

4. Bureau of Waters

The Bureau of Waters functions through three divisions: The Division of Encroachments, the Division of Dams, and the Division of Hydrography. Besides operating gauging stations and forecasting freshet and flood flows, the Bureau, through the Division of Encroachment, maintains an inventory of the water resources of the Commonwealth and studies and collects all data relative to encroachments or obstructions in or upon these waters. Through the Division of Dams, it investigates and examines all dams and other water obstructions to determine whether they are safe or need repair and oversees new constructions. This Division of Hydrography makes surveys and investigations for increasing the dry weather flow of streams and for protecting banks of rivers from erosion by means of hydraulic works designed for flood protection. In brief, the most important functions of this Bureau are concerned with flood control, the development of water resources for hydraulic and hydro-electric power, channel improvement for transportation purposes, and the conservation of waters in general.

a. Water and Power Resources Board

An important adjunct of the Bureau of Waters is this Board created by the Administrative Code as a departmental administrative board of the Department of Forests and Waters. It consists of five members including the Secretary of Forests and Waters as chairman, the Secretary of Health, the Commissioner of Fisheries, a member of the Public Utility Commission appointed by the Governor, and an engineer. Provision is made for conducting investigations and hearings before members of the Board and for the issuance of interim permits and orders. Many of the powers of the Bureau of Waters are carried out exclusively by the Board or in cooperation with the Board. Thus, the Board is authorized to consider charter applications for corporations and public water supply companies, and to supervise the conduct of the affairs of these companies. Another important function is to consent to or permit the construction of dams or other water obstructions and to permit making changes in the courses of any waters of the Commonwealth. It also has powers with regard to the development of new water supplies, the construction of hydraulic works, the building of tunnels under navigable rivers, and assists the Bureau in determining points where storage reservoirs may be constructed.

The activities of the Board with regard to flood control are most important, and for this reason it conducts a Flood Forecasting Service and Flood Control Unit. Thus, it cooperates with the Federal Government in the study of flood control problems in determining proper locations and methods of protection, and with municipalities and other subdivisions of the Commonwealth, in building flood control works, in securing lands, and in compensating for direct damages sustained as a result of construction of protective works of a local character. Through cooperation with the U. S. Weather Bureau and the U. S. Geological Survey, it issues river forecasts for the three major drainage systems from forecasting centers located at Harrisburg, Pittsburgh, and Philadelphia. The forecasts are issued under the name of the "Federal State Flood Forecasting Service." Predictions are based upon information obtained from 119 stream flow gauging stations and 104 precipitation recording stations operated by the Department. It has placed in operation an ultra-high frequency radio communication system which is operated cooperatively by the Flood Forecasting Service and the Division of Forest Fire Protection. This system makes possible the receipt and dissemination of vital

flood and fire data from and to areas not serviced by regular channels of communication. It furnishes stream flow information to public and private agencies in connection with water supply studies, water and steam power investigation flood control, flood stages in relation to structures placed within limit of flood plains, stream pollution studies, storage or regulatory works, flood forecasting, determination of stream channel lines, water rights investigation, navigation studies, and the settlement of legal disputes arising from the use of water.

Because of the growing need of flood control, and especially since the damaging floods of Pittsburgh and Johnstown within the last three or four years, the Commonwealth has appropriated great sums of money to undertake this work and receives financial and other cooperation from the Federal Government in this respect. Thus, $150,000 was appropriated for the 1935-37 biennium and $4,900,000 for the 1937-39 biennium. Of this latter amount, the Board has only used $2,000,000 and does not intend to make further requisitions. On the basis of this appropriation, however, many more millions were received from the Federal Government for State flood control projects. These projects, such as building dykes and levies for flood control, are entered into between the Commonwealth, the municipality or local area where the project is being conducted, and the Federal Government. The State and the municipality divide the cost of the land damage and utility relocation while the Federal Government takes care of all expenses for construction. In regard to dams, however, the procedure is slightly different. Before 1938, the dams were built on practically a 50% basis between the Federal Government and the State. Since that year the Federal Flood Control Act was amended, so that the Federal Government now pays for all expenses with regard to building these dams including the acquisition of land, land damages and utility relocation. The only cost to the Commonwealth is that of sending its engineers to observe and make reports on what the Federal Government is doing. Four of these dams are on the Allegheny River. Dykes along the Delaware River in 1936 cost the Commonwealth about $142,000. At present, the Federal Government, the State and municipalities are cooperating in various flood control projects in Kingston, Plymouth and Williamsport. Since no further appropriations have been made for flood control, a great many projects, formerly anticipated, will have to be dropped.

5. Departmental Boards and Commissions

a. State Forest Commission

This Commission consists of five persons including the Secretary of Forests and Waters, who is Chairman. Its chief function is to make studies and advise the Department of Forests and Waters regarding its powers relating to forests and parks. It also advises the Department in making its recommendations in regard to departmental efficiency. It approves or disapproves the rules or regulations of the Department and may give or withhold its consent to any departmental act, which by law is required for the validity of that act. Lands acquired by the Department must be with the approval of the Commission and contracts or leases for mineral rights on forest lands require its consent. The advice of the Commission is also required when the Department gives to street railway companies the privilege of constructing their lines on or about State forests and to boroughs or other municipalities the right to impound waters and maintain pipe lines through State forests.

b. Bushy Run Battlefield Commission

This Commission advises and makes recommendations with reference to the conduct, improvement and maintenance of the Bushy Run Battlefield State Park in Westmoreland County. The 1937 Legislature appropriated the sum of $10,000 for land purchases by this Commission.

c. Valley Forge Park Commission

Functioning as an agency, this Commission consists of the Secretary of Forests and Waters ex-officio and 13 other persons. Valley Forge Park is one of the most valuable historical properties in the Commonwealth. Biennial appropriations for this Commission have varied from $15,000 in 1935, to $150,000 in 1931. Fifty thousand dollars was appropriated in 1937 and $87,500 in 1939, for the purchase of lands for this park.

d. Washington Crossing Park Commission

This Commission, consisting of ten persons besides the Secretary of Forests and Waters, administers the Washington Crossing Park, located on the Delaware River near Trenton, consisting of some 500 acres. Appropriations for this Commission varied from $27.900 in 1939 to $107,900 in 1931.

e. Fort Washington Park Commission

This Commission comprises the Commissioners of Fairmount Park and the Secretary of Forests and Waters. Its duties are to supervise, regulate and improve Fort Washington Park in Montgomery County. Appropriations for this Commission have never exceeded $2,000 per biennium. In 1939 it was $1,800.

f. Pennsylvania State Park and Harbor Commission of Erie

This Commission consists of the Secretary of Forests and Waters, the Secretary of Internal Affairs, the Commissioner of Fisheries and nine other persons, two of whom are appointed by the Council of the City of Erie. The Commission supervises an area in Erie County including an island adjacent to the city, which has been set aside as a State park for the use of the public. The park contains about 7,700 acres (300 acres are underwater) and an island known as Presque Isle. Appropriations for this Commission varied from $139,000 in 1931 to $73,200 in 1937. In 1937, however, an additional $52,000 was appropriated for dredging the canal basin in the park. In 1939, the appropriation was only $65,880, but during that year $78,000 additional was authorized to construct a bulkhead at Presque Isle, to repair jetties, to conduct backfilling operations. and to conduct erosion studies at the Isle.

g. The Geographic Board

This Board consists of the Secretary of Forests and Waters as chairman, the Secretary of Highways, the President of the Pennsylvania Historical Commission and such other officers of the Department of Internal Affairs as may be designated by the Governor. It is empowered to

pass upon and determine all unsettled questions concerning geographic names. It may change and fix the names of monutains, rivers, creeks, and other topographic features in the Commonwealth. Departments and other governmental agencies of the Commonwealth are required when preparing maps or reports, to refer to mountains, rivers, creeks or other topographic features by the names adopted by the Geographic Board. In exercising its powers and duties, the Board cooperates with the United States Geographic Board.

h. Navigation Commission for the Delaware River

This Commission, functioning administratively, now consists of seven members. Two members from Delaware County and one from Bucks County are appointed by the Governor, and two members are appointed by the Mayor of Philadelphia. The Secretary of Forests and Waters and the Director of Wharves, Docks, and Ferries for the City of Philadelphia, are ex-officio members. The Commission exercises control over the port of Philadelphia, including jurisdiction over the wharves and docks, the extension and repair of same, and the fixing of wharfage, cranage, and dockage rates. The 1939 appropriation for the Commission was $50,000.

The Nautical School (Schoolship Annapolis) formerly run by the Department of Public Instruction up to 1939, is now operated by this Commission. The 1939 appropriation for the Nautical School was $90,000.

i. Lake Erie and Ohio River Canal Board

This Board consists of the Secretary of Forests and Waters ex-officio and 7 members, three of whom may be non-residents of Pennsylvania. It was created to further the proposal of building a canal between Pittsburgh and Lake Erie and $3,000 was appropriated towards that end; however, the project fell through and no further appropriation has been made.

D. PERSONNEL

Table IX-E o nthis page shows number of personnel and salaries paid as of June 1, 1940.

E. FINANCES

The expenditures of the Department of Forests and Waters for the present biennium show a large reduction over the preceding biennium. In 1937, the General Assembly appropriated $7,173,650 for this Department. This included $4,900,000 for flood control. Only $2,000,000 of this flood control money, however, was requested by the Water and Power Resources Board, after which they declared that it was not their intention to requisition any additional sum. The Forests and Waters appropriation for the present biennium was $2,950,330, being the lowest appropriation for this Department for the last five bienniums. Expenditures of the Department by object classifications during the last three bienniums are shown in Table IX-F, while in Table IX-G is presented expenditures by the various Park Commissions.

TABLE IX-E

NUMBER OF EMPLOYES AND THEIR ANNUAL SALARIES AS OF JUNE 1, 1940

Bureau & Division	Number of Employes	Total Annual Salaries
Executive Bureau	4	$ 18,000.00
Accounts, Mail and Records	23	35,580.00
Bureau of Forests	3	7,780.00
Division of Management	12	24,460.00
Division of Protection	8	15,260.00
Bureau of Parks	7	15,340.00
Bureau of Waters	5	12,540.00
Division of Dams	3	8,580.00
Division of Encroachments	4	10,780.00
Division of Hydrography	7	13,800.00
Water and Power Resources Board	2	5,400.00
Pymatuning Dam	7	12,120.00
Michaux District	9	12,600.00
Buchanan District	8	10,620.00
Tuscarora District	6	7,440.00
Rothrock District	5	7,500.00
Logan District	10	15,000.00
Penn District	6	7,320.00
Bald Eagle District	7	9,600.00
Mont Alto District	7	12,180.00
Moshannon District	8	11,340.00
Sproul District	10	13,740.00
Tiadaghton District	8	11,640.00
Elk District	9	12,240.00
Cornplanter District	6	7,500.00
Susquehannock District	9	12,720.00
Tioga District	6	8,820.00
Valley Forge District	3	5,100.00
Weiser District	8	11,940.00
Delaware District	11	14,100.00
Wyoming District	6	7,860.00
Lackawanna District	6	9,660.00
Forbes District	5	7,900.00
Gallitzin District	4	6,060.00
Kittanning District	5	6,300.00
Cook Forest Park	3	4,800.00
Valley Forge Park Commission	5	6,960.00
Pa. State Park and Harbor Commission	2	3,780.00
Washington Crossing Park Commission	2	3,240.00
Delaware Riv. Navigation Commission	7	12,540.00
Flood Control—Harrisburg Division	11	30,320.00
Wilkes-Barre Div.	8	20,480.00
Williamsport Div.	1	3,000.00
Total	286	$493,940.00

TABLE IX-F

EXPENDITURES BY OBJECT CLASSIFICATION*

Classification	1933-35	Biennium 1935-37	1937-39
Salaries and Wages	$1,692,270	$1,498,317	$2,060,846
Supplies, Printing, Equip. etc.	208,776	188,362	258,885
Maintenance, Service and Expense	54,738	32,173	171,191
Heat, Light, Power and Water	25,035	25,693	230
Construction, Equipment and Land	780,132	22,088	579,747
Transportation, Communication and Information	211,065	194,076	269,262

Classification	1933-35	Biennium 1935-37	1937-39
Auto Supplies and Equipment	27,391	15,305	12,539
Insurance, Surety and Fidelity Bonds	62,125	36,835	10,793
Subsidies, Indemnities and Other Items	222,468	232,412	225,494
Totals	$3,284,100	$2,245,261	$3,588,987

* Includes expenditures made by the Department of Property and Supplies for the Department of Forests and Waters.

Receipts and revenues obtained by the Department of Forests and Waters do not go into the General Fund but into the special Forests and Waters fund. According to departmental officials, the total amount averages $320,000 per biennium. These receipts and revenues are derived from various water power permits, fees, sale of timber and stumpage, sale of mineral rights, camp leases, housing rents, sale of seedlings, etc. Total estimated revenue for the 1935-37 biennium was given as $377,437.71 and for the 1937-39 biennium the figure was $270,091.71. Receipts by five fiscal years ending May 31 are shown in Table IX-H.

Periodically the question is raised regarding whether or not the special fund referred to above should be continued or whether all receipts accruing to the Department should go into the General Fund. Ever since the special Forests and Waters Fund was created, the Department has been privileged, with the approval of the Budget Office, to use the fund for the ordinary expenses and activities of the Department, and in a manner supplementing the regular departmental appropriation. Since very little of the regular appropriation money is expended in connection with the activities from which the revenues are derived, the Department makes it clear that a change in the present arrangement would not affect the amount of money required for operation. In other words, if revenues are turned into the General Fund, then the regular departmental appropriation would have to be increased in sufficient amount to compensate for the difference, provided of course, that it is not desired to curtail the operations of the Department.

TABLE IX-H
STATEMENT OF RECEIPTS OF FORESTS AND WATERS FUND
1935 to 1939, Inclusive

Source	Fiscal Year Ending May 31 1935	1936	1937	1938	1939
Stumpage	$5,940.51	$11,544.21	$9,490.69	$11,625.84	$9,068.22
Minerals	5,068.79	5,304.04	6,094.76	7,667.67	7,122.16
Camp Leases	30,740.88	33,645.97	34,809.80	34,900.47	33,353.76
Water Leases	553.05	144.64	258.69	255.51	864.58
Rights of Way	3,528.36	4,119.58	3,779.00	4,150.46	3,584.25
Housing Rents	1,333.21	4,615.70	2,896.93	3,737.93	15,620.43
Miscellaneous Products	897.65	3,895.40	6,511.25	13,182.90	6,986.28
Recreational Income	1,279.00	3,521.40	8,023.75	8,212.51	10,888.25
Ground Rents	389.00	4,150.55	3,581.34	5,866.13	4,536.13
Wood Products	1,139.10	1,977.52	1,208.26	2,890.91	1,613.67
Cost of Extinction of Forest Fires	12,939.28	4,693.01	6,015.60	6,697.39	13.279.20
Sale of Seedlings	8,435.67	14,683.19	22,768.43	17,694.21	23,721.97
Miscellaneous Income	32.32	54.95	.66	17.22	43.85
Telephone Maintenance	548.88	507.78	622.21	845.42	667.50
Water Supply Permit Fees	12,137.38	12,087.57	13,734.67	13,372.38	799.35
Pymatuning Project	5,609.90	4,443.63	9,254.51	6,777.31	12,405.55
Valley Forge Park Commission	110.00	105.00	46.20	285.80	477.85
State Park and Harbor Commission	595.46	1,883.28	2,578.80	3,190.38	3,566.92
Roosevelt State Park	533.92	.....	.....	.....	.....
Washington Crossing Park Commission	302.65	1,866.00	2,152.00	2,695.00	2,327.50
Fort Washington Park	30.00	198.00	272.00	280.00	272.00
Burnt Mills	.....	125.00	92.00	130.00	50.00
Delaware Navigation Commission	.....	.....	111.50	60.00	18.50
Conrad Weiser Memorial	.....	.....	.....	761.38	.....
Conrad Weiser Trust Fund	.....	.....	.....	33.62	.....
Totals	$92,145.01	$113,566.42	$134,203.05	$145,330.44	$151,267.92

CHAPTER X

DEPARTMENT OF HEALTH

The Department of Health, as now constituted, was created by an act of the Legislature dated April 27, 1905.[1] It superseded and took over the duties and responsibilities of the previously existing State Board of Health which had functioned since 1885. Powers granted to the new Department of Health were, however, greatly expanded over those previously assigned to the old State Board of Health. Until the Administrative Code of 1923 was adopted, the chief administrative officer was known as the "Commissioner of Health." The Commissioner functioned in conjunction with the "Advisory Board." After 1923, the "Commissioner of Health" became the "Secretary of Health" and the "Advisory Board" became the "Advisory Health Board."

The Secretary of Health is appointed by the Governor, with the advice and consent of the Senate, for a term of four years, and receives a salary, set by statute, of $10,000 per year, plus necessary traveling expenses. He must, however, be a graduate of a legally qualified medical college and have had at least ten years of professional experience. By virtue of his office, the Secretary is a member of the following boards:

[1] Footnotes on page 6924.

State Board of Medical Education and Licensure.
Dental Council and Examining Board.
Water and Power Resources Board.
Anatomical Board.
Sanitary Water Board (Chairman).
Advisory Health Board (Chairman).

A. FUNCTION

The chief function of the Department of Health, as stated in the creating Act, is to "protect the health of the people of the State and to determine and employ the most effective and practical means for the prevention and suppression of disease." Work of the Department may be classified as:

1. Curative

Under curative activities are included the holding of numerous clinics, and the administration of the tuberculosis sanatoria at Mont Alto, Cresson, and Hamburg, as well as the Hospital for Crippled Children at Elizabethtown.

2. Preventive

Preventive work is by far, the most extensive activity of the Department, covering the entire State and concerning itself with the protection of the health of all of the citizens of the State.

B. POWERS AND DUTIES

Major powers and duties of the Department of Health, as outlined in the Administrative Code, include the following:

1. In relation to general health administration:

a. To determine and employ the most practical means for the prevention and suppression of disease.

b. To investigate nuisances, or questions, affecting the security of life, and health in any locality. In making such investigations, to have powers and authority similar to those conferred by law upon constables.

c. To order nuisances detrimental to the public health, or the causes of disease or mortality, to be abated and removed.

d. To enforce quarantine regulations.

e. To enter upon premises for the purpose of abating or removing nuisances, if the owner or occupant fails to comply with any order for such abatement or removal.

f. To institute action for the purpose of collecting or recovering the expense of the abatement or removal of a nuisance.

g. To revoke or modify any order, regulation, by-law, or ordinance of a local board of health, concerning a matter which, in the judgment of the Department, affects the public health beyond the territory over which such local board has jurisdiction.

h. To establish health rules and regulations, arrange for the printing and free distribution of same, and publication at least once in a daily Philadelphia and Pittsburgh newspaper.

i. To enter, when conditions appear to justify such action, any borough or township of the first class, for the purpose of taking full charge and administration of the health laws, until such time as the Department may decide that a competent and qualified local health board is ready to assume the responsibility, and to collect all expenses incurred by the Department during its temporary assumption of responsibility.

j. To take over the administration of the health laws in any borough or second class township, at the expense of the Department, when requested to do so by the borough or township, and the Department deems it advisable to comply with such requests.

k. To prescribe standard requirements for conducting medical inspection of public school pupils throughout the Commonwealth, and to appoint medical inspectors for such purposes.

2. In relation to housing:

a. To investigate the sanitary condition of tenements, lodging and boarding houses, and to condemn same if found to be a menace to health, notifying the owners or agents in writing of the existing conditions, and remedial action necessary, with time limitation for the accomplishment of specified changes or alterations.

b. In making the investigations referred to in (a), the Department of Health shall cooperate with the Department of Labor and Industry so as to avoid duplication of inspections or overlapping of functions, having at all times right of ingress into all tenement, lodging and boarding houses for the purposes noted.

3. In relation to vital statistics:

a. To obtain, collect, compile, and preserve all statistics of marriages, deaths, diseases, of practitioners of medicine and surgery, of midwives, nurses, and undertakers, and of all professions whose occupation is deemed to be of importance in obtaining a complete registration of births, deaths, marriages, and disease or other vital statistics.

b. To see that the laws requiring the registration of births, deaths, marriages, and diseases, are uniformly and thoroughly enforced throughout the State.

c. To issue marriage, birth, and death certicates, and such burial or removal permits, as may be required by law.

4. In relation to health districts and officers:

a. To apportion the Commonwealth into such number of health districts as the Department, with the approval of the Governor, may decide, and, in each district, to appoint a health officer who shall, under the direction of the Department have supervision and control of the sanitary affairs of the district.

5. In relation to Quarantines:

a. To declare, with the approval and concurrence of the Advisory Health Board, certain diseases to be communicable, in addition to those declared by law so to be, and to establish such regulations for the prevention of the spread of such diseases as the Department and the Advisory Health Board shall deem necessary and appropriate.

b. To establish and enforce quarantines, in such manner, and for such periods, and with such powers as may be provided for by law.

c. To administer and enforce the laws of the Commonwealth with regard to vaccination and other means of preventing the spread of communicable diseases.

6. In relation to tuberculosis sanatoria:

a. To maintain sanatoria, or colonies, for the reception and treatment of indigent persons affected with tuberculosis.

b. To approve or disapprove plans and specifications for the erection of county hospitals or sanatoria.

7. In relation to narcotic drugs:

a. To supervise the administration and enforcement of laws regulating the possession of, control, dealing in, giving away, delivery, dispensing, administering, prescribing, and use of narcotic drugs.

8. In relation to water pollution:

a. To act as the enforcement agent of the Sanitary Water Board.
b. To make such inspections and investigations, from time to time, as the Sanitary Water Board may direct.
c. To issue water work permits, and specify therein the conditions under which water may be supplied to the public.

9. In relation to the State Hospital for Crippled Children:

a. To manage and control the State Hospital for Crippled Children at Elizabethtown, including the admission and discharge of patients.

10. Sanitary Water Board—Powers and Duties:

a. Supervise and administer all laws relating to the discharge of sewage into the waters of the State.
b. Make investigations and report, from time to time, on ways and means of eliminating from the streams and waters of the State, in so far as practicable, all substances and materials which pollute, or tend to pollute the same.

11. Advisory Health Board—Powers and Duties:

a. Advise the Secretary of Health on such matters as he may bring before it.
b. Make such rules and regulations, not contrary to law, deemed necessary by the board for the prevention of disease, the protection of the lives and health of the people of the Commonwealth, and for the proper performance of the work of the Department of Health.

12. State Board of Undertakers—Powers and Duties:

a. Hold examinations, twice each year, for the purpose of issuing licenses to successful applicants.
b. Supervise the conduct of licensed undertakers.
c. Issue annual registration cards.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart X-1, page 6906, the work of the Department of Health is divided among seven bureaus. Three of these bureaus are further divided into "divisions." In addition, there is the Chief Administrative Office, presided over by the Secretary of Health and the Deputy Secretary of Health. Directly under the Chief Administrative Office, is the office of the Comptroller, which latter office has jurisdiction over a Division of Accounts and a Division of Biologicals and Supplies. Four departmental boards complete the organization setup. These are the Advisory Health Board, the Undertakers' Board, the Sanitary Water Board, and the Housing Board.

1. General Administrative Offices

Under the immediate supervision of the Secretary of Health, the Chief Administrative Office, located in Harrisburg, exercises jurisdiction over all the activities of the Department of Health. It enforces the various laws related to the protection of the general health of all the people of the Commonwealth, and administers all departmental rules and regulations, including those prescribed by the Advisory Health Board. The Office also exercises jurisdiction over all personnel, directs and coordinates the activities of all bureaus and boards, plans and supervises the United States Social Security Health Program, and is in direct charge of all plans for new construction at Health Department Institutions.

Administratively, the Department exercises direct jurisdiction over health matters in all rural areas, and more or less indirect jurisdiction over municipalities or organized areas. In these latter areas, the function is strictly supervisory, but the Department may, at any time, enforce regulations or actually take over the administration of the health laws where local boards are not functioning efficiently, or not functioning at all.

For administrative purposes, the Commonwealth is divided into districts, corresponding, in most instances, to counties. Each district is under the direction of a medical health officer usually called the County Medical Director. By far the greater portion of the field force in the various districts is comprised of Health Department personnel. This force consists of full-time employes, appointed by the Governor, upon recommendations of the Secretary of Health.

The County Medical Director is the direct representative of the Secretary of Health in his particular county. His duties may be classified as regular and periodic.

Regular duties are:

a. To enforce the public health laws of the State.
b. To enforce the rules and regulations of the Advisory Health Board.
c. To carry out departmental programs and policies within his county.
d. To exercise general supervision over the work of the departmental personnel in the county, and of the borough and first-class township boards of health.
e. To investigate sources of epidemics and take measures for their control.
f. To assist physicians in the diagnosis of contagious diseases.
g. To vaccinate indigent school children or those repeatedly unsuccessfully vaccinated by private physicians, and pass upon physical fitness of children for vaccination when the question is raised.
h. To investigate personally all cases of typhoid fever.

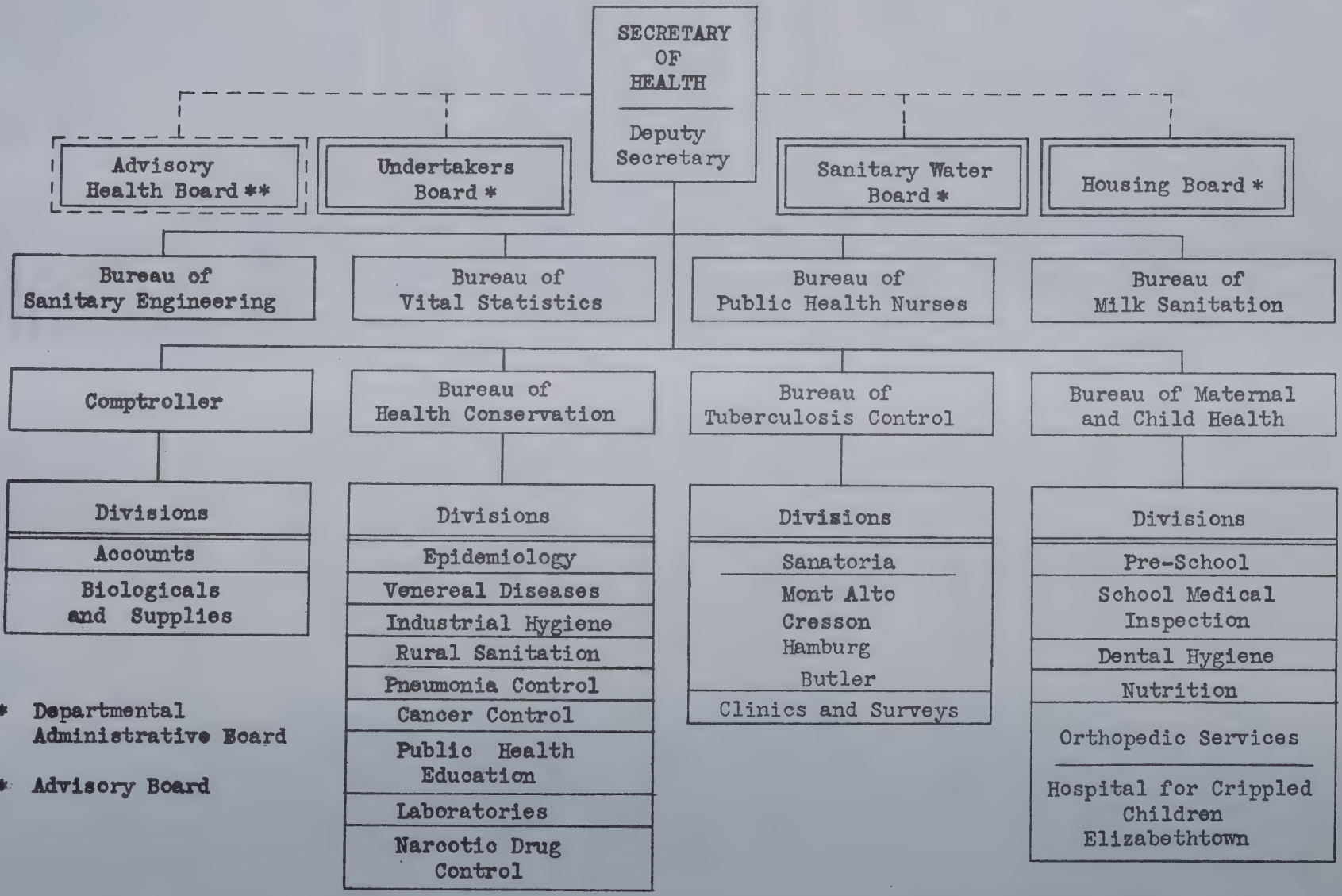
Periodic duties are:

a. To take part in the physical examination of fourth-class school district children, and to supervise examinations made by others.
b. To follow up on school children found to be physically defective.
c. To report monthly, to the Department, on the general health of the county and on his own activities.
d. To be subject, at all times, for work anywhere in the State in the event of disasters.
e. To be subject to call for routine or special work in adjoining counties, in the absence of the regular County Medical Director.

The administration of public health work in Pennsylvania is unique in that it presents centralized authority and responsibility in place of the county health unit plan in operation in most states. The Pennsylvania plan insures a definite standardization and a uniform health program throughout sixty-six counties, excepting Philadelphia which has its own health program under its local Department of Health. In general, the work falls into two classifications—rural or second-class townships, and organized municipalities. The Department of Health is directly responsible for public health work in second-class townships. These include all territories not organized

CHART X-1

ORGANIZATION OF THE DEPARTMENT OF HEALTH



* Departmental Administrative Board

** Advisory Board

as municipalities and considered as rural districts. This direct control includes not only administrative supervision but financial support and affects from 3,500,000 to 4,000,000 people out of a total State population of almost 11,000,000 people. The public health program in these areas has been carried on in a uniform manner, in each of the districts or counties, since the organization of the Department in 1905. At first the work was done by a large corps of part-time, or fee compensated, officers. At the present time it is done by an extensive state-paid, full-time health field force. All personnel engaged in this work is appointed by the Governor upon the recommendation of the Secretary of Health, as previously noted, and usually includes county medical directors at the head, school medical inspectors, public health nurses, health officers, sanitary engineers, milk, restaurant hygiene, narcotic, and rural hygiene inspectors, etc. Subject to the approval of the Secretary of Health, the control and direction of the work of these field officers lies in the appropriate bureaus of the Department of Health.

The work in organized areas includes 1,000 municipalities and a few first-class townships. Each organized municipality maintains its own Board of Health and elects a health officer. The local municipality may cooperate with the county in which it is situated, or with any other political subdivision within such county, in establishing a common health unit, but it is required that it cooperate with the State Department of Health in the administration and enforcement of the rules and regulations and the health laws of the State. These constitute the minimum requirements for enforcement by local boards of health, but may be made more stringent by local ordinance. The State Department of Health acts in an advisory and supervisory capacity to all local health units or municipalities. In an emergency, the Health Department may even take over control of the local health activities and, in case of inefficiency, the Secretary of Health may remove the local board of health and substitute for it employes of the State Department, at local expense. City boards of health may be removed only after the courts approve an appeal seeking such removal.

Since 1927 it has been required that boroughs and first-class township health officers possess training and experience satisfactory to the Secretary of Health and must hold a certificate, issued by him, before entering upon their duties. Where local boards of health find it impossible to locate a health officer with such training, the Secretary of Health temporarily approves the appointment of an untrained health officer until such time as the next Department of Health's School of Instruction for Health Officers is held. This school conducts an intensive course of instruction at Mont Alto Sanatorium, usually lasting for a period of three weeks. At the end of this period an examination is held and the successful candidates receive certificates from the Secretary of Health. This control over the appointment of local health officers has resulted in creating a higher type of public health work in municipalities.

The Department has the power to set aside in efficient borough and first-class township boards of health and may take over their work, at the expense of the locality, until such time as acceptable local boards of health and health officers with the qualifications required by law, have been appointed. Boroughs and first-class townships, on the other hand, may voluntarily, surrender their public health work to the Department, and under such circumstances, the work is carried on without cost to the municipality. Approximately ten per cent of the boroughs and first-class townships, in one or another of the ways referred to above, are now completely under the State Department of Health.

2. Office of the Comptroller

An integral part of the chief executive office in Harrisburg is the office of the Comptroller. This office functions with two divisions, namely, the Division of Accounts and the Division of Biologicals and Supplies.

a. Division of Accounts

The Division of Accounts has charge of all fiscal matters relating to the Department of Health, and does the accounting and bookkeeping work. From its records, assistance is rendered to other divisions in determining the allotments necessary to carry on their work. All payroll expense and purchase vouchers pass through this division, and a roster of all personnel and personnel changes is kept. Budget estimates for the operation of the Department are compiled by the Division each month, which estimates must be approved by the Secretary of Health, the Budget Secretary, and the Governor.

A cost accounting section is responsible for the compilation of the operating costs of all bureaus and divisions, including the three tuberculosis sanatoria and the State Hospital for Crippled Children, and the operating costs of approximately 265 automobiles and trucks. Cost figures for the general divisions are obtained from vouchers and monthly payrolls; operating costs of the sanatoria are computed from supplies requisitions submitted by the storekeepers at each institution. The Division of Accounts is also responsible for the storekeeping systems in all storerooms of the Department and for periodic inventories both of stores and plant equipment.

All payroll expense and purchase vouchers show itemized expenses incurred and purchases made. After being audited in the Accounting Division and by the Auditor General, these are transmitted to the State Treasurer where the checks are drawn. Checks are then turned over to the Division of Accounts and sent from that office to the payees. The accounting of the Federal Social Security Funds is the same as that outlined above with regard to State moneys except that it is handled in a separate budget.

b. Division of Biologicals and Supplies

The Division of Biologicals and Supplies is the custodian of all supplies and biological products required by the Department. Requisitions for drugs and other supplies are received from the field agents, including the Tuberculosis and Genito-Urinary Clinics, and the Maternal and Child Health Clinics. The Division also supervises the distribution of biological products under the Department of Health's program of supplying free medicines, serums and the like to any resident of Pennsylvania who is financially unable to purchase such products. Thus, this Division is in control of the distribution of free diphtheria antitoxin, diphtheria toxin-antitoxin, diphtheria toxoid, typhoid fever vaccine, tetanus antitoxin, smallpox vaccine and other biologicals, as well as silver nitrate capsules and arsenicals, and bismuth to be used inantisyphilitic treatment. The receipt for such products must be signed for by the physician in charge of the case and

the distributor. On December 15, 1937, the Department began the free distribution of pneumonia serum to those financially unable to secure such treatment. This Division, therefore, procures, distributes and services all biological products furnished by the Department of Health to its many distributors, totalling approximately 440 stations. Distributors are located at readily accessable points throughout the State. Each distributor is required to store biological products under properly refrigerated conditions.

In addition to the distribution of the biologicals referred to above, this Division furnishes containers to physicians for shipment of specimens to the central laboratory, and distributes drugs, chemicals, pharmaceuticals, and equipment, as required, to the three sanitoria, the Hospital for Crippled Children, and the Tuberculosis, Genito-Urinary and the Maternal and Child Health Clinics.

3. Bureau of Health Conservation

The work of the Bureau of Health Conservation is probably the most important in the Department of Health insofar as its influence on the general health of the citizens of the Commonwealth is concerned. Prevention and control of communicable diseases, including tuberculosis and syphilis, is the chief objective. The present organization of the Bureau includes nine divisions—Epidemiology, Venereal Diseases, Industrial Hygiene, Rural Sanitation, Pneumonia Control, Cancer Control, Public Health Education, Laboratories, and Narcotic Drug Control.

a. Division of Epidemiology

The Division of Epidemiology is responsible for the general supervision of communicable disease work throughout the State and directly responsible for the work carried on in the rural districts. It concerns itself with the control of epidemics, the collection and analysis of communicable disease and morbidity statistics, the supervision of municipal public health work, the furthering of mass immunization programs aimed at the elimination of such preventable infections as smallpox, diphtheria, etc., and with the cooperation of the Department of Public Instruction, it enforces the School Vaccination Law.

Special investigations are conducted by trained epidemiologists attached to the Division in an effort to devise means of controlling epidemics. These physicians are assisted when necessary by the field motor laboratory from the Division of Laboratories. They are especially trained in communicable diseases and are available as consultants to the medical profession of the State for making differential diagnoses when a communicable disease is suspected.

The work of prevention and control of communicable diseases is carried out through the local boards of health and the field force of this Department. The Division supervises the work of local boards of health in third-class cities, boroughs and first-class townships, and constantly lends its field force and central office personnel to these municipalities for the handling of serious or perplexing contagious disease problems. The medical personnel of the Division devote their time to the epidemiological investigation of outbreaks of the major communicable diseases, evaluate the statistical information concerning reportable diseases, and advise the local units concerning measures for control of these diseases. The Division also engages in research work aimed at the control of some of the more perplexing communicable diseases.

Since January 1939, this Division has assumed and now performs the functions formerly performed by a "Division of Restaurant Hygiene," which latter Division was discontinued at that time because its activities duplicated, in large measure, the activities of the Division of Epidemiology. Functions involved include administration of the Restaurant Hygiene Law which specified in part that no person may be employed, or permitted to work as a public food or drink handler, without having first obtained a certificate from a physician certifying that such person is free from communicable disease.

b. Division of Venereal Diseases

The Division of Venereal Diseases is concerned chiefly with the control and suppression of venereal diseases. Administrative policies are developed and determined at regular meetings of an "Advisory Committee on Venereal Disease." Members serving on this Committee are appointed by the Secretary of Health.

In 1939, a law was passed requiring a physical examination for syphillis in the case of applicants for marriage.[2] This includes a serological blood test. It is mandatory that the State Department of Health examine private laboratories and pass upon their qualifications to perform these tests free of charge, in the case of persons who are unable to pay for them. The clerk of the Orphans' Court is forbidden to issue a license for marriage unless he receives a statement from a licensed physician of the Commonwealth" to the effect that the "applicant is not infected with syphilis or, if so infected, is not in a stage of that disease which is likely to become communicable." The administration of the Act is shared by this Division and the Division of Laboratories.

Also in 1939, another Act was passed making a serological blood test for syphilis compulsory in the case of pregnant women. The State arranges to have these tests made without cost, to the persons involved, in those cases where inability to pay is evident.

The Division administers quarantine regulations with respect to those persons considered to be wholesale disseminators of venereal diseases. It also takes over venereal disease control work in all municipalities where the local boards of health are not active, or do not function in these connections. The Division has no "Medical Inspectors."

A group of public health nurses, trained in the epidemiology of venereal disease, gives full-time service to the Division of Venereal Diseases. Their function is to hunt out sources of infection and to bring them to treatment. This service is extended to private physicians as well as to public clinics. Informational pamphlets and posters are distributed to interested groups, and trained lecturers are available for talks on the subject. Research studies on various sociological and medical phases of syphilis and gonorrhea are conducted in selected institutions. The Institute for Syphilis Control of the University of Pennsylvania works in collaboration with the Venereal Disease Division, acting as a training school for physicians and nurses connected with the clinics.

There are now 163 clinics for the treatment of syphilis. Of this number, 119 are conducted in their entirety by the State, and 44 privately operated clinics are furnished

with drugs, without cost, for treatment purposes. Private physicians are also furnished drugs, free of charge, for the treatment of syphilitic patients who are without means.

The following table shows the number of State Clinics as of June 1st, for the years 1934 to 1940 inclusive:

TABLE X-A

DEPARTMENT OF HEALTH
NUMBER OF VENEREAL DISEASE CLINICS IN OPERATION ON JUNE 1st FOR THE YEARS 1934-1940, INCLUSIVE

Year	Number of Clinics
1934	65
1935	64
1936	68
1937	94
1938	109
1939	110
1940	119

c. Division of Industrial Hygiene

Until the spring of 1939, occupational disease control was a function of the Department of Labor and Industry. At that time, through agreement with the Secretary of Health and Secretary of Labor and Industry, the technical aspects of the work were transferred to the Department of Health. The police authority connected with this work remained with the Department of Labor and Industry so that their inspectors could investigate and learn of dangerous situations and report any hazards found in industrial plants to the Department of Health. Plant environment continuing hazards to employes is usually checked by the Division of Industrial Hygiene upon receipt of complaints and not as a matter of routine. When technical investigations are made the findings are reported and recommendations are made for correction to the Bureau of Inspection of the Department of Labor and Industry.

In addition to the above, the Division engages in a certain amount of research work, such as clinical and engineering surveys of industrial plants and hazards, occupational diseases, and other matters intended to improve industrial preventive medicine, and conducts investigations into the causes of silicosis, anthro-silicosis, and asbestosis. The work is carried on at present by several well-equipped laboratories, and financed with Federal funds. There are laboratories in Philadelphia and Pittsburgh and the principal laboratory is located in Harrisburg.

d. Division of Rural Sanitation

The chief function of the Division of Rural Sanitation is to enforce the rules and regulations of the Advisory Health Board pertaining to public health nuisances and to correct insanitary conditions that exist in the rural areas of the Commonwealth.

The Division exercises direct authority over district and county medical directors and sanitary officers, in connection with problems of sanitation arising or existing within their respective areas. The field inspectors of the central office act as liaison agents between the central office and the field force of the Department, and in an advisory capacity on problems of sanitation where a higher degree of technical knowledge and experience is required. They investigate and offer assistance on sanitary problems which exist or arise in incorporated municipalities which maintain their own boards of health, but which as frequently occurs, make request to the State Department of Health for help. The inspectors also conduct field investigations of insanitary conditions which county or district sanitarians have been unable to abate or correct satisfactorily and report the findings of such investigations to the Division Chief, who determines from these reports what further action shall be taken to accomplish the necessary correction of the condition involved. They further maintain personal contact with sanitarians in the field. These contacts provide opportunities for instructing these agents, thus, resulting in higher standards of work.

From time to time, surveys are made of sanitary conditions in small communities and rural villages. At the present time, the Division is engaged in a State-wide survey of all public camps and recreational areas located within the Commonwealth. The actual work of inspecting these public camps, and the correction of insanitary conditions found, is being done by the field sanitary officers, assisted by the sanitarians attached to the central office.

e. Division of Pneumonia Control

Pneumonia, annually responsible for an average of 8,696 deaths in Pennsylvania during the decade immediately preceding 1939, is the third most frequent cause of death, being outranked only by cardiovascular disease and cancer. Until the past few years, this disease did not respond to specific treatment. In spite of anything the best physicians could do, three out of every ten penumonia patients would die. Within the past decade however, this situation has changed. At present, several therapeutic aids are available. By proper use, the physician can greatly influence the outcome of the disease, and can decrease its mortality rate from 30% to 10% or less. This means simply that every time ten patients are treated two lives can be saved. Since little can be done to prevent the disease, it becomes imperative that every case be adequately treated once it has been diagnosed. In order that every case may be given the best possible chance of recovery, it becomes necessary for some agency t omake available, through the physician, the therapeutic materials which are necessary for treating the case and which, because of their cost, would not otherwise be available.

In 1937 the State Department of Health in an attempt to meet the demand, set up a pneumonia control program. Laboratories were organized throughout the State with the specific duty to dispense serum for certain types, free to deserving patients, plus supplying adequate diagnostic facilities so that these sera could be properly used. During the first season of operation, 1200 pnenmonia victims were treated with an additional 1600 being treated the following year. It is safe to assume that, through these efforts, some 500 pneumonia deaths were prevented. Realizing the importance of control measures in pneumonia and the benefits to be derived therefrom, a still more extensive program was started in the spring of 1939. A new Division was created, devoting its entire time and

efforts to the problem. Accordingly, with the onset of the pneumonia season, 177 pneumonia control stations, conveniently located throughout the State, were supplying physicians with serum in any type, with sulfapyridine, and with any laboratory service, either diagnostic or therapeutic. These facilities were furnished free, through the private physician, to any pneumonia patient unable to pay for same. During the year ending June 30 1940, some 9,500 patients had been treated through facilities made available by the State Department of Health. The reported mortality rate in the first 7,655 cases, tabulated to date, is slightly more than 10%. The expected mortality, computed at 30%, would have been approximately 2,300. Actually, it was 839. Thus a saving of some 1,500 lives was realized in this small group. Many additional patients were treated from private sources.

During this same year, ending June 30th, 1940, only 4,788 pneumonia fatalities were reported as compared to an annual average for the decade previous to 1939 of 8,696, or approximately 4,000 less. This marked reduction must be attributed to the extension of adequate therapy to a greater number of patients.

With the introduction of chemotherapy, an additional effective therapeutic weapon was made available and its cost is so much less than serum that it is now possible to treat many more persons at no greater total cost than previously prevailed for smaller groups.

f. Division of Cancer Control

The cancer control program is being financed almost entirely from Federal funds.

Due to the fact that this disease has not as yet been entirely controlled by the medical profession, progress in cancer control work does not begin to match that accomplished with pneumonia. Cancer ranks second in cause of death in Pennsylvania. Much good work is being done, however, considerable success is being obtained through surgical operations, and other treatments, especially during the early stages of the disease. Efforts are being made to establish free cancer clinics throughout the Commonwealth in order that indigent persons may apply for diagnosis and possible treatment.

g. Division of Public Health Education

The primary purpose of the Division of Public Health Education is to educate the general public with regard to the health laws and regulations of the State, and instruct it in ways of health preservation, and disease prevention measures, in order to prevent the spread of communicable diseases.

In carrying out the educational program referred to above, the Division issues each month a publication known as "Pennsylvanias' Health." This publication, distributed in large part to rural areas, treats of health subjects and problems. Since copies are sent to all field agents and public health workers, it automatically serves as a convenient medium for broadcasting departmental orders, regulations, and instructions, as well as departmental news.

General activities of the Division include the preparation and distribution of health literature, educational charts and exhibits, and the compilation of monthly, annual and biennial reports. Especial attention is given to the preparation of materials and exhibits for the State Farm Show, meetings of the State Medical Society, and other similar meetings. Maintained, also, is a very fine library of health motion picture films, which films are made available, upon request, to interested groups, clubs, societies, etc. Public health lectures, by assigned speakers, are available and usually supplement the other educational activities.

h. Division of Laboratories

The laboratories of the State Department of Health were established in 1916 to aid physicians in scientific diagnosis of cases where patients were financially unable to have such work done by a private laboratory, or where a local laboratory was not available. The central laboratory, located in Philadelphia, is housed in the Hygiene Building of the University of Pennsylvania. Branch clinical laboratories are located at each of the three State Sanatoria and the Hospital for Crippled Children at Elizabethtown, and are financed from funds allocated to these institutions.

In addition to the central laboratory at Philadelphia and the branch clinical laboratories, all of which are under the supervision and control of the State Health Department, there are numerous private laboratories which cooperate with the State in many ways. The Laboratory of Industrial Hygiene, mentioned in connection with the Division of Industrial Hygiene, Bureau of Health Conservation, lends cooperative assistance, as does, also, the Bureau of Sanitary Engineering Chemical Laboratory for water analysis, and the same bureaus' Industrial Waste Laboratory.

Assisting the branch clinical laboratories in their tuberculosis work, is a new X-ray Laboratory established in Harrisburg in 1937. This X-ray Laboratory, the largest in the State, is equipped with the latest type of apparatus, and has a developing capacity of 400 X-ray films per day. Its primary function is to develop and interpret X-ray films made throughout the State by the Mobile X-ray units in connection with the Department's tuberculosis case-finding work among high school and State Teachers' College students. This laboratory is under the direction of a roentgenologist who serves also as supervisor, advisor and consultant for the X-ray laboratories at each of the three tuberculosis sanatoria and the Crippled Children's Hospital.

Three motor laboratories, fully equipped with hot and cold sterile water, refrigerators, incubators, ovens and everything essential to a complete laboratory, are maintained and held in readiness at the Department's central laboratory in Philadelphia, for services in the field in case of epidemics, flood emergencies, and disasters of various kinds. In the summer months, these laboratories are used for water examinations along highways, and in rural sections dependent on wells or springs. Two motor laboratories are also maintained for stream pollution study work by the Bureau of Sanitary Engineering. These field laboratories conduct routine examinations of water and milk supplies in seeking to ascertain sources of communicable diseases.

Specific duties of the Health Department's official laboratories include sputum examinations for the tuberculosis organism, examination of cultures for typhoid, pneumococcus and meningococcus and diphtheria, preparation of

autogenous vaccines, serologic diagnosis of venereal diseases, agglutination tests for undulant fever, typhoid fever and tulameria, pathologic diagnosis, and microscopic study of pathological specimens, particularly of sarcoma and carcinoma, and the standardization of disinfectants, antiseptics, prophylactic and biological products. The latter include tetanus antitoxin, diphtheria antitoxin, diphtheria toxin antitoxin, pneumococcic typing material and anti-pnuemococcic sera.

Most of the specimes analyzed by these laboratories are sent in by physicians for patients who cannot afford the usual laboratory fees. Since diagnosis is of public importance, no fee is charged for any of the services performed by the laboratories.

Table X-B, shown below, indicates the extensiveness of the specimen examination work being done by the laboratories, and shows the year by year increases since 1933.

TABLE X-B

DEPARTMENT OF HEALTH
NUMBER OF SPECIMENS EXAMINED BY LABORATORIES 1933 TO 1940, INCLUSIVE

Year	Number of Specimens	Number of Tests
1933	121,139	181,708
1934	144,180	216,270
1935	145,838	218,757
1936	145,961	218,420
1937	166,551	249,826
1938	204,708	307,062
1939	206,757	310,135
1940*	181,327	271,990

* To October 1st.

i. Division of Narcotic Drug Control

The Division of Narcotic Drug Control functions under the Anti-Narcotic Act of 1917[4] and subsequent amendments[5] thereof. It was passed in support of the Federal Law known as the Harrison Narcotic Drug Act. The Legislature of 1939 also wrote into the Pennsylvania law an act[6] regulating the sale of sulfanilamide and its derivatives, and another act[7] providing for the destruction and prevention of the spread of Canada thistle, chicory, and marihuana. Enforcement of these acts, which imposed certain powers and duties upon township supervisors and constables, was placed under the jurisdiction of the Division of Narcotic Drug Control of the Health Department. The Division is also responsible for the enforcement of the Dangerous Drug Act of 1935,[8] which regulates the prescribing and dispensing of barbotol, and other hypnotic analgesic or body-weight reducing drugs.

General functions of the Division include the regulation of possession, dealing in, giving away, delivery, dispensing, administering, prescribing and use of certain narcotic drugs, and keeping records of same. In carrying out these functions, the Division is empowered to revoke or suspend licenses of physicians, dentists, veterinarians, pharmacists, druggists and registered nurses for violations of the Anti-Narcotic Acts.

The Division supervises and maintains constant check on the prescriptions of doctors as they come to drug stores. It classifies addicts and incurables who are allowed to have narcotic drugs, under certain conditions. Examiners and inspectors visit drug stores and inspect their records several times a year. If they find that a physician is prescribing excessive quantities of certain drugs, or is giving an unusually large number of prescriptions, the case is promptly investigated. Addicts are not only registered but followed up to see that they are properly taken care of, and when necessary, to require them to go to hospitals for treatment. Although the Division is empowered to make arrests without warrant, it restricts its police functions to extreme cases. Every effort is made to prevent drug addiction and to assist the unfortunates who have already become addicts. Close cooperation is maintained between the Division, the Federal Narcotic agents, the agents of the United States Internal Revenue Department and the State and local police.

4. Bureau of Sanitary Engineering

Administration of the Bureau of Sanitary Engineering is not through "divisions" but rather through staff engineers assigned with specific responsibilities. In order that there may be close supervision of public water supplies, as well as efficient enforcement of all the laws regularly administered by this Bureau, the State, for these purposes is divided into seven districts with each district under a district engineer.

Functions of the Bureau include examination of public, private, roadside and bottled water supplies, recommendations for issuance of permits by the Secretary of Health for public water supplies and bottled water, examination of sewerage projects and sewage treatment plants, examination of bathing place projects and recommendations for issuance of permits by the Secretary of Health, shell fish inspection, dewatering of coal mines flooded in 1936, inspection of camp sites, control of industrial wastes and pollution of streams, and the operation of a chemical laboratory and two motor laboratories. The Bureau is also concerned with engineering features pertinent to the abatement of public health nuisances, and the inspection of proposed sites, plans and specifications for county tuberculosis sanatoria, as well as health engineering factors involved in the construction of all governmental buildings.

In addition to these functions, the Bureau serves as a consulting medium for other departments of the State government in all matters having to do with sanitation.

Administration of various Bureau functions is as follows:

a. Water Supply Inspection

Before permits are issued to supply water for public use, careful examinations are made by the Department engineers, of proposed sources and purification processes. After permits have been granted, periodic inspections are made in order to assure that the conditions of the permit are being observed. No charges are made for permits.

Three motorized laboratories, reaching all parts of the State, collect and analyze water samples, erect safe water signs, and condemn polluted waters as unfit for drinking purposes. Experience has shown that approximately every third well or spring analyzed is found to be unsafe.

b. Bottled Water Permits

Permits are granted after favorable reports of investigations into proposed sources of water supply, chemical and bacteriological analysis, cleansing and sterilizing facilities, etc. No fees are charged for these permits.

c. Sewage Systems

The Bureau is authorized to investigate applications for sewerage permits and the proposed projects. It makes a study of the receiving body of water, the use made of it, its conditions, etc. It examines plans for pumping stations, sewage treatment works, the appurtenances thereto, and sees to it that such plants comply with modern sewage practices and recognized principles of engineering in this field. Inspections are made to determine whether or not the conditions under which permits were issued are being complied with. A filing fee of $5.00 is charged for each application and $20.00 is charged for each sewerage permit issued. A license is required from local authorities before anyone may engage in a plumbing or building drainage business in cities of the first, second, or third class. A similar requirement applied to boroughs, incorporated towns, and townships of the first class until passage of a Repealing Act[9] became effective in 1939. This act nullified the provisions of the so-called Plumbing Code of 1937[10] insofar as it related to boroughs, incorporated towns and townships of the first class. The same Repealing Act automatically took away all authority previously assigned to the Department of Health in these connections, with the result that the Department no longer has any jurisdiction in the control of plumbing anywhere in the Commonwealth.

d. Inspection of Public Bathing Places and Swimming Pools

The "Public Bathing Law" of 1931[11] authorized the Department of Health to regulate public bathing bathhouses, private and public natatoriums, Turkish Bathhouses, and all places hired for any form of bathing or swimming and all appurtenances thereto, with regard to sanitation, cleanliness and safety.

An application fee of $10.00 is required from all bathing places. Permits issued are continuous as long as the rules and regulations of the Advisory Health Board and the provisions of the law are followed and adhered to. All public bathing places must pay annual fees of $5.00 or $10.00, depending upon the size of a community. Revenue from these fees amounts to approximately $7,500 annually.

e. Abatement of Public Health Nuisances

The Department of Health has long been authorized to investigate public health nuisances, and to order the abatement or removal of same. In case such orders are not complied with, it is authorized to enter upon premises, make abatements, and charge the costs to the owner.[12] The rule making power of the Department, in this respect, is vested in the Advisory Health Board.

f. Cooperation with Other Health Agencies

The Bureau of Sanitary Engineering approves or disapproves plans for county hospitals or sanatoria erected for the benefit of persons suffering from tuberculosis. It inspects proposed sites, plans and specifications, and reports its findings to the County Commissioners. The Bureau also renders a consulting engineering service to other departments of the State government, and cooperates with the health departments of other states in the handling of regional health problems. It renders engineering advice on such matters as water supply, sewerage and sewage disposal, and other health features, during the process of approving plans and specifications for the construction of buildings by the General State Authority or the Department of Property and Supplies. This is especially the case with regard to State institutions under the Department of Welfare, school buildings, camp grounds, and parks operated by the Department of Forests and Waters. The Bureau cooperates with the engineers of the Public Utility Commission in questions involving the quality of water served by water companies, and with engineers of the Water and Power Resources Board in such matters as applications for dams in connection with public water supplies, etc.

g. Shellfish Inspection

Inspection of establishments handling shellfish in order to correct and eliminate unsanitary conditions, and the issuance of certificates to such establishments engaged in interstate commerce, was developed as a new activity of the Bureau in 1935 This was done in spite of the fact that Pennsylvania produces no shellfish. Regulations provide that shippers, packers, and wholesale merchants keep records of the source, date and quantity of shellfish handled. Approval of the Department of Health is a pre-requisite before business may be conducted in Pennsylvania, or shipments of shellfish made from Pennsylvania to other states.

h. Coal Mine Sealing

Some ten years ago it was estimated that abandoned bituminous coal mines, in about 27 counties, were generating and pouring into the streams of the State over 7¼ million pounds of concentrated sulphuric acid daily. The acid was produced through the chemical action of sulphur contained in iron pyrites in combination with water and oxygen from the air. Acid pollution of waters, in such large proportions, had a disastrous effect on domestic water supplies and aquatic life. Water filtration plants were affected, as well as pumps, water pipes, boilers, etc., used industrially. In order to neutralize the excessive corrosive effect of the acid, millions of pounds of soda ash were used. After a series of experiments, it was discovered that sealing of mine openings, cutting off the air, greatly reduced the quantity of sulphuric acid generated. Favorable results were also obtained where it was possible to reduce the amount of inflowing water. Encouraged by these experiments, the Department of Health in 1934, sponsored a W.P.A. mine sealing project.

Preliminary to the actual work of sealing mines, a survey was made of the entire bituminous coal field. Approximately 7,775 mines were located. Of this number, 3,934 were classified as abandoned, 2,649 as active, and 1,192 as marginal.

On July 1, 1938, some 600 mines had been completely

sealed, causing a reduction of approximately one million pounds of acid daily, delivered to the streams. Because Federal Funds were not sufficient to complete the work, the State appropriated $55,000 for the purpose during the 1937-39 biennium. Of this sum $16,000 lapsed. At present, no mine sealing is being done even though many mines remain unsealed.

i. Dewatering Flooded Coal Mines

During the disastrous floods of 1936 in Pennsylvania, billions of gallons of water entered coal mines, throwing thousands of miners out of work. After an inspection of conditions, coal operators agreed to recondition and operate the mines if the State would give financial assistance in the huge task of removing the flood waters. Assistance was granted in the form of a $700,000 special appropriation to the Department of Health, for this purpose, during the 1935-37 biennium. Actual dewatering work began in June, 1936. To continue the work, a further appropriation of $225,000 was made for the 1937-39 biennium.

It is estimated that over 20 billion gallons of water have been removed from both anthracite and bituminous mines, resulting in the return of some 6,400 miners back to work, and the restoration of a monthly payroll of over $700,000.

j. Emergency Work Due to Floods

During emergencies caused by floods, the Department of Health, functioning largely through its Bureau of Sanitary Engineering, furnishes medical supplies and nursing service to flood victims, and supervises sanitary clean-ups. Working cooperatively with the Red Cross and the Pennsylvania Motor Police, food, safe water, clothing, shelter, etc., are provided. After the 1936 flood, typhoid vaccine was supplied for the immunization of 87,296 individuals. Several thousand packages of gangrene and tetanus antitoxin were furnished. Total cost of services rendered by the Department during the 1936 flood emergency amounted to $84,904.

k. Chemical Laboratory

The Bureau of Sanitary Engineering maintains a small chemical laboratory in Harrisburg. Although the traveling laboratories do water analyses and related work, the Harrisburg laboratory does similar work in larger measure, including microscopic and mineral analyses of water, industrial waste and sewage, coal used by the sanatoria and other institutions, and sand for water filters, etc. It also attempts to ascertain the cause of offensive odors and tastes when these appear in public drinking water, and seeks a remedy for the same since water so affected is very often the hidden cause of disease.

5. Bureau of Vital Statistics

The Bureau of Vital Statistics enforces the laws pertaining to registration of births, deaths, marriages and diseases, and the collection of related data and statistics on these matters within the Commonwealth. For this purpose, the State is divided into some 750 registration districts. Each of these is covered by a local registrar, deputy and sub-registrar appointed by the Department. The main office is located in the Department of Health in Harrisburg. There are branch offices in Philadelphia, Pittsburgh and Scranton. Boroughs, cities and townships are the primary registration districts. Each registration district may comprise one or more primary districts and has a local registrar and deputy. These receive the original birth and death certificates and may issue burial or removal permits. The local registrars are appointed by the Secretary of Health and receive a fee of $.50 for each certificate properly registered. Fees are paid by the County Treasurer after proper certification is made by the Bureau of Vital Statistics. The State also pays $.04 for each birth certification in first-class cities. In addition to the 726 local registrars there are approximately sixty-five marriage certificate transcribers who are paid $.04 for each transcript outside of Philadelphia and $.05 in Philadelphia.

Approximately 12,300,000 original certificates of births, deaths, and marriages dating from January 1, 1906, are filed in the Bureau. Certified copies of these certificates, including adoption certificates, may be obtained if proper application is made through the Bureau of Vital Statistics at Harrisburg, upon payment of a $1.00 fee for each certificate. No fee is charged to veterans or to members of State departments. Approximately 600 free certificates are issued each month. Table X-C shows the number of certified copies issued and total fees received for the biennium 1933-35 to 1937-39 and the first year of the current biennium.

TABLE X-C

DEPARTMENT OF HEALTH
NUMBER OF CERTIFIED COPIES OF BIRTH, DEATH AND MARRIAGE CERTIFICATES ISSUED BIENNIUMS 1933 to 1939, INCLUSIVE

Biennium	Certified Copies Issued
1933-35	121,571
1935-37	143,691
1937-39	160,475

Based upon the aforementioned fee of $1.00, earnings during each of the above biennium equalled the number of certified copies issued. During the first year of the current biennium (June 1, 1939 to May 31, 1940) the Bureau of Vital Statistics issued 94,183 certified copies and earned an equal amount in fees.

The Bureau also transcribes birth and death records for the Federal government, receiving compensation at the rate of $.03 per transcript. Transcripts issued and money received for the biennium 1933-35 to 1937-39 and the first year of the current biennium are shown in Table X-D.

TABLE X-D

DEPARTMENT OF HEALTH
NUMBER OF BIRTH AND DEATH RECORDS TRANSCRIBED FOR FEDERAL GOVERNMENT AND RECEIPTS FOR SAME BIENNIUMS
1933 to 1941

Biennium	Number of Transcripts Issued	Receipts
1933-35	430,158	$12,904.74
1935-37	515,878	15,476.34
1937-39	547,167	16,415.01
1939-41*	299,163	8,974.89

* For one year only (June 1, 1939 to May 31, 1940).

Since January 2, 1940, the Bureau has been furnishing the Federal Social Security Board with completed proof of death forms. The Board pays the Bureau $.15 for each form sent from the Central Office and $.25 for each form sent direct to the Board from local registrars. Local registrars are compensated at the rate of $.10 each for forms sent direct. Money received from the Social Security Board is credited to the Social Security fund from which local registrars and other salaried employes are paid. Fees earned from Proof of Death forms for the period January 2, 1940 to May 31, 1940 amounted to $1,659.30.

Statistical information appearing on certificates and reports is tabulated and coded by the Bureau in accordance with the Manual of the International List of Causes of Death and Joint Causes of Death. This International Code was prepared and is revised by an International Commission which meets every ten years for that purpose. The Code is issued by the Vital Statistics Division of the United States Bureau of the Census. The fifth revised edition appeared in 1939.

During 1936, undertakers reported 99.9% of the deaths occurring in the State. Reports of deaths must be sent to local registrars prior to burial, and to the Bureau of Vital Statistics by the fifth day of the following month. In case death is thought to have been caused by unlawful means, the coroner of the county in which such death occurred must be notified. Burial permits are mandatory and must be secured from local registrars and presented to the sexton prior to burial. No charge is made for such permits.

In 1936, 97.0% of the births occurring in the State were recorded; of these 94.8% were reported by physicians, 1.9% by midwives and 0.3% by others. Births must be reported to the local registrar within ten days and to the Bureau of Vital Statistics by the tenth of the following month. Stillbirths are reported by births and deaths. The Bureau also sends a certificate, prepared by the Federal authorities, to all mothers as soon as a birth certificate has been returned. This certificate notifies them that the birth certificate has been registered in a certain volume and under a certain number in Harrisburg, serving later for school entrance purposes and as evidence of date and place of birth.

Of interest is the fact that statistical data compiled by the Bureau of Vital Statistics is sent to all parts of the world. Each month letters signed by the Secretary of Health are sent to consuls of foreign countries giving the list of nationals who died within the month.

Table X-E next column, shows Pennsylvania's death rates, from certain causes, for the years 1929, 1938 and 1939, and compares the 1929 and 1938 rates with the rates for the same years for the registration area of which Pennsylvania is a part.

Table X-F, page 6915, compares Pennsylvania's death rates, from certain causes with the death rates of nine other states, comparable to or adjacent to Pennsylvania, for the years 1929 and 1938.

TABLE X-E

DEPARTMENT OF HEALTH

Death Rates from Certain Causes for the Registration Area and for Pennsylvania 1929, 1938 and 1939

Cause of Death	1929		1938		1939
	Registration Area Rates*	Pennsylvania Rates*	Registration Area Rates*	Pennsylvania Rates*	Pennsylvania Rates*
All Causes, Excluding Stillbirths	11.9	12.3	10.6	10.5	10.5
Infant Deaths	68.0	70.0	51.0	46.0	45.0
Typhoid Fever	4.2	2.1	1.9	0.9	0.6
Measles	2.5	3.8	2.5	2.4	0.1
Scarlet Fever	2.1	2.5	0.9	1.2	0.6
Whooping Cough	6.3	6.0	3.7	1.7	1.5
Diphtheria	6.6	7.2	2.0	1.0	0.7
Influenza	55.5	57.3	12.7	10.0	12.2
Tuberculosis	76.0	66.0	49.0	42.9	40.9
Cancer	95.9	103.6	114.6	121.5	125.5
Diabetes	18.8	22.2	23.8	30.5	33.1
Cerebral Hemorrhage	86.0	88.7	85.7	83.5	84.6
Heart Disease	210.8	236.2	268.9	307.0	321.3
Pneumonia	91.6	106.8	67.5	62.4	53.7
Diarrhea and Enteritis under 2 years	17.9	20.3	10.8	5.4	4.5
Nephritis	91.2	104.8	77.2	82.1	81.1
Puerperal Causes	6.8	6.2	4.2	3.6	3.6
Suicide	14.0	13.5	15.2	13.7	12.8
Homicide	8.5	5.2	6.8	2.8	3.3

* Death rates for all causes are per 1,000 population.
Infant death rates are per 1,000 live births.
Puerperal mortality rates are per 1,000 total deliveries.
All other rates are per 100,000 population.

6. Bureau of Tuberculosis Control

Sanatoria service and Tuberculosis Clinics were organized in Pennsylvania in 1917. Administratively the Bureau of Tuberculosis Control now functions under two divisions as follows:

a. Division of Sanatoria

The Division of Sanatoria supervises the operation of the three sanatoria at Mt. Alto, Cresson and Hamburg. With an aggregate capacity of approximately 2399 beds, treatment is given to indigent persons and to those not able to finance the long period of sanatorium care. In spite of the facilities available, present total capacity of the three sanatoria is not sufficient to take care of needs. At times the waiting list of applicants seeking admission totals as many as 1000. Because of this fact, a fourth sanatorium has been built in Butler and is about ready for occupancy. With a capacity of 550 beds at Butler, the total capacity of all four sanatoria will be 2949 beds.

Mt. Alto, with 1015 beds is used principally for the treatment of moderately advanced cases. It includes a children's hospital and an infirmary for about 500 adult patients.

The Cresson sanatorium with 808 beds, and the Hamburg sanatorium with 576 beds, are equipped to care for all types of cases.

These sanatoria provide the most modern methods for treatment of tuberculosis. A new and completely modern surgical unit has been constructed at the Hamburg sanatorium, where the best technique of chest surgery is employed with marked success. The unit accommodates 38 patients during the period of operation and convalescence.

Applications for admission to sanatoria are submitted through the State clinics to the central office for study

TABLE X-F

DEPARTMENT OF HEALTH

COMPARISON OF PENNSYLVANIA DEATH RATES WITH NINE OTHER STATES
1929 and 1938

Cause of Death	Pennsylvania Rate		Delaware Rate		Illinois Rate		Maryland Rate		Massachusetts Rate		Missouri Rate		New Jersey Rate		New York Rate		Ohio Rate		West Virginia Rate	
	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938
All Causes, Excluding Stillbirths	12.3	10.5	13.2	12.3	11.6	10.8	13.5	12.4	12.3	11.2	12.3	10.7	11.6	10.1	12.4	11.4	12.4	11.1	10.6	9.5
Typhoid Fever	2.1	0.9	2.1	1.5	1.5	0.7	4.2	1.9	1.0	0 3	4.9	2.5	1.5	0.5	1.3	0.5	2.3	0.8	11.4	3.6
Infant Deaths	70.0	46.0	81.0	53.0	61.0	41.0	80.0	56.0	62.0	40.0	62.0	51.0	60.0	39.0	61.0	41.0	69.0	43.0	78.0	62.0
Measles	3.8	2.4	3.4	0.8	3.8	2.7	1.4	0.5	3.0	0.3	3.2	4.5	0.8	0 7	1.6	0.7	3.9	2.7	4.6	6.2
Scarlet Fever	2.5	1.2	2.1	0.8	4.1	1.8	2.2	0.5	1.7	0.6	2.5	1.5	1.2	0.3	1.5	0.5	2.2	1.2	1.5	2.0
Whooping Cough	6.0	1.7	11.4	5.4	3.5	2.2	8.1	3.1	3.3	0 9	6.5	4.0	5.1	1.3	3.2	1.5	7.9	1.8	13.5	7.2
Diphtheria	7.2	1.0	5.9	0.8	10.1	1.5	4.4	1.0	6.1	0.5	5.4	2.9	11.2	0.7	5.3	0.3	3.5	1.4	7.4	3.6
Influenza	57.3	10.0	39.6	10.0	33.3	5.7	42.3	7.9	28.3	3.6	58.1	14.7	25.7	4 4	26.0	3.7	60.9	11.2	84.2	18.9
Tuberculosis	66.0	42.9	82.2	51.7	69.6	46.9	104.0	78.7	69.3	38.6	75.6	48.0	71.5	43.9	75.2	50.6	69.8	45.0	69.2	50.1
Cancer	103.6	121.5	103.3	119.5	107.2	137.3	109.6	136.1	132.9	156 9	108.7	123.8	107.6	128.2	122.1	156.9	104.8	131.3	57.8	75.7
Diabetes	22.2	30.5	23.6	33.3	23.5	28.1	19.4	28.6	23.5	32.6	21.5	21.8	23.9	29.6	26.7	36.5	20.5	28.2	9.9	16.2
Cerebral Hemorrhage	88.7	83.5	137.8	100.4	76.3	74.1	103.0	104.7	98.7	96.7	86.8	87.6	86.9	79 6	79.1	73.4	116.0	108.6	60.0	73.0
Heart Disease	236.2	307.0	242.8	366.3	233.3	316.5	242.8	327.8	274.3	362.0	205.0	250.3	252.3	319.8	290.5	367.8	226.7	282.7	124.9	171.6
Pneumonia	106.8	62.4	125.6	71.6	81.4	56.5	132.4	79.1	113.5	70.4	103.7	82.3	102.3	56.6	113.9	64.0	90.4	61.7	77.3	72.2
Diarrhea & Enteritis under 2 years	20.3	5.4	30.8	11.9	12.2	5.6	23.5	12.7	10.3	2.8	13.6	11.0	12.6	2.9	12.7	4.7	13.1	7.5	58.0	24.1
Nephritis	104.8	82.1	142.9	100.4	109.0	91.4	146.3	130.4	79.0	69.2	122.9	103.0	100.1	72.4	92.3	71.1	79.7	77.4	70.0	69.7
Puerperal Causes	6.2	3.6	6.0	5.5	6.6	3.3	5.2	3.6	6.5	3.7	7.0	3.8	5.2	3.6	5.4	3.6	6.5	3.7	5.6	3.8
Suicide	13.5	13.7	8.9	16.9	14.4	16.1	14.0	16.4	12.6	13.3	16.5	15.9	15.7	16.0	17.0	17.3	15.9	18.9	9.5	13.2
Homicide	5.2	2.8	6.7	5.4	8.9	5.5	8.1	6.8	1.7	1.3	9.7	6.1	4.5	2.8	5.3	3.3	8.3	5.1	10.3	6.9

NOTE: General death rates are per 1,000 population. Infant mortality rates are per 1,000 live births. Puerperal cause rates are per 1,000 total births. All other rates are per 100,000 population. Provisional infant mortality statistics for 1939 indicate that Pennsylvania's infant death rate of 45 per 1,000 live births ranked 25th as compared with other states in the Registration Area.

and classification according to the stage of the disease, age of patient, sputum report and whether or not there are child contracts. The applicant is then placed on the waiting list of the sanatorium best adapted to his treatment and nearest his home, and is admitted in rotation as far as possible in accordance with the county quota. Young and incipient cases, and those in contact with young children, are placed on a preferred list. Each case is thoroughly investigated, and no charge is made for admission.

In addition to the State sanatoria, there are in the Commonwealth five county sanatoria with 573 beds, two municipal sanatoria with 670 beds, twelve private and semi-private sanatoria with 1081 beds, two Veterans' hospitals with 227 beds, 94 beds in general hospitals, 958 beds in State hospitals for the Insane and Feeble-minded, and 22 beds in State penal institutions.

Table X-G shows the capacities of the three State tuberculosis sanatoria, while in Table X-H is set forth the number of patients in each, on June 1, for the years 1934 to 1940, inclusive.

TABLE X-G

DEPARTMENT OF HEALTH

Capacity of the State's Tuberculosis Sanatoria During the Years 1934 to 1940

Institution	Capacity 1934	1935	1936	1937	1938	1939	1940
Mont Alto	1,090	1,035	1,035	1,035	1,054	1,021	1,015
Cresson	840	840	840	840	840	840	808
Hamburg	540	540	540	540	540	540	576
Total	2,470	2,415	2,415	2,415	2,434	2,401	2,399

TABLE X-H

DEPARTMENT OF HEALTH

Number of Patients in State's Tuberculosis Sanatoria June 1, 1934 to 1940, Inclusive

Institution	Capacity 1934	1935	1936	1937	1938	1939	1940
Mont Alto	1,011	1,042	985	902	1,002	980	932
Cresson	864	836	818	798	816	823	778
Hamburg	554	536	538	503	510	526	560
Total	2,429	2,414	2,341	2,203	2,328	2,329	2,270

The average number of patients, total expenditures, and the per capita cost per day at the three sanatoria, for the last three bienniums and the first year of the current biennium, are shown in Table X-J below.

TABLE X-J

DEPARTMENT OF HEALTH

Comparison of Number of Patients in State's Sanatoria Expenditures and Per Capita Costs Per Day Bienniums 1933-35 to 1939-41, Inclusive

Sanatoria	Biennium	Average Patients Maintained	Expenditures	Per Capita Cost Per Day
Mont Alto	1933-35	1,004	$819,728.00	$1.12
	1935-37	979	837,920.00	1.17
	1937-39	972	949,966.00	1.34
	1939-41*	980	533,928.00	1.49

Cresson	1933-35	841	688,716.00	1.12
	1935-37	737	816,609.00	1.52
	1937-39	742	942,632.00	1.74
	1939-41*	800	453,326.00	1.55
Hamburg	1933-35	539	502,116.00	1.28
	1935-37	533	542,096.00	1.39
	1937-39	518	685,786.00	1.81
	1939-41*	539	328,252.00	1.67

* For one year only (June 1, 1939 to May 31, 1940).

Cost of foodstuffs, per patient day, at the various sanatoria is shown in Table X-K.

TABLE X-K

DEPARTMENT OF HEALTH
COST OF FOODSTUFFS PER PATIENT PER DAY
IN STATE'S TUBERCULOSIS SANATORIA
FISCAL YEARS 1932-33 to 1939-40, INCLUSIVE

Fiscal Year	Cost Per Patient Per Day Mont Alto	Cresson	Hamburg
1932-33	$.37	$.24	$.30
1933-34	.44	.35	.40
1934-35	.49	.41	.45
1935-36	.43	.50	.41
1936-37	.47	.58	.51
1937-38	.52	.63	.51
1938-39	.50	.62	.62
1939-40	.48	.52	.52

b. Division of Clinics and Surveys

Excepting Philadelphia and Pittsburgh, some 90 tuberculosis clinics are held each year throughout the Commonwealth. The actual number held for the years 1934 to 1940 is shown in Table X-L.

TABLE X-L

DEPARTMENT OF HEALTH
NUMBER OF STATE'S TUBERCULOSIS CLINICS
1934 to 1940, INCLUSIVE

Year (June 1st)	Number of Clinics
1934	85
1935	85
1936	87
1937	88
1938	89
1939	88
1940	88

When first organized, tuberculosis clinics were maintained entirely by the State. However, many local organizations and communities gradually developed interest and many now provide quarters and other facilities. The State Department of Health furnishes the equipment and supplies and pays the nurses and clinicians.

Clinics are usually located in population centers throughout the State which are readily accessible to rural districts, and serve as admission centers for the State sanatoria. Patients who are not actually in need of sanatorium treatment are given advice and subsequently followed up by the nurses. Educational propaganda is circulated by the physicians and nurses, in cooperation with local tuberculosis societies. In addition to the State clinics, and those operated by the cities of Philadelphia and Pittsburgh, some eight clinics, approved by the Secretary of Health as admission centers for the sanatoria, are supported entirely by independent agencies.

Federal grants, as part of the Social Security program, have aided in the extension of tuberculosis work in Pennsylvania by establishing new clinics in areas where additional service was needed.

Federal funds also made possible a Juvenile Case Finding Program. This is carried on through motorized X-ray field units designed and built especially for the Department of Health. These units are so constructed that they can be dismounted for transportation and re-assembled in a school or other building. They carry the most modern X-ray equipment and are accompanied by a trained roentgenologist and a technician. This case finding program is confined to first year high school students, high school athletes and such teachers as may volunteer. Patients and contacts attending State clinics are examined at the request of the clinicians when the routine work brings the unit into the vicinity of the clinic. The cities of Philadelphia and Pittsburgh are not included in this work. Parental consent and the name and address of the family physician are obtained before any child is examined. The Mantoux Test is given and all positive reactors are X-rayed. The results of the X-ray findings are sent to the parents and to the family physician only. Under an arrangement with the Superintendent of Public Instruction, this service was extended to include freshmen and senior students in the thirteen State Teachers' Colleges. An X-ray laboratory has been organized at Harrisburg and has been placed in charge of an experienced roentgenologist who supervises the developing, and interprets the films sent daily from the units in this field work.

7. Bureau of Maternal and Child Health

The Bureau of Maternal and Child Health formerly called the Bureau of Child Health consists of the following divisions: Pre-School, School Medical Inspection, Dental Hygiene, Nutrition, and Orthopedic Services including the Crippled Children's Hospital at Elizabethtown.

a. Pre-School Division

This Division is concerned primarily with infant and child health, the supervision of midwives, health examination of pre-school children in fourth-class districts, dispensing of silver nitrate, and the establishment of prenatal clinics and child health centers. This service was inaugurated in 1930 as part of a campaign to lower the maternal and infant mortality rates. In January, 1937, there were in existence six State pre-natal clinics, sixty-two cooperating clinics, one hundred sixty-seven State child health centers and 330 cooperating child health centers. Through grants from the Children's Bureau of the Federal Government, under the Federal Social Security program, nine pre-natal clinics and twenty-six child health centers were established, and a number of existing centers were reorganized. Local physicians, assisted by State nurses, are in charge of these clinics. Cooperating clinics are supplied with literature, record forms for reporting to the Pre-School Division, clinicians and State nursing service.

These clinics and child health centers are under State control but are sponsored by local civic and welfare

agencies. The part that the State nurse plays is of vital importance. She advises expectant mothers on questions of diet, care and exercise before the child's birth, and, following birth, on proper care and treatment to insure good health. Pre-School clinics are especially active during the summer months when physical examinations are made of children expecting to enter school in the fall for the first time. Every effort is made to have defects corrected and the child vaccinated against smallpox and immunized against diphtheria. The Division cooperates, in the summer round-up, with Parent-Teacher Associations, who are the sponsoring agents, and receives reports on the results of the work throughout the State.

Parents, nurses and physicians in charge of the treating of minors under the age of six, who are totally deaf or whose hearing is impaired, must report this fact at once to the Department of Health, which in turn notifies the County Medical Director. If the Director finds that adequate care and treatment have not been provided and that the parent or guardian is financially unable to provide for same, he reports the case to the medical inspector of the school district or the Department of Health, as the case may be. The Superintendent of Public Instruction is notified also, so that he may place the child in a public school having special classes for the deaf and hard of hearing, if that should be necessary. In 1937, the sum of $25,000 was appropriated for this work.[18]

Cases of ophthalmia neonatorum must be reported. The installation of silver nitrate solution, or its germicidal equivalent, into the eyes of newborn babies is required. Silver nitrate capsules are furnished free to all physicians of the State. In 1937, the Legislature appropriated $10,000 for the conduct of this service in order to prevent blindness among infants.

Supervision of all midwives in the State, with the exception of those in Philadelphia and Pittsburgh, is a responsibility of this Division. Actual licensing, however, is under the jurisdiction of the Department of Public Instruction. On June 1, 1940, 293 midwives came under the Health Department's supervision. For this purpose, the State is divided into three districts, each covered by a physician who is an accomplished linquist, and who conducts instructional classes at stated intervals. Every case delivered by a midwife is reported to a State nurse who makes post-natal follow-up visits. All efforts are made to eliminate the unlicensed midwife.

b. Division of School Medical Inspection

Examinations made by school medical inspectors indicate that certain physical defects are directly responsible for retardation, low class ratings, behavior problems, and absences from school. The most common and outstanding of these appear to be dental defects, defective vision, impaired hearing, and diseased tonsils.

During the school term 1939-1940 examinations made of 80,000 rural school children in full time health districts indicated that 3,753 had a visual acuity of 70, or worse, in one or both eyes. These children definitely needed glasses as the examinations not only indicated defects but very serious physical handicaps. Examinations of children referred to mental clinics often indicates that the mental condition is directly attributable to a correctable physical defect.

The number of pupils examined in fourth-class school districts, during the school years 1933 to 1939 inclusive, is shown in Table X-M. Due to lack of funds there were no examinations in 1940.

TABLE X-M

DEPARTMENT OF HEALTH
NUMBER OF PUPILS EXAMINED BY SCHOOL MEDICAL INSPECTORS IN FOURTH-CLASS SCHOOL DISTRICTS 1933 to 1939, INCLUSIVE

Year	Number Examined
1933	142,410
1934	211,471
1935	97,522
1936	230,296
1937	495,402
1938	404,639
1939	80,302

The School Medical Inspection Division is not only concerned with the medical inspection of school children but is also responsible for the sanitary condition of the school buildings and grounds, the safety of the water supplies, the safe disposal of sewage, the improvement of the environmental conditions existing in the schools, the enforcement of the vaccination law, and the planning of follow-up programs to promote the correction of remedial defects.

The State is divided into school districts according to population as follows: first-class school districts are those with populations of above 500,000, the cities of Philadelphia and Pittsburgh being the only districts; second-class school districts are those with populations of 30,000 to 500,000, there being twenty in this classification; third-class school districts are those with populations of 5,000 to 30,000, there being 257 of these; and fourth-class school districts are those with populations of less than 5,000, there being 2,300 of these. In the first, second, and third-class districts, the school medical inspectors are appointed and paid by the local school boards, but work under the direct supervision and regulation of the Department of Health, submitting monthly reports to the School Medical Division. Medical inspection in schools of the fourth-class districts is directly under the control of the State Department of Health acting through inspectors appointed by and paid by the Department. School nurses are employed in all first and second-class districts and in approximately 60 per cent of the third-class districts. A number of fourth-class school districts also employ school nurses, but in a majority of districts, nursing service is available only through the State Department of Health. Since 1919, because of inadequate funds, it has been impossible to make complete inspections of pupils in fourth-class school districts. As a result, some of the approximately 800,000 pupils in these districts never were inspected even though many of the schools were in poor and dilapidated conditions. In 1936, Social Security funds, increased State appropriation and a W.P.A. project made possible a more complete examination of a greater number of pupils in these districts and schools.

The school medical inspectors are paid on a fee basis at the rate of about $5.00 for the physical examination of

children per classroom. As of October 1, 1939, there were 385 such inspectors. In addition to the conduct of physical examinations of school children, and the sanitary inspection of school buildings and schoolrooms, the medical inspectors also perform examinations of minors who apply for employment. A child under the age of eighteen may obtain employment while going to school or during vacation periods, but before doing so must obtain a certificate signed by the physician certifying to the child's freedom from disease and his ability to undertake the employment in question. For this the Commonwealth pays the physician $1.00 for each examination. No fee is charged the applicant.[14]

c. Dental Hygiene Division

The Division of Dental Hygiene employs ten dental hygienists, who cooperate with school districts in the establishing of dental health services. In addition, they give lectures on the value of dental hygiene to Parent-Teacher Associations and groups representing mothers and welfare organizations. In the past the chief concern was to see that as many teeth as possible were cleaned. The program emphasized dental health instruction as an important element in the building of good teeth. Dental prophylaxis is now employed only as a means of impressing upon the pupil the health values of good teeth. Defects are reported and the child is returned to his family dentist for correction. The effect of this program has been most beneficial in the elimination of dental ailments and the suppression of diseases among children.

In January 1940, the Division undertook a correctional program whereby the Department of Health arranged to pay a limited fee for a dental clinician when a School Board, or other tax supported agency, set up a dental clinic for children. By November 1940, there were approximately 80 such dental clinics in operation.

d. Nutrition Division

The Division of Nutrition was created in 1937. It received a State appropriation of $40,000 and additional aid was secured through grants from the Federal Children's Bureau.

The division functions through experienced nutritionists who work in cooperation with pre-natal, post-natal and child health clinicians, school medical inspectors, and nurses in rural districts. Each nutritionist (the present staff comprises a Chief and six assistants) is assigned a group of counties and is responsible for the entire nutritional program in the area. Duties include giving demonstrations and serving as consultant nutritionist to State clinics, and to all community agencies.

e. Division of Orthopedic Services

The primary function of the Division of Orthopedic Services is the treatment and care of crippled children. For this purpose a Hospital for Crippled Children, with a capacity of 150 beds, is maintained at Elizabethtown.

The hospital treats, without cost to the patient, surgical tuberculosis and other orthopedic conditions. It admits patients of normal mentality, between the age of one month and sixteen years, whose crippled condition, whether congenital or acquired, is such as to give promise of improvement through proper treatment. Under this program children needing long-term hospitalization are sent to the State hospital, and children needing short-term hospitalization are placed in local hospitals approved by the American College of Surgery and equipped to do orthopedic surgery. In either case the parents must be financially unable to pay for such services.

A weekly out-patient clinic is held at the hospital and extension clinics are held at intervals, in centers of population throughout the State, to check the progress of discharged patients, examine new patients and to give advice in cases that do not require actual hospitalization.

In addition to the facilities available at the Elizabethtown Hospital, a special room was set aside some four or five years ago in the children's preventorium at the Mt. Alto Sanatorium for the treatment of children recently recovered from the acute attacks of anteriopoliomyelitis. A heated pool was provided where these children are given water gymnastic treatment.

In addition to the institutional care of crippled children, the Department expends $50,000 each biennium for work under its State-wide orthopedic unit through its clinics. Under this program the clinics are held by orthopedic surgeons paid by the State, and by orthopedic surgeons paid from local funds. No fees are obtained for operating on the children. Those children who do not need surgical treatment are supplied with braces, special shoes, or such other orthopedic appliances as may be prescribed by the surgeon.

Table X-N shows the capacity and number of children under care at the Elizabethtown Hospital on June 1st of each year from 1934 to 1940, inclusive.

TABLE X-N

DEPARTMENT OF HEALTH
CAPACITY OF HOSPITAL FOR CRIPLED CHILDREN AT ELIZABETHTOWN AND NUMBER UNDER CARE
1934 to 1940

Year (June 1st)	Number Under Care	Capacity of Hospital
1934	119	125
1935	126	125
1936	121	125
1937	131	125
1938	127	125
1939	124	125
1940	151	150

Expenditures for the Hospital during the last three bienniums and the first year of the current biennium, average number of patients, and per capita cost per day are shown in Table X-O.

TABLE X-O

DEPARTMENT OF HEALTH

Average Number of Patients, Expenditures and Per Capita Cost Per Day Hospital for Crippled Children at Elizabethtown 1933-1940

Biennium	Average Number Patients	Expenditures	Per Capita Cost Per Day
1933-35	118	$320,537	$3.72
1935-37	119	313,536	3.61
1937-39	123	341.836	3.81
1939-41 *	137	194,229	3.88

* One year only (June 1, 1939 to May 31, 1940).

The cost of foodstuffs per patient day, at the Elizabethtown Hospital, during the past eight years is shown in Table X-P.

TABLE X-P

DEPARTMENT OF HEALTH
FOODSTUFFS COST PER PATIENT DAY
HOSPITAL FOR CRIPPLED CHILDREN
FISCAL YEARS 1932 to 1940, INCLUSIVE

Fiscal Year	Cost Per Patient Day
1932-33	$.58
1933-34	.67
1934-35	.65
1935-36	.62
1936-37	.77
1937-38	.65
1938-39	.73
1939-40	.55

8. Bureau of Public Health Nursing

Public health nursing service is available in all counties of the State through a staff of approximately 185 nurses working under the supervision of the Bureau of Public Health Nursing.

Services rendered are extensive and varied. In the field of maternal and child health work, the State nurses locate pre-natal patients and promote pre-natal services from private physicians. From district registrars, names and addresses of reported births are secured for the purpose of arranging home visits. Through home visits, keeping of the new infant and mother under medical supervision is encouraged, and mothers are informed and trained in proper methods of post-natal care.

Nurses assist school medical inspectors in fourth-class school districts and do follow-up work. It is their duty usually to investigate the financial status of a family when specialized care is advisable, and to arrange for such treatment if the family is unable to pay for same.

In connection with the school nursing service, the State public health nurses emphasize the value of adequate health supervision and the providing of facilities for medical and nursing care. They assist in the control of communicable diseases through teaching recognition of early symptoms, the importance of isolation and the value of immunization. Findings of physicians are interpreted for the benefit of teachers and parents.

In the general field of health conservation, the State nurse assists in conducting all clinics under the State health program. She has charge of all records, takes a history of the case, prepares the patients for medical examinations and assists the physician at all tuberculosis, genito-urinary, pneumonia, cancer and heart clinics.

In the tuberculosis service, the nurse is faced with what she must do to prevent the spread of tuberculosis by the patient infected. Personal and environmental hygiene, sanitation, nutrition, exercise, rest are all phases of her work. In her home visiting, the arrangement of the patient, his room, collection and disposal of sputum, care to be exercised by those attending the patient is her responsibility as well as practical demonstrations on how this care is to be given.

The State nurse assists clinicians and is responsible for the set-up of the clinic service. She aids by explaining to the patients the arrangements necessary when sanatorium care is advised. She explains what the patient may expect, the necessity for his cooperation, the home adjustment, and arranges for transportation, clothing, etc. Upon receipt of advice that a patient has returned from the sanatorium, the nurse follows-up this patient and encourages him to continue under supervised care.

The nursing service in connection with the venereal disease control program is very similar to that of the tuberculosis control service. The public health nurse promotes by education, the necessity for continued treatment by assisting patients to follow prescribed routine, and cooperates with the medical investigators in the interpretation of advanced scientific facts concerning these diseases to individuals and groups so that they may be able to overcome fear and eliminate traditional stigmas.

In the State diagnostic and cooperative crippled children's clinics, the State nurse carries out instructions of orthopedic surgeons with regard to after-care of clinic cases, and instructs the parents in the proper care of children discharged from the State Hospital for Crippled Children at Elizabethtown.

9. Bureau of Milk Sanitation

The Bureau of Milk Sanitation is charged with the inspection of all farms producing milk, whether or not located within the State, provided the milk produced is destined for shipment to milk plants within the State and operating under Pennsylvania permits. Each such dairy farm is visited by approved inspectors and the dairyman is instructed in the best methods of producing clean and safe raw milk.

There are approximately 80,000 farms producing milk under the above conditions. On June 1, 1940, there were 385 approved milk inspectors, certified by the Bureau of Milk Sanitation. Applicants for certificates must pass a written examination based on the work which they are aspiring to perform. A fee of $10 is required with the original application and there is an annual $3 renewal fee. Annual revenue from certificates and renewals amounts to approximately $1,400.

In addition to the inspection of milk producing farms, referred to above, the Bureau inspects all pasteurizing and raw milk plants, and approves or disapproves plans and specifications for new plants or alterations to existing plants. Approximately 1,000 milk pasteurizing plants, 183 receiving stations, and 1,400 ice cream plants are under the supervision of the Bureau.

Permits to sell milk or milk products are issued by the Bureau. Applicants for permits, as well as those who already hold permits, must allow inspection of herds, stables, and dairy farms from which milk is obtained. Holders of permits to sell pasteurized milk, or milk for pasteurization, must keep accurate records of all inspections of dairy farms from which their milk is received. No fees are required with applications for permits to sell milk or milk products.

The Bureau also supervises the work of some 65 laboratories for bacteriological examinations of milk, and issues certificates of approval to the directors of these laboratories.

As an indication of the widespread interest in the general subject of milk distribution, and its relative im-

portance, it is interesting to note that, on June 1, 1940, there were approximately 122 municipalities in Pennsylvania with milk ordinances in force.

10. Boards Affiliated With the Department of Health

a Advisory Health Board

The Advisory Health Board consists of six members appointed by the Governor. The Secretary of Health is chairman. One member must be a civil engineer. The other members usually are high ranking physicians with at least ten years experience in the practice of medicine. Members receive travelling expenses but no salaries. Meetings of the Board are infrequent and irregular.

As its name suggests, the primary purpose of the Board is to serve as an advisory body on health matter generally. In addition to this function, however, it performs another most important function in that it draws up and approves rules and regulations having to do with the enforcement of the health laws. In this sense the work of the Board is of a quasi-legislative character since it supplies those regulatory details necessarily associated with the enforcement of departmental powers and policies authorized by the General Assembly.

The Board approves departmental actions in declaring certain diseases communicable and establishes regulations for preventing the spread of such diseases. It provides regulations, also, for gathering and recording vital statistics.

b. Undertakers Board

The State Board of Undertakers was transferred from the Department of Public Instruction to the Department of Health in 1935.[15] The Board consists of six members; five are licensed undertakers appointed by the Governor, and the sixth member is the Secretary of Health ex-officio.

Twice each year the Board conducts examinations for licensing of undertakers and issues licenses to successful applicants. Fees charged are not fixed by statute but are set by the Board. Estimated revenue from this source is about $25,000 yearly, which has been more than ample to pay the Board's expenses.

In addition to its examining and licensing function, the Board supervises the conduct of licensed undertakers, and issues annual registration cards.

c. Sanitary Water Board

The Sanitary Water Board is a departmental administrative board consisting of the Secretary of Health as chairman, the Secretary of Forests and Waters, the Fish Commissioner and three other members appointed by the Governor. Meetings are held once each month or at the call of the chairman. In an emergency, the Secretary of Health, for the Department of Health, has power to issue ad interim orders or take such action within the powers of the Board as the circumstances may require.

The Sanitary Water Board administers the sewerage and anti-pollution laws of the State.[16] These laws prohibit the discharge of sewage and industrial wastes into the waters of the Commonwealth except under conditions specified in permits, and require the Board's approval for the construction of new sewers and the extensions of existing sewers in municipalities of the State.

In questions of stream pollution, this Board exercises the authority formerly vested in the Commissioner of Fisheries relative to water pollution detrimental to fish life. It is authorized to study and investigate the causes of stream pollution, to study the character of waste materials, and to cooperate in developing plans for waste disposal. Notable progress has been made through the development of cooperative policies with industrial plants which produce large quantities of industrial waste. The chief types in this classification are leather tanneries, by-product coke ovens, artificial gas works, petroleum refineries and bituminous coal operations. Upon request of the Public Utilities Commission, the Board investigates and determines questions regarding the purity of water supplied to the public by a public utility.

Under its powers the Board may call upon the Department of Health to make inspections and investigations necessary for it to administer and enforce the law. These investigations are carried on through the Bureau of Engineering, which also acts as the enforcement agent of the Board.

d. Housing Board

The Act creating the Housing Board in 1937[17] provided that it should consist of five citizens of the Commonwealth appointed by the Governor for terms of one, two, three, four and five years respectively, and subsequently for five years. Members receive no salaries but are paid traveling and other necessary expenses. Currently, the Board is inactive since the Governor has made no appointments. On June 1, 1940, however, the Department had two employes assigned to the Board, namely, an Executive Director receiving an annual salary of $6000, and a stenographer clerk who receives $1380 annually. The 1939 Legislature appropriated $25,000 for the use of the Board.

Under the creating Act the apparent purpose of the Board was to promote public health, morals and welfare through the encouragement of housing programs, slum clearances, etc. The Board, however, has no power of condemnation.

D. PERSONNEL

Table X-Q shows the number of employes, as of June 1, 1940, at the three tuberculosis sanitoria and the Hospital for Crippled Children at Elizabethtown.

TABLE X-Q

DEPARTMENT OF HEALTH
NUMBER OF INSTITUTIONAL EMPLOYES
JUNE 1, 1940

Institution	Number of Employes Salaried	Wage	Total
Mont Alto Sanatorium	241	213	454
Cresson	166	193	359
Hamburg	141	133	274
Elizabethtown Hospital for Crippled Children	113	27	140
Total	661	566	1227

Table X-R summarizes all personnel, excepting institutions, working under the jurisdiction and supervision of the Department of Health, as of June 1, 1940.

TABLE X-R
DEPARTMENT OF HEALTH
SUMMARY OF PERSONNEL AS OF JUNE 1, 1940

Bureau or Division	Number of Employes Paid for by the State	Paid for by the Federal Government*	Total
Executive Bureau	10	18	28
Division of Accounts	13	7	20
Division of Supplies	13	11	24
Division of Laboratories	41	7	48
Bureau of Vital Statistics	67	31	98
Bureau of Sanitary Engineering	57	11	68
Bureau of Milk Sanitation	13	10	23
Bureau of Public Health Nursing	123	76	199
Bureau of Health Conservation	151	73	224
Division of Tuberculosis Clinics	4	18	22
Division of Genito Urinary Clinics	19	254	273
Division of Medical School Inspection	9	5	14
Bureau of Maternal and Child Health	6	18	24
Division of Narcotic Drug Control	8	10	18
Division of Dental Hygiene	1	18	19
State Board of Undertakers	1	..	1
Division of Rural Sanitation	1	5	6
State Housing Board	2	..	2
Total	539	572	1111

* Paid from Social Security Funds.

A detailed statement of personnel, by bureaus and divisions, together with salaries paid out of State funds, is given in Table X-S.

TABLE X-S
DEPARTMENT OF HEALTH
Number of Employes on State Payroll and Salaries Paid June 1, 1940

Title	Number of Employes	Total Salaries
Executive Bureau		
Secretary of Health	1	$10,000
Deputy Secretary of Health	1	7,500
Comptroller	1	5,500
Corresponding Secretary	1	3,000
Supervising Stenographer Secretary	1	2,400
Special Stenographer Clerk	1	1,860
Senior Clerk Correspondent	1	1,860
Principal Mail Clerk	1	1,380
Principal Stenographer Clerk	1	1,380
Senior Stenographer Secretary	1	1,620
Total	10	$36,500
Division of Accounts		
Chief	1	$ 4,200
Advanced Clerk	1	1,620
Senior Payroll Clerk	1	1,380
Disbursement Clerk	1	1,380
Stenographer Clerk	1	1,140
Commitments Clerk	1	1,140
Invoice Clerk	1	1,140
Clerk Typists ($1,020)	3	3,060
Assistant Cost Clerk	1	1,020
Junior Stores Record Clerk	1	1,020
Senior Typist Stenographer	1	1,020
Total	13	$18,120
Division of Supplies		
Chief	1	$ 4,000
Head Storeroom Keeper	1	1,860
Principal Multigraph Operator	1	1,380
Senior Stenographer Typist	1	1,140
Senior Multigraph Operator	1	1,140
Senior Stores Clerk	1	1,020
Stores Clerks ($1,020)	5	5,100
Assistant Stores Record Clerk	1	1,020
Multigraph Operator	1	1,020
Total	13	$17,680
Division of Laboratories		
Chief	1	$ 5,000
Supervising Serologist	1	3,000
Senior Bacteriologist	1	2,640
Technician	1	2,400
Senior Bacteriologist	1	2,400
Bacteriologist	1	2,100
Supervising Stenographer Secretary	1	2,100
Principal Pathologist	1	2,000
Junior Research Technician	1	1,860
Senior Media Technician	1	1,860
Pathologist Technicians ($1,620)	2	3,240
Serologist	1	1,620
Assistant Research Technician	1	1,620
Junior Laboratory Technician	1	1,440
Junior Assistant Water Analyst	1	1,380
Assistant Laboratory Technician	1	1,380
Junior Laboratory Technician	1	1,380
Bacteriologist	1	1,320
Senior Typists ($1,140)	2	2,280
Senior Laboratory Assistant	1	1,140
Assistant Water Analyst	1	1,140
Principal Typist Clerk	1	1,140
Tabulating Machine Operator	1	1,080
Janitress	1	1,020
Senior Typists ($1,020)	4	4,080
Laboratory Helpers ($1,020)	2	2,040
Junior Laboratory Helpers ($1,020)	4	4,080
Laboratory Diener	1	1,020
Junior Clerk	1	1,020
Stenographer Clerk	1	1,020
Junior Storeroom Keepers ($1,020)	2	2,040
Total	41	$61,840
Bureau of Vital Statistics		
Director	1	$ 5,500
Disbursement Accountant	1	2,400
Principal Law Enforcement Officer	1	2,400
Statistician	1	2,160
Supervising Statistics Clerk	1	2,100
Advanced Clerks ($1,620)	2	3,240
Principal Tabulating Machine Operator	1	1,620
Principal Stenographer Clerk	1	1,620
Advanced Duplicating Operator	1	1,380
Senior Statistics Clerk	1	1,380
Corresponding Stenographer	1	1,380
Advanced Record Clerk	1	1,380
Senior Stenographer Clerk	1	1,140
Junior Statistics Clerk	1	1,140
Tabulating Machine Operators ($1,140)	2	2,280
Junior Clerk Correspondent	1	1,140
Senior Verifier	1	1,140
Senior Stenographer	1	1,140
Junior Fee Clerk	1	1,080
Senior Typist Stenographer	1	1,080
Assistant Record Clerks ($1,020)	5	5,100
Typist Stenographers ($1,020)	2	2,040
Senior Transcribing Clerk	1	1,020
Transcribing Clerks ($1,020)	21	21,420
File Clerks ($1,020)	3	3,060
Junior Code Clerk	1	1,020

Title	Number of Employes	Total Salaries
Senior Typist Clerk	1	1,020
Key Punch Operators ($1,020)	3	3,060
Stenographers ($1,020)	2	2,040
Senior Typist Stenographer	1	1,020
Senior Mail Clerk	1	1,020
Junior Stenographer Clerk	1	1,020
Stenographer Clerk	1	1,020
Stenographer Typist	1	1,020
Junior Stenographer Typist	1	1,020
Total	67	$82,600
Bureau of Sanitary Engineering		
Director	1	$ 7,000
Chief	1	6,000
Chief River Survey Engineer	1	4,500
Principal Chemist	1	4,200
Advanced Sanitary Engineer	1	4,080
District Sanitary Engineer ($4,000)	2	8,000
District Sanitary Engineer	1	3,900
District Sanitary Engineers ($3,600)	3	$10,800
Advanced Sanitary Engineer	1	3,600
Principal River Survey Engineer	1	3,600
Sanitary Engineer	1	3,000
Junior District Sanitary Engineer ($3,000)	2	6,000
Senior Tannery Waste Engineer	1	3,000
Senior Chemist	1	3,000
Senior Engineers ($2,400)	2	4,800
Assistant Chemical Engineer	1	2,400
Junior Sanitary Engineers ($2,100)	3	6,300
Chemist	1	1,860
Senior Draftsman	1	1,860
Stenographer Secretary	1	1,620
Assistant Sanitary Engineers ($1,620)	5	8,100
Assistant Sanitary Inspector	1	1,620
Principal Laboratory Assistant	1	1,620
Advanced Record Clerk	1	1,620
Principal Stenographer	1	1,620
Assistant Industrial Waste Inspector	1	1,500
Principal Stenographer Clerk	1	1,380
Junior Assistant Sanitary Engineer	1	1,380
Senior Stenographer Clerk	1	1,380
Senior Stenographer Clerk	1	1,260
Senior Stenographer Clerk	1	1,200
Senior Stenographers ($1,140)	5	5,700
Advanced File Clerk	1	1,140
Senior Stenographer Clerks ($1,140)	5	5,700
Senior Stenographer Typist	1	1,140
Senior Laboratory Assistant	1	1,140
Stenographer Clerk	1	1,140
Stenographer	1	1,020
Total	57	$129,180
Bureau of Milk Sanitation		
Director	1	$ 4,200
Senior Milk Investigator	1	4,000
Assistant Director	1	3,000
Advanced Milk Investigator	1	3,000
Sanitary Milk Inspector	1	3,000
Senior Milk Investigator	1	2,400
Milk Investigator	1	2,100
Principal Stenographer Clerk	1	1,620
Principal Stenographer Clerk	1	1,380
Clerk	1	1,140
Clerk Typist	1	1,020
Stenographer Clerk	1	1,020
Assistant Application Clerk	1	1,020
Total	13	$28,900
Bureau of Public Health Nursing		
Director of Nursing	1	$ 4,000
Advanced Public Health Nurse	1	1,860
Senior Public Health Nurses ($1,620)	15	24,300
Public Health Nurse	1	1,560
Public Health Nurses ($1,500)	5	7,500
Public Health Nurses ($1,440)	9	12,960
Public Health Nurses ($1,380)	85	117,300
Principal Stenographer Clerk	1	1,380
Senior Stenographer Clerks ($1,140)	2	2,280
Senior Clerk Typist	1	1,140
Stenographer Typist	1	1,020
Senior Clerk Typist	1	1,020
Total	123	$176,320
Bureau of Health Conservation		
Director	1	$ 7,000
Head Epidemiologist	1	4,200
Senior Sanitary Engineer	1	3,300
Advanced Nuisance Officer	1	3,000
Health Officer	1	1,920
Health Officers ($1,860)	83	154,380
County Medical Director	1	1,800
Stenographer Secretary	1	1,620
Senior Stenographer Clerk	1	1,380
Senior Stenographer Clerk	1	1,260
County Medical Director	1	1,200
Typist	1	1,020
Assistant Statistics Clerk	1	$1,020
Junior Statistics Clerk	1	1,020
County Medical Directors ($1,000)	17	17,000
County Medical Directors ($ 900)	2	1,800
County Medical Directors ($ 800)	13	10,400
County Medical Directors ($ 600)	5	3,000
County Medical Directors ($ 500)	5	2,500
County Medical Directors ($ 400)	10	4,000
County Medical Directors ($ 300)	2	600
County Medical Director	1	200
Total	151	$223,620
Division of Tuberculosis Clinics		
Junior Report Clerk	1	$1,140
Junior Clinic Clerk	1	600
Janitor	1	150
Janitress	1	60
Total	4	$1,950
Division of Genito Urinary Clinics		
Chief	1	$4,500
Clerk Stenographer	1	1,020
Clinician	1	780
Clinicians ($720)	2	1,440
Clinician	1	660
Clinicians ($600)	4	2,400
Clinician	1	420
Clinicians ($360)	3	1,080
Clinician	1	324
Clinicians ($300)	2	600
Clinicians ($240)	2	480
Total	19	$13,704
Division of Medical School Inspection		
Chief	1	$2,400
Senior Stenographer Typist	1	1,140
File Clerk	1	1,020
Key Punch Operator	1	1,020
Junior Voucher Clerk	1	1,020
Assistant Comptometer Clerks ($1,020)	3	3,060
Junior Comptometer Clerk	1	1,020
Total	9	$10,680

Title	Number of Employes	Total Salaries
Bureau of Maternal and Child Health		
Director of Maternal and Child Health	1	$4,000
Senior Field Obstetrician	1	3,000
Midwife Consultant	1	2,640
Field Obstetrician	1	2,400
Child Health Investigator	1	1,860
Typist Clerk	1	1,020
Total	6	$14,920
Division of Narcotic Drug Control		
Chief	1	$3,600
Advanced Narcotic Drug Examiner	1	3,000
Narcotic Drug Examiner	1	2,600
Narcotic Drug Investigators ($2,100)	3	6,300
Principal Stenographer Clerk	1	1,620
Assistant Report Clerk	1	1,020
Total	8	$18,140
Division of Dental Hygiene		
Chief	1	$4,200
State Board of Undertakers		
Senior Inspector	1	$1,860
Division of Rural Sanitation		
Senior Stenographer	1	$1,140
State Board of Housing		
Executive Director	1	$6,000
Principal Stenographer Clerk	1	1,380
Total	2	$7,380
Grand Total	539	$848,734

E. FINANCES

State appropriations for operation of the Department of Health, including the sanatoria and the Hospital for Crippled Children amounts to approximately $6,000,000 per biennium. Of this amount close to $3,500,000 pays for the operation and maintenance of the institutions referred to above and $2,500,000 for departmental operations. Of the latter amount, approximately $1,700,000 is expended for salaries and wages and $800,000 for other expenses. Table X-T shows the 1939-41 biennium appropriations to the Department.

Federal funds alloted to Pennsylvania, for general health purposes, under provisions of the Social Security Acts amount to approximately $1,375,000 yearly, or at the rate of $2,750,000 per biennium. In Table X-U is set forth a report showing the purpose of federal allotments to Pennsylvania under the provisions of the Social Security Acts for the fiscal year ending June 30, 1940.

Funds received under the Social Security Act are budgeted according to federal requirements, for salaries and travel, as well as for other purposes.

TABLE X-T

DEPARTMENT OF HEALTH
APPROPRIATIONS FOR 1939-41 BIENNIUM

Bureau or Function	Appropriation
Tuberculosis Clinics, Sanatoria and Elizabethtown Hospital	$3,504,000.00
Executive	90,132.00
Accounts	50,734.00
Supplies	340,845.00
Laboratory	160,331.00
Vital Statistics	282,432.00
Engineering	335,725.00
Milk Sanitation	71,086.00
Nursing	434,358.00
Communicable Diseases	473,144.00
Tuberculosis Control	40,900.00
Genitoinfectious Diseases	81,709.00
Rural Sanitation	3,506.00
Pneumonia Control	19,695.00
Maternal and Child Health	41,827.00
Dental	11,540.00
Medical Inspection	27,490.00
Narcotic Drug Control	45,975.00
Board of Undertakers	19,960.00
Restaurant Hygiene	1,047.00
Public Health Education	7,564.00
Total	$6,044,000.00

TABLE X-U

DEPARTMENT OF HEALTH
ALLOTMENTS RECEIVED FROM THE FEDERAL GOVERNMENT UNDER PROVISIONS OF THE FEDERAL SOCIAL SECURITY ACT FISCAL YEAR ENDED JUNE 30, 1940

Purpose	Amount
United States Public Health Service	$656,600.00
Venereal Disease Control	328,000.00
Aid to Crippled Children	181,852.41
Maternal and Child Health	209,599.00
Total	$1,376,051.41

Revenues accruing to the Department, from various sources, amount to approximately $250,000 per biennium. Vital statistics fees and undertakers fees account for more than $200,000 of this amount. Table X-V indicates revenues by source for the last two bienniums and the first year of the current biennium.

TABLE X-V

DEPARTMENT OF HEALTH

Revenues from Fees, Refunds, Transcripts, Etc.

Source	Biennium 1935-37	1937-39	1939-41*
Vital Statistics Fees	$143,691.00	$160,475.53	$ 94,183.17
Bathing Place Fees	12,925.00	14,045.00	7,365.00
Inspectors Fees (Milk)	2,817.00	2,515.00	1,720.00
Undertakers Fees	46,728.20	49,663.14	26,222.00
Milk Supply Fines	35.00	165.00	20.00
Borough Refunds	4,442.39	2,336.34	354.60
Vital Statistics Transcripts	15,476.37	16,415.01	8,974.89
Miscellaneous Revenue	57.50	2,877.67	71.19
Assessments for Cadavers	90.25	.....	.....
Sewage and Industrial Waste Fees	.....	3,185.00	2,260.00
Total	$226,262.71	$251,677.69	$141,170.85

* For one year only (June 1, 1939 to May 31, 1940).

FOOTNOTES

[1] 1905, P. L. 312.
[2] 1939, P. L. 148.
[3] 1939, P. L. 808.
[4] 1917, P. L. 758.
[5] 1931, P. L. 656; 1933, P. L. 905; 1921, P. L. 152; 1931, P. L. 655.
[6] 1939, P. L. 133.
[7] 1939, .P L. 243.
[8] 1935, P. L. 1303.
[9] 1939, P. L. 151.
[10] 1937, P. L. 168.
[11] 1931, P. L. 899.
[12] 1905, P. L. 312.
[13] 1937, P. L. 2721.
[14] 1929, P. L. 45.
[15] 1935, P. L. 1324.
[16] Administrative Code, Section 2110, 1937, P. L. 1987.
[17] 1937, P. L. 1705.

CHAPTER XI

INSURANCE DEPARTMENT

The Insurance Department was originally established in 1873 [1] and was reorganized on the basis of legislation passed in 1921 and again by administrative action in 1927.

A. FUNCTION

The Act of 1921, known as "The Insurance Department Act," together with amendments, provides for the establishment of an Insurance Department under the direction of an Insurance Commissioner. Provision is also made in the Act for the licensing, examination, regulation and dissolution of insurance companies, associations and exchanges, for the licensing and regulation of insurance agents and brokers, for the collection of fees and prescribed penalties for violation of provisions of the Insurance Law, and the repeal of all existing Acts. The "Insurance Company Act" of the same year and other special Acts further affect the functions of the Department.

B. POWERS AND DUTIES

The primary duty of the Department is to enforce, administer and regulate the insurance business of a domestic and foreign nature in accordance with the insurance laws of the Commonwealth. Under the Insurance Company Act, this regulation extended generally only to stock and mutual life, stock fire, marine and casualty insurance companies and to all other mutual companies, associations and exchanges. By later amendments, the authority of the Department was extended to fire insurance rate making bureaus, title insurance companies,[2] fraternal benefit societies,[3] beneficial societies,[4] non-profit hospitalization corporations,[5] the Workmen's Compensation Security Fund Act,[6] and non-profit medical service corporations.[7]

The authority of the Department and the general insurance laws of the Commonwealth do not apply to fraternal benefit societies, non-profit hospitalization corporations and non-profit medical service corporations except as specificially provided in the separate statutes creating them or by subsequent acts.

The regulation of insurance companies by the Department pertains generally to an acknowledgment and approval of the charter and articles of agreement of domestic and foreign companies, an examination of the corporate and financial condition of companies petitioning to do business in Pennsylvania and the issuance of a certificate to do business in the Commonwealth. An examination by the Department of the affairs of these companies shall take place at least once in three years. Foreign corporations desiring to do business in the Commonwealth must appoint the Insurance Commissioner as their true and lawful attorney for the service of process with regard to any suits or claims brought against the company. This is done to eliminate the necessity for claimants and policyholders to go to other States to secure redress against the foreign corporations doing business in this State. The plaintiff in these matters pays $2.00 as costs, which may be recovered by including it in the claim. The Insurance Commissioner keeps a full record of such processes, showing the date and hour of service, where and by whom served.

There are certain fees and charges assessed against domestic and foreign companies for filing the various papers with the Insurance Commissioner. Retaliatory provisions are also to be found in the statutes whereby any additional burdens or restrictions placed by other States on Pennsylvania companies or residents doing business therein will likewise be imposed on corporations and citizens of those States attempting to do business in Pennsylvania. All moneys received by the Insurance Commissioner are remitted to the State Treasurer's Department.

In its regulation of insurance companies, the Department audits annual statements of domestic and foreign companies, associations and exchanges and issues annual licenses to them authorizing the transaction of business in this Commonwealth. It approves the form and phraseology of the various types of policies issued by the companies.

The Department approves all schedules of Workmen's Compensation rates promulgated by the Pennsylvania Compensation Rating and Inspection Bureau on behalf of companies authorized to do business in the Commonwealth. By Act of Assembly, the Insurance Commissioner is a member of the State Workmen's Insurance Board [8] and the Department annually audits the State Workmen's Insurance Fund. Several insurance features of the Pennsylvania School Employes' Retirement System [9] and the State Employes' Retirement Fund [10] come within the supervisory activities of the Insurance Department.

An additional function of the Department is the examination and licensing of Insurance agents, brokers, public adjusters and public adjuster solicitors. All applications for licenses are filed with the Department and the qualifying examinations conducted.

The Department is the clearing house for thousands of complaints made by policyholders against those who are under the supervision and regulation of the Insurance Commissioner.

The Insurance Commissioner, by statutory provision, becomes the liquidator of all dissolved domestic insurance companies and in those dissolved companies domiciled in other States, in a great many instances he is appointed Ancillary Receiver.

Prior to the administration of Governor Fisher, the Insurance Department had the jurisdiction to assess and collect the various charges, taxes and penalties against the insurance companies, agents and brokers as provided by law.[11] However, this function of the Insurance Department, as pertaining to the collection of premium taxes, etc., was transferred to the Department of Revenue upon its creation in 1929.

[1] Footnotes on page 6930.

C. ORGANIZATION AND OPERATIONS

As is shown in Chart XI-1, the Department consists of an Executive Division, comprising the stenographic force of the Insurance Department and the employes of the centralized filing unit. In addition, the Executive Division is responsible for the maintenance of the personnel records. It is a direct adjunct of the Insurance Commissioner's office and has no supervisory control over any other division.

The First Deputy Insurance Commissioner, who is located in Harrisburg, has under his supervision, subject to the direction of the Insurance Commissioner, the Division of Statements and Audits, the Division of Accounts, the Division of Agents and Brokers and the Division of Complaints, the latter comprising three offices, Harrisburg, Philadelphia and Pittsburgh.

The Second Deputy Insurance Commissioner, located at Philadelphia, has under his control, subject to the direction of the Insurance Commissioner, the Division of Examinations (the largest Division in the Department), comprising four sections: Life, Fire, Casualty, and Fraternal and Beneficial. There is also under his control the Actuarial Division, which is composed of two sections: Life Insurance and Workmen's Compensation Insurance.

The acivities of the Insurance Department are divided between the Harrisburg and Philadelphia offices, with those divisions under the supervision of the First Deputy Insurance Commissioner located in Harrisburg, and those under the supervision of the Second Deputy Insurance Commissioner located in Philadelphia. There is also the Liquidation Division, which is located in Philadelphia, which operates under the supervision of a Special Deputy Insurance Commssioner.

For the sake of convenience and accessibility to the major writing companies in the State, the policy analyzer of the Division of Statements and Audits is located in the Philadelphia office of the Second Deputy Insurance Commissioner.

The Liquidation Division is located in Philadelphia because past experience has indicated that city to be the most convenient in the performance of its work.

1. Executive Division

The Executive Division consists, in the main, of centralized stenographic and filing units of the Department. It maintains the personnel records in connection with the employes of the entire Department.

2. Division of Accounts

The Division of Acounts is responsible for supervising the distribution of the budget allocation and assembling, recording and transmitting all receipts, requisitions and disbursements to other properly designated departments. The Division is headed by the Comptroller of the Department.

3. Division of Statements and Audits

The applications of all insurance companies, associations and exchanges incorporated under the laws of other States or foreign countries seeking a certificate of authority to transact business, as well as those of domestic companies, are filed with the Division of Statements and Audits. Before the certificate may be issued, the company is investigated and examined to determine whether it has legally and financially complied with the laws of the Commonwealth regarding the right to transact business in this Commonwealth. The company must indicate the amount of its authorized capital and that portion of it already paid into the treasury. The Division maintains a card system showing all companies registered to do business in this Commonwealth, companies withdrawn, merged, consolidated and dissolved.

An important function is the filing and auditing of the annual financial statements submitted by the companies. These reports enable the Department to detect any discrepancies which might properly subject the companies to pay additional taxes.

All policies, riders and endorsement forms issued in Pennsylvania by all insurance companies, associations, societies and exchanges authorized to transact business in this Commonwealth are analyzed by this Division. It is mandatory upon these insurers that they receive the approval of the Insurance Commissioner of all forms before they can be issued or delivered in this jurisdiction. This work is performed by the Policy Analyzer situated in Philadelphia, as hereinbefore stated.

4. Division of Examinations

All domestic companies, societies, associations and exchanges must be examined by the Division of Examinations of the Insurance Department at least once every three years. The Insurance Commissioner may also examine foreign insurance companies, societies, associations and exchanges authorized to do business in this Commonwealth if he deems it advisable. However, the Commissioner may accept the report of examination made by or upon the authority of the supervising official of any other State. Usually the companies are divided so that an equal number is examined each year. However, the Department may make more frequent examinations when deemed advisable or may require the submission of monthly, quarterly or semi-annual statements. The chief purpose of these examinations is to determine whether the insurance company, society, association or exchange is able to fulfill its obligations, and whether it has complied with the provisions of the law and any other act relating to its business methods and management and the equity of its plans and its dealing with the policyholders.

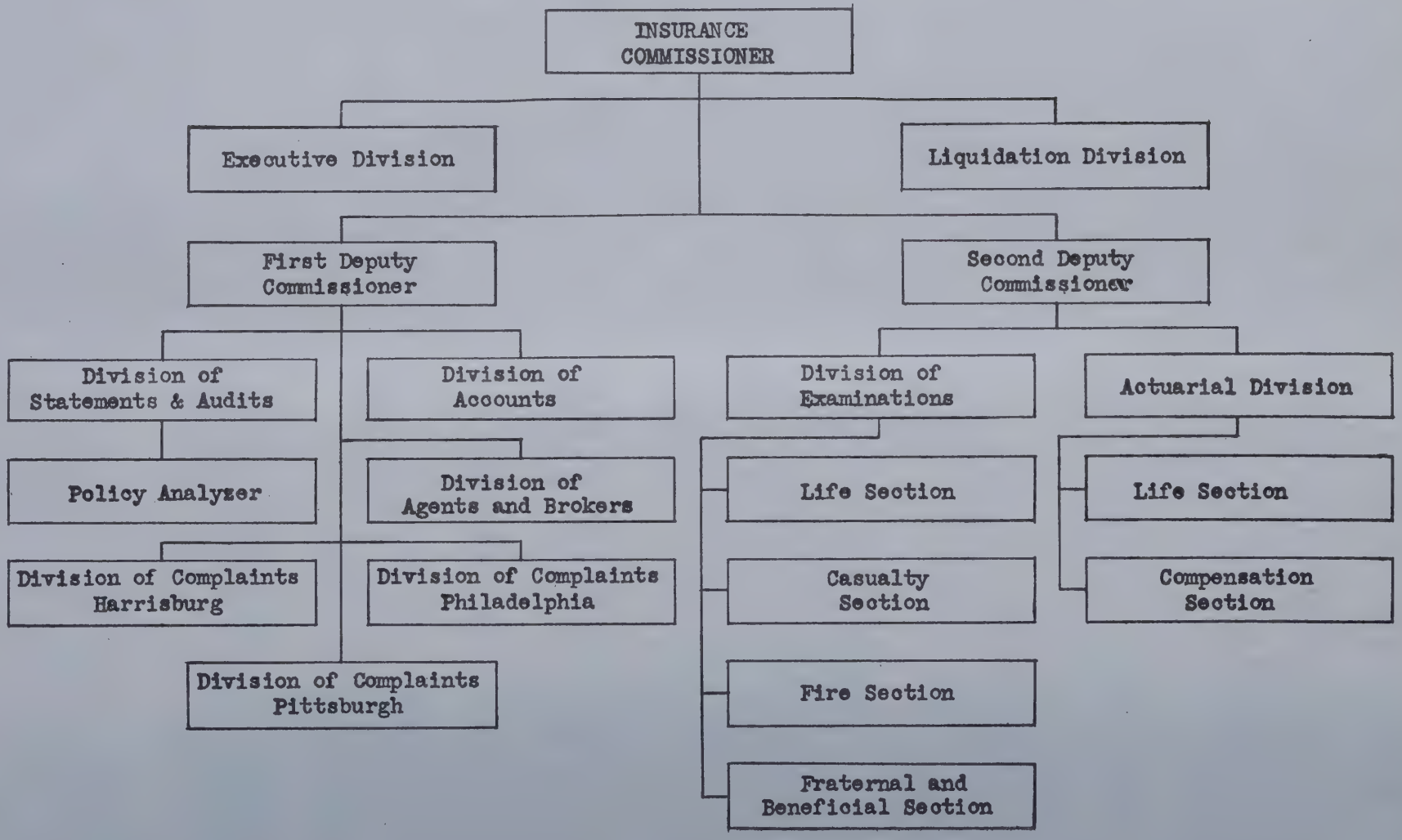
The Department, in order to protect the policyholders and conduct such examinations properly, may have free access to all the books and papers of any company and may summon and examine, under oath, the directors, officers, agents and trustees of any company, society, association and exchange. The results of these examinations may be withheld if considered by the Commissioner to be in the public interest.

Every attempt is made not to cause excessive burden to the companies. Thus, before any examiner proceeds, he must have the authorization of the Insurance Commissioner. Generally the examinations are in great detail but often it is only possible to spot-check, that is, to pick items at random and study and examine them. This is usually done in the larger companies where the books and items to be examined are so voluminous.

This Division has sole supervision over title insurance companies which do not receive deposits or engage in any other business which might come under the supervision of the Department of Banking. In the title departments

CHART XI-1

ORGANIZATION OF THE INSURANCE DEPARTMENT



of banking institutions coming under the supervision of the Department of Banking, the Insurance Department regulates and examines only that portion of the business pertaining to title insurance.[12]

Under separate acts, it also examines non-profit medical service companies, non-profit hospitalization associations, and fraternal and beneficial societies. It also examines rating bureaus. Its annual audit of the State Workmen's Insurance Fund is a most important function in the Division.

The costs of conducting these examinations are assessed against and collected from the companies examined. This includes traveling expenses and per diem charges. A schedule is worked out based on the overhead of the Division and the salaries to be paid to the examiners and other employes. Minimum and maximum rates of per diem charges are established, depending on the annual salary of each examiner. That is, for the higher paid examiner the daily charges assessed against the company are greater than for an examiner in one of the lower brackets. Each per diem charge also includes a proportionate overhead to cover the salary of stenographers, rent, janitor and the salary of the deputy in charge of the Philadelphia office.

This Division is divided into several sections, each being responsible for a particular type of company, namely, life, casualty, fire, and fraternal and beneficial.

The great bulk of the work of this Division reposes upon insurance examiners and assistant insurance examiners.

5. Actuarial Division

The Actuarial Division is divided into two sections: Life and Compensation. The Life Section calculates the reserve liability of each Pennsylvania life insurance company, association and society. This computation is made every year and generally in the case of companies incorporated in other States, the valuations ascertained by the officials of the State of domicile are accepted by this Commonwealth. The Division assists in the rehabilitation of fraternal beneficial societies and offers advice to such societies when necessary.

The Compensation Section verifies the Workmen's Compensation loss reserves of insurance companies, analyzes Pennsylvania Special Schedule "W," investigates Workmen's Compensation complaints, recommends approval of dividends of mutual compensation companies, and confers with both the Pennsylvania Compensation Rating and Inspection Bureau and the Coal Mine Section thereof on the policies of the Bureau. The work of this Division is not maintained by the companies although they do permit the use of office space by the Compensation Section without any rental charge for purposes of evaluation of their reserves and the approval of all compensation policies issued by the companies authorized to write compensation insurance in Pennsylvania. The Compensation Actuary represents the Insurance Commissioner in the Compensation Rating and Inspection Bureau and in that representative capacity, acts as Chairman of all committees.

6. Division of Complaints

The Division of Complaints investigates complaints, adjusts claims and assists in the examination of applicants for agents and brokers licenses. The work of this Division is conducted in three offices. The chief office is at Harrisburg, with the district offices at Philadelphia and Pittsburgh. Thousands of complaints against licensed and unlicensed companies, agents and brokers are investigated each year through these three offices, and the public is properly protected against unscrupulous practices.

7. Liquidation Division

The Liquidation Division is located in Philadelphia and supervises the liquidation of any insolvent domestic insurance companies, associations or exchanges which may be taken in possession by the Insurance Commissioner pursuant to an order of the court. It also represents the Insurance Commissioner as Ancillary Receiver for foreign dissolved companies when designated by the court.

Under the law, if any domestic insurance company or any foreign company doing business in this Commonwealth should fail to comply with any provision of law or if its assets are insufficient to justify its continuance in business, its charter or certificate of authority may be revoked and the Attorney General is notified so that he may take proper legal steps. With relation to a domestic insurance company, association or exchange, the Attorney General applies to the Court of Common Pleas of Dauphin County for leave to dissolve the charter and allow the Insurance Commissioner to take possession of its property. Under the law, the Insurance Commissioner may supersede any receiver previously appointed by any court of this Commonwealth and, likewise, supersedes any assignee or trustee previously appointed by any insurance company, association, society or exchange. The affairs of the company are then liquidated by the Insurance Commissioner through his Special Deputy Insurance Commissioner. The Attorney General appoints counsel for the Liquidator.

Upon termination of the liquidation proceedings, the Insurance Commissioner files a complete account in the court where the procedings were instituted and upon approval, distribution is made. The costs and expenses for conducting these liquidations are paid out of the assets of the dissolved companies. However, a regular appropriation in the form of a revolving fund of $25,000 is made for the purpose of paying these expenses when an estate is devoid of funds. These expenses, which are treated as prior claims, are refunded when possible.

8. Division of Agents and Brokers

Prior to 1932, the Division of Agents and Brokers consisted of a Division of Agents and a Division of Brokers, each having independent personnel. Subsequent consolidation of these two Divisions, with a reduction in personnel, has resulted in considerable savings. The present Division has direct supervision over the licensing of agents, brokers, excess brokers, public adjusters and public adjusters solicitors. Qualifying examinations are required of all applicants for such licenses. Agents and brokers who wish to qualify must execute an application and file it with the Division. Brokers' applications are submitted directly and agents' applicants are endorsed and transmitted by the companies interested. The completed applications are examined and if accepted, the applicant is listed for examination and subsequently is notified to appear at one of the eight locations where examinations are conducted on the third Saturday of each month. These locations are Philadelphia, Harrisburg,

Johnstown, Pittsburgh, Erie, Williamsport, Scranton and Hazleton.

Of the total number of examinees, about twenty per cent do not appear. Of those examined, twenty per cent fail. The cost to the Department of those who fail is at least three times greater than for a man who passes the examination, since additional correspondence, postage, etc., are required. This is also true in the instances where the applicants do not appear.

The licenses of all classes of agents and brokers, as already noted, operate for only one year. These are regularly renewed and the procedure followed is a simplified one. The application form for a renewal of agent's license is a dual card embracing both the application and the license. These blank forms are sent to the companies which fill out the application on the upper portion of the card as well as names and addresses on the license forms. There is consequently little clerical work required on the forms in the Department other than to affix the signature of the Commissioner, the seal, and the date. The bulk of the clerical work occurs in checking the renewal applications and the recording of licenses in the permanent records of the Department.

Formerly licenses for all forms of agents expired on March 31st. This resulted in a tremendous volume of work at this time of the year, quite often requiring the hiring of temporary employes. To eliminate the peak period, an amendment was made to the Insurance Code which provided that fire insurance licenses should expire on September 30th, casualty and accident and health license on November 30th, hospitalization licenses on June 30th, while life insurance licenses would expire, as before, on March 31st. This amendment now permits an even work load for the Division.

An agent who has been licensed continuously for five years prior to the time he makes application for an additional license of the same kind to represent another company is not obliged to take a new examination. If he has taken an examination since November 1, 1927, for life, fire, casualty, and accident and health and has received a passing grade, it is not necessary for him to take another examination for that particular class of business, regardless of how many companies he will represent. Brokers must pass examinations in each of the fields for which they are licensed unless licensed as agents for the kind of authority requested in the broker's license.

As already noted, the questions are prepared in the Insurance Department and this Division conducts the examinations and grades the papers under the supervision of a full-time examination clerk and insurance tester. The supervisors who are in charge of the examinations in each of the eight localities previously mentioned are from the regular personnel of the Department. They do not devote their full time to this work and are paid only their traveling expenses and salaries as applied to this particular duty. Any applicant who is dissatisfied with his grade or who is disqualified for that reason may appear before the Department and review his paper. Approximately 10,000 applicants are examined annually, but no charge is made for this service. According to the Department, the average cost amount to 80c per person examined.

The following table shows the number of applicants for agents and brokers examinations, the number passing and the number failing.

TABLE XI-A

Number of Applicants for Agents and Brokers Examinations 1934-1940

Fiscal Year	Number applicants notified for examination		Number applicants who took examination		Number applicants failing examination	
1934-35	19,363		11,478		2,188	
1935-36	17,602	36,965	9,922	21,400	1,717	3,905
1936-37	13,426		8,134		1,142	
1937-38	10,181	23,607	7,805	15,939	532	1,674
1938-39	10,292		8,046		447	
1939-40	10,190	20,482	7,690	15,736	1,531	1,978
Total		81,054		53,075		7,557

PLACES OF EXAMINATION

PHILADELPHIA—District No. 1 Counties: Philadelphia, Delaware, Chester, Montgomery, Bucks.

HARRISBURG—District No. 2 Counties: Dauphin, Lebanon, Lancaster, York, Adams, Cumberland, Perry, Berks, Juniata, Mifflin, Franklin.

JOHNSTOWN—District No. 3 Counties: Blair, Bedford, Somerset, Fulton, Huntingdon, Cambria, Clearfield, Indiana.

PITTSBURGH—District No. 4 Counties: Allegheny, Westmoreland, Fayette, Greene, Washington, Beaver, Lawrence, Armstrong, Butler.

ERIE—District No. 5 Counties: Erie, Crawford, Mercer, Venango, Clarion, Forest, Warren, Jefferson, Elk, McKean.

WILLIAMSPORT—District No. 6 Counties: Lycoming, Union, Tioga, Potter, Clinton, Cameron, Montour, Northumberland, Columbia, Sullivan, Centre, Snyder.

HAZLETON—District No. 7 Counties: Luzerne, Carbon, Schuylkill, Lehigh, Northampton.

SCRANTON—District No. 8 Counties: Bradford, Lackawanna, Susquehanna, Wayne, Pike, Monroe, Wyoming.

D. PERSONNEL

On June 1, 1940, the employes of the Insurance Department totaled 83, receiving aggregate annual salaries of $180,220. In Table XI-B is shown departmental employes according to personnel title and annual salary.

TABLE XI-B

Statement of Employes by Personnel Title and Annual Salary June 1, 1940

Division and Employes	Number	Annual Salaries
Executive Division		
Commissioner	1	$10,000
Deputy Commissioner	1	6,500
Stenographer-Secretary	1	1,620
Sr. Chauffeur Clerk	1	1,380
Stenographer-Secretary	1	1,380
Sr. File Clerk	1	1,140
Sr. Mail Clerk	1	1,020
Comptroller	1	3,000
Sr. Bookkeeper	1	1,860
Stenographer-Secretary	1	1,380
Sr. Typist Clerk	1	1,020
Total	11	$30,300

Division and Employes	Number	Annual Salaries
Division of Statements and Audits		
Chief	1	$ 4,200
Supervising Policy Analyzer	1	3,000
Auditor	1	2,400
Actuary	1	2,400
Asst. Insurance Statement Examiner	1	1,860
Asst. Insurance Statement Examiner	1	1,860
Asst. Insurance Statement Examiner	1	1,860
Special Sorting Clerk	1	1,620
Stenographer-Secretary	1	1,380
Principal Mimeograph Operator	1	1,140
Sr. Clerk Stenographer	1	1,140
Sr. Clerk Stenographer	1	1,140
Sr. Typist Clerk	1	1,020
Total	13	$25,020
Division of Agents and Brokers		
Chief	1	$ 4,000
Insurance Tester	1	2,400
Stenographer-Secretary	1	1,380
Corresponding Stenographer	1	1,380
Sr. Invoice Clerk	1	1,380
Sr. Stenographer Clerk	1	1,380
Record Clerk	1	1,200
Stenographer-Clerk	1	1,020
Jr. Record Clerk @ $1,020	4	4,080
Total	12	$18,220
Division of Complaints		
Chief	1	$ 3,000
Principal Complaint Investigator	1	2,400
Principal Complaint Investigator	1	2,400
Complaint Investigator	1	1,620
Jr. Complaint Investigator	1	1,380
Corresponding Stenographer	1	1,380
Principal Stenographer Clerk	1	1,380
Stenographer-Secretary	1	1,380
Total	8	$14,940
DIVISION OF EXAMINATIONS		
Deputy Insurance Commissioner	1	$6,000
Principal Life Insurance Examiner	1	4,200
Principal Fraternal and Beneficial Insurance Examiner	1	4,200
Sr. Fire Insurance Examiner	1	4,200
Sr. Insurance Examiner	1	3,000
Sr. Fire Insurance Examiner	1	3,000
Sr. Fraternal and Beneficial Ins. Examiner	1	3,000
Sr. Casualty Insurance Examiner	1	3,000
Sr. Life Insurance Examiner	1	3,000
Insurance Examiner @ $2,400	8	19,200
Asst. Insurance Examiner @ $1,860	8	14,880
Corresponding Stenographer	1	1,380
Principal Stenographer	1	1,380
Sr. Typist Stenographer @ $1,140	2	2,280
Jr. Reception Clerk	1	1,020
Sr. Typist Clerk	1	1,020
Total	31	$74,760
ACTURIAL DIVISION		
Acting Chief Life Actuary	1	$4,200
Advanced Compensation Actuary	1	4,200
Compensation Actuary	1	2,400
Assistant Life Actuary	1	1,860
Principal Key Punch Operator	1	1,140
Principal Key Punch Operator	1	1,140
Sr. File Clerk	1	1,020
Sr. File Clerk	1	1,020
Total	8	$16,980
Grand Total	83	$180,220

E. FINANCES

The Insurance Department derives sufficient revenue from the licenses and fees collected to pay the entire cost of operation, including the expenditures on its behalf by the Department of Property and Supplies. In the biennium 1939-41, it is estimated that the revenue of the Insurance Department will exceed the gross cost of operating the Department by $259,650. The estimate for the 1937-39 biennium indicated an excess of revenue totaling only $189,046. The General Fund also receives, in the form of insurance premium taxes, approximately $542,000 from domestic companies and $12,082,000 from foreign companies. Thus, the revenue the Commonwealth receives from insurance of any sort is about $12,500,000 over and above the cost of operating the Department.

In connection with any attempt to analyze the cost of operation of the Insurance Department, it is important to know something about the number of companies, both domestic and foreign, engaged in business in the State, and the volume of business transacted. For example, as of May 1, 1939, there were 1,057 companies operating in Pennsylvania, of which 484 were domestic insurance companies incorporated under the laws of other States and foreign countries. The number of domestic and foreign companies by type is indicated in the following table:

TABLE XI-C

NUMBER AND TYPE OF INSURANCE COMPANIES IN PENNSYLVANIA MAY 1, 1939

Type	Number
DOMESTIC	
Life Insurance Companies	18
Stock and Mutual Fire Companies	281
Stock and Mutual Casualty Companies	28
Fraternal Beneficial, Title, Hospital Companies, etc.	157
FOREIGN	
Life Insurance Companies	86
Fire and Marine Companies	237
Casualty Companies	106
Fraternal Reciprocal or Assessment Companies	86
Companies of other Countries	58
Total	1,057

There were taxes collected in Pennsylvania for the fiscal year ending May 31, 1939, in the sum of $6,792,015.54. In the ensuing table the sum of $492,560.39, collected as license fees, etc., is set against the figure of $230,532.17, representing the cost of the Insurance Department maintenance. The cost of the Department and revenue derived

from licenses, fees, etc., broken down into divisions, is as follows:

TABLE XI-D

EXPENDITURES OF INSURANCE DEPARTMENT FISCAL YEAR ENDING MAY 31, 1939

Division	Gross Cost	Revenue Derived	Net Cost
Executive	$20,023.95	$	$20,023.95
Agents and Brokers .	29,980.35	324,952.62	294,972.27*
Complaints Division ..	18,640.07	.....	18,640.07
Audits and Statements	32,979.24	27,346.10	5,633.14
Accounting Division ..	8,230.83	.....	8,230.83
Examining Division ..	99,233.61	98,417.08	816.53
Actuarial Division	21,444.12	41,844.59	29,400.47*
Total	$230,532.17	$492,560.39	$262,028.22*

* Excess of receipts over expenditures.

In Table XI-E is presented a statement of revenues derived by the Commonwealth from the operations of the Insurance Department as compared with expenditures for a four year period.

Companies are required to pay a minimum annual filing fee of $20.00 when presenting financial statements and a greater amount if the retaliatory features of the Act apply. Other fees collected by this Division are as follows: filing of copy of charter $25.00; company license $2.00; certification charges for various papers $1.00 each, and a charge of $.20 per folio for each copy of any paper filed in the Department, with an additional charge of $1.00 for certification. The total receipts from these sources permit the Division to be more than self-sustaining.

TABLE XI-E

INSURANCE REVENUES DERIVED BY COMMONWEALTH AND INSURANCE DEPARTMENT EXPENDITURES JUNE 1, 1937 TO MAY 31, 1940

Year	Licenses and Fees Collected by Insurance Dept.	Taxes Collected by Treasury Dept.	Total	Expenses of Dept.
1937 ...	$418,495.62	$6,506,531.18	$6,925,026.80	$ .....*
1938 ...	496,852.08	6,812,817.15	7,309,669.23	299,628.47
1939 ...	336,116.20	6,933,044.32	7,269,160.52	336,850.88
1940 ...	492,560.39	6,792,015.54	7,284,575.93	230,532.17

* Not reported.

In addition to the above, all securities required to be deposited with the Insurance Department are receipted by this Division, and the record of the deposit thereof with the State Treasurer is kept and maintained by it, as well as the withdrawals therefrom, substitutions therefor, and the clipping of coupons or other evidences of interest attached thereto.

The revenues derived from the agents and brokers licenses for the past three years were as follows:

TABLE XI-F

NUMBER OF AGENTS AND BROKERS LICENSES ISSUED AND REVENUES DERIVED 1938, 1939, 1940

Year	Agents Licenses Number Issued	Agents Licenses Revenue Derived	Brokers Licenses Number Issued	Brokers Licenses Revenue Derived
1938	150,919	$224,886.09	7,689	$77,401.35
1939	153,017	234,216.46	8,460	80,356.47
1940	153,107	236,538.85	7,996	81,171.94

The fee for agents licenses for domestic companies is $.50. For a foreign company, the fee is $2.00 and may be greater if other States provide for a greater fee for Pennsylvania agents.

An individual brokers license fee is $10.00; incorporated brokerage companies or firms, $25.00, with the privilege of licensing three active officers or members. Public adjusters, as well as excess insurance brokers, pay annual fees of $100.00; adjuster solicitors, $50.00.

FOOTNOTES

[1] 1873, P. L. 20.
[2] 1933, P. L. 798.
[3] 1935, P. L. 1092.
[4] 1937, P. L. 1643.
[5] 1937, P. L. 1948 and 1980.
[6] 1937, P. L. 2532.
[7] 1939, P. L. 1121 and 1125.
[8] Administrative Code, Section 443.
[9] 1929, P. L. 1738.
[10] 1929, P. L. 1723.
[11] 1921, P. L. 789, Section 218.
[12] 1933, P. L. 798.

CHAPTER XII

DEPARTMENT OF JUSTICE

The first Constitution of Pennsylvania, that of 1776, provided for the appointment of an Attorney General.[1] However, the two State Constitutions which followed—those of 1790 and 1838—contained no mention of such an office. Yet, during the period that these two Constitutions were in force there was always an Attorney General functioning in the Commonwealth. The present Constitution, which went into effect in 1874, provides for an Attorney General as part of the Executive Department of the State Government.[2]

A. FUNCTION

The Attorney General is the chief law officer of the Commonwealth. As such he heads the Department of Justice. This Department is the legal office of the executive branch of the State Government. The Department handles or directs the legal business of the Governor and the administrative departments, boards and commissions, and is the legal representative of the Commonwealth. The Department of Justice bears somewhat the same relationship to the State as does a law office to a corporation which has retained it to do all its legal work.

B. POWERS AND DUTIES

To fulfill its function as the legal office of the Executive Branch of the State government, the Department of Justice possesses the following powers and duties.[3]

1. To furnish legal advice to the Governor and all administrative departments, boards, commissions or officers of the State Government.

2. To handle, supervise, direct or control the legal business of every administrative department, board, commission or officer.
3. To represent the Commonwealth, or any of its administrative departments, boards, commissions or officers in litigation to which the Commonwealth or any administrative section thereof is a party.
4. To collect, by suit or otherwise, all debts, taxes or accounts, due the Commonwealth and which any department, board or commission places with the Department for collection.
5. To prepare for submission to the General Assembly revisions and codifications of laws.
6. To take, with the approval of the Governor, reasonable means to enforce the laws of the Commonwealth and to investigate any violations or alleged violations of such laws.
7. To prosecute, in the name of the Commonwealth, all writs of quo warranto or mandamus or other extraordinary legal remedies.
8. To approve charters of insurance companies.
9. To approve the surety on fidelity bonds given by officers or employes of the Commonwealth.
10. To search titles to land purchased by the Commonwealth.
11. Upon request of the Insurance Commissioner or the Secretary of Banking to institute proceedings against and apply for receivers for and dissolution of illegally conducted and insolvent domestic companies, associations and exchanges, coming under the jurisdiction of these two officers.
12. To supersede the District Attorney of any county when the President Judge of the district so requests.
13. To cooperate, through the Board of Commissioners on Uniform State Laws, with the National Conference of Commissioners on Uniform State Laws.
14. Through the Board of Pardons, to supervise paroled inmates of the State penitentiaries and the Huntingdon Industrial School.[4]
15. Through the Board of Pardons, to hear applications for remission of fines and forfeitures, and granting of reprieves, commutations of sentences, and pardons except in cases of impeachment.

The Supreme Court of the State has declared[5] that in addition to the above enumerated statutory powers, the Attorney General is vested with the powers and attributes which were conferred upon Attorney Generals at common law before such time as county district attorneys came into being. (Before this time the Attorney General was the prosecuting officer in the State. He performed this function by appointing deputy attorneys general in each county of the State who conducted the prosecutions. Later provision was made for the election of the district attorneys who succeeded to all the powers the deputy attorney general had theretofore.) These common law powers include the right to investigate criminal proceedings in the counties; to sign indictments; to appear before the grand jury and submit testimony; to appear in court and try criminal cases on the Commonwealth's behalf; to supersede and set aside the county district attorney when in the Attorney General's judgment, such action may be necessary.

C. ORGANIZATION AND OPERATIONS

As indicated in Chart XII-1, page 6932, the Department of Justice is not organized on a bureau—division basis. Its work is performed either by the Department proper or under its administrative boards.

1. Department Proper

The Department makes a distinction in its organization between what is termed the administrative section and the special deputies and local counsel section. Actually, this distinction is primarily one of personnel, as is described more fully in the section devoted to that phase. Both sections' activities are directed along the following lines of legal work performed by the Department.

a. Rendering Legal Advice

The rendering of legal advice to the Governor and the administrative sections of the State Government is one of the primary tasks of the Department of Justice. When any officer, department, board or commission is confronted with a legal problem they submit it for consideration by the Department. Following a study of the question, the Department delivers its opinion indicating what policy or course of action should be followed by the advice-seeking officer or agency.

Problems upon which the advice of the Department is requested, cover all fields of State activity. One of the most frequent is the interpretation of a State law. An agency may desire a statement of its powers and duties under a newly-enacted bill. It may request a decision as to the applicability of a particular provision to a situation with which it is confronted. A department may request advice on whether certain contemplated procedures or operations are legal, or what right of action it has under particular circumstances. These and many other similar problems are constantly being presented to the Department of Justice for its decision.

Before the Department renders an opinion interpreting any appropriation act or act authorizing the expenditure of money, it notifies the Auditor General and Treasury Department of the question, and affords to these departments an opportunity to present their views on the problem. This procedure is in accordance with a requirement of the Administrative Code.[6]

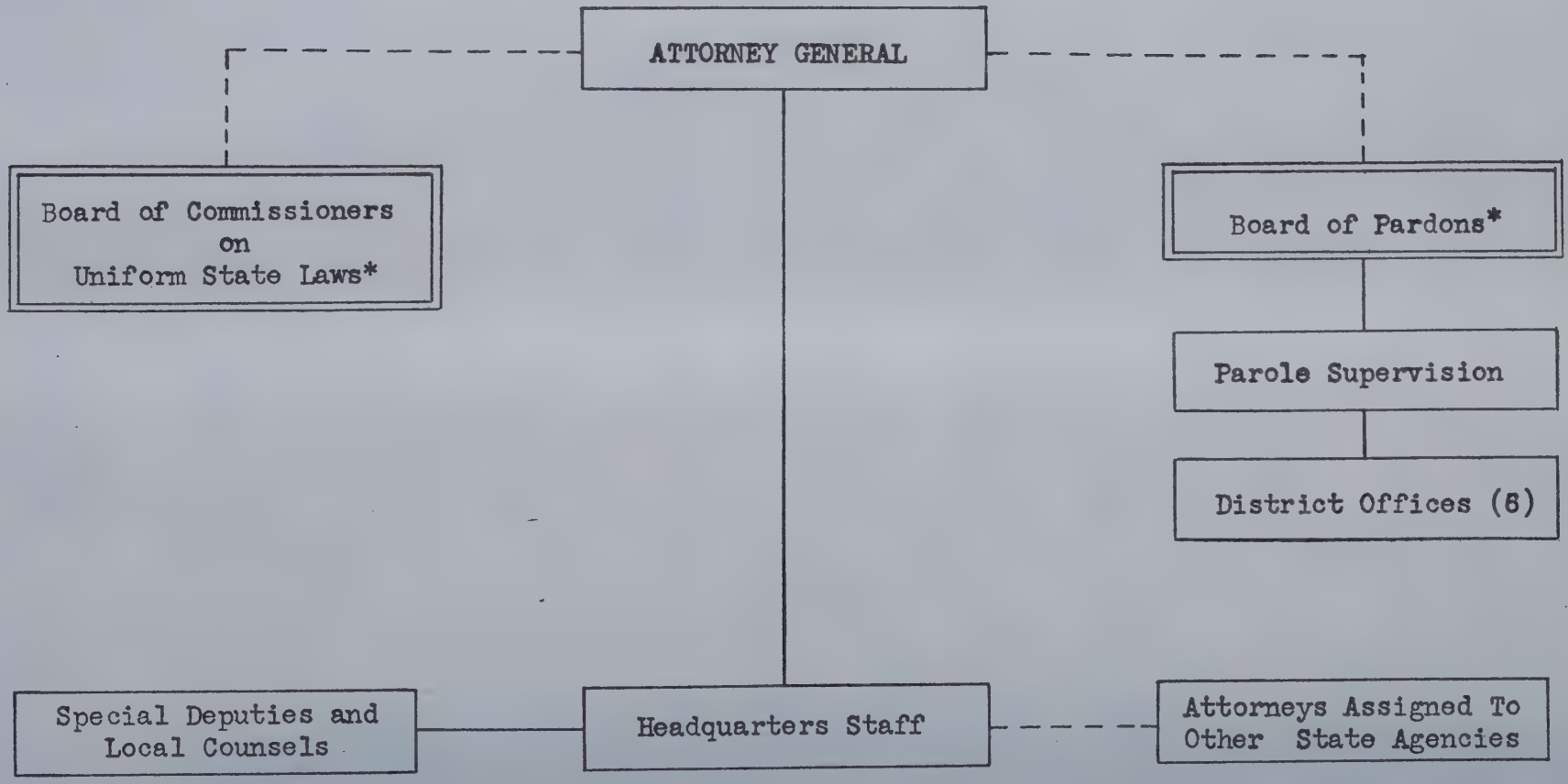
Where a State agency or officer has requested and received an opinion from the Department of Justice, that agency or officer is legally obligated to follow such advice. When an official proceeds in accordance with a decision of the Department of Justice, he cannot be held personally liable, either upon his official bond or otherwise for the consequences of his action.[6]

b. Conducting Litigations and Prosecutions

A second important activity of the Department of Justice is the conducting of litigations to which the State or any of its officials or agencies are parties. This work includes defending the constitutionality of Pennsylvania laws challenged in the State or Federal courts. Where litigation is begun as a result of any action by a State department. board or commission or officer, the Department of Justice is called in for advice and assistance. Litigation by a State officer or agency against a private party, in accordance with a particular State law, is conducted by the Department of Justice. The Department also handles cases involving collections on officer's surety bonds or insurance policies of the Commonwealth. Any litigation thus arising and to which the State is a party falls under the jurisdiction of the Department, as it is the legal representative of the Commonwealth.

CHART XII-1

ORGANIZATION OF THE DEPARTMENT OF JUSTICE



* Departmental Administrative Board

The Department of Justice also acts in a prosecuting capacity. It handles grand jury cases in which the State is concerned. It conducts prosecutions arising out of the violations of State laws, and has power, with the approval of the Governor, to investigate any violations or alleged violations of such laws. The Department may proceed against State officers or employes where their actions are not in accordance with law. Under his common law power, the Attorney General may prosecute in the county courts and may supersede county district attorneys when he deems it necessary, or is requested to do so by the president judge of the district.

Another form of prosecution with which the Department of Justice is charged, is the prosecution of writs of quo-warranto. Upon receipt of a complaint or petition requesting the Attorney General to institute writs of quo-warranto (a writ requiring an officer to show by what right he exercised any office, franchise or liberty) or other extraordinary action, a day is fixed for hearing, and notice given to the parties of the application on the time and place of hearing. Petitioners must serve copies of petitions or complaints upon the respondent at least 10 days before the date of hearing unless otherwise directed. The respondent then files a formal answer and both parties are expected to file a memorandum of legal authorities. If a prima-facie case is made out, the Attorney General allows or grants the application, otherwise it is refused.

A further type of litigation frequently handled by the Department of Justice stems from formal requests submitted by the Secretary of Banking or the Insurance Commissioner, to proceed against insolvent and illegally conducted domestic insurance companies, trust companies, saving fund societies, and building and loan associations. The Department institutes such proceedings and applies for receivers to wind up the affairs of such companies and for their dissolution.

These and other similar actions constitute the litigation and prosecution function of the Department of Justice. In other of the Department's activities discussed in detail below, the conducting of litigations and prosecutions is an essential part of the task.

c. Assisting in Collection of State Revenues

The Department of Justice performs considerable work in assisting in the collection of State revenues. This includes inheritance tax work, collecting delinquent taxes, accounts and debts and handling tax appeals.

The Department's activity in regard to inheritance taxes primarily consists of reviewing the accounts of estates filed in the Orphans' Courts for audit. The purpose of reviewing these accounts is to insure that any succeeding life estates are appraised for transfer inheritance tax purposes, and that claims against the estate (which have the effect of decreasing the net value of the taxable estate and thus reducing the tax to be paid) are justifiable and legitimate claims. This review helps the State to receive the full amount to which it is legally entitled. In counties where the Department has local counsels employed on a salary basis, one of the important portions of their job is to review all such accounts filed in their county. A county Register of Wills may request assistance in collecting an inheritance tax. This request is made to the Department of Revenue, which transmits it to the Department of Justice. If the county is one in which the Department has salaried local counsel, this counsel assists the Register. If the county is one in which there is no salaried local counsel, the Department employs, on a fee basis, a local attorney to assist the Register. Occasionally, in such counties, a local attorney may be engaged to review the account of an important estate even though the Register of Wills has not requested assistance. This inheritance tax work is valuable in increasing the revenues from this source.

The work of the Department of Justice in collecting delinquent revenues due the Commonwealth is based on section 512 in the Administrative Code which provides " . . . whenever any taxes or other accounts of any kind whatsoever due the Commonwealth remain overdue and unpaid for a period of ninety days, it shall be the duty of such department, board, commission, or officer, to refer the same to the Department of Justice." In actual practice the Department of Revenue first attempts to collect the account without legal assistance. When it fails, it certifies the account to the Department of Justice. This Department, in turn, refers the matter to its local representative who proceeds to collect the account or institute the proper proceedings. These delinquent accounts include liquid fuel, capital and corporate loans taxes. The Department is also charged with the duty of collecting amounts owed the Commonwealth for the maintenance of patients in mental hospitals. Some of these costs are owed by counties, others by legally responsible individuals.

Another way in which the Department of Justice assists in collecting State revenue, is in defending tax appeals. When appeals from taxes are filed, the Department of Revenue notifies the Department of Justice. If the appeal is to be heard in a local court, the Department refers the case to its local counsel who handles the case under the direction and supervision of the Harrisburg office. The local counsel is advised on policy so that the Department will have a uniform policy before the courts. If a further appeal is taken, it is usually handled by the central office. Corporation tax appeals are treated differently. As they are all heard in the Dauphin County Court, they are first lodged with the Department of Justice, which then files them in the Dauphin County Courts. These cases are handled by headquarters attorneys.

d. Legislative Work

A major function of the Department of Justice is its legislative work, of which there are several types. The Department drafts bills. However, as it is the legal office of the executive branch of the State Government, its bill drafting is almost entirely confined to bills for the Governor or administrative departments, boards or commissions, while the drafting of bills for the legislative branch is primarily done by the Legislative Reference Bureau. However, upon request of any legislator or legislative committee, the Department of Justice will give legislative advice.

A second phase of the Department's legislative work is the reviewing of all legislation prior to submission for the

Governor's approval. After a bill has passed both houses, it is studied by the Department of Justice. A detailed report on the bill is prepared, containing opinions as to its constitutionality and legal implications and other pertinent comments This report accompanies the bill to the Governor. and serves to guide his disposition of it.

Another aspect of the legislative work of the Department of Justice is the revising and codifying of laws. The Department is occasionally charged with the codifying of laws relating to a specific subject and submitting this codification for the action of the General Assembly. In the 1931-33 biennium, the Department of Justice revised, and in some instances codified, the laws relating to corporations, banking, building and loan associations, insurance and schools. However, the Legislature did not enact the revision of the insurance and school laws. Since 1935, the Department has been engaged in revising the criminal, insurance and public utility laws.

Other legislative duties of the Department arise from the fact that the Attorney General is one of the State officers required to approve the correction of any technical defects, misspelled words, typographical errors, or misuse of the singular and plural forms, which may be discovered in bills that have been finally enacted.[7] Such changes, however, must not affect the meaning, content or substance of the law.

e. Title Approval

The Department of Justice must pass on all titles to land acquired by the Commonwealth for the purpose of insuring that a valid and satisfactory title has been acquired. Titles to land purchased by those State agencies which do not have a significant volume of real estate purchases are entirely handled by the Department of Justice. If such real estate is in counties where the Department employs a salaried attorney, this local counsel makes the search, while in counties where the Department is not represented by a salaried attorney, this work is done by a local lawyer retained on a fee basis. Titles to lands purchased by State agencies which have a significant volume of purchases—such as the Department of Forests and Waters—are generally searched by the purchasing agency. Such departments generally have a regular staff who do this work.

Regardless whether the title is searched by a salaried local counsel or by a local attorney engaged on a fee basis, or whether the title is searched by employes of the purchasing agency, all searches are submitted to a deputy attorney general located in the Harrisburg office. He reviews the titles and, if satisfactory, approves them.

f. Approving Surety Bonds

The Administrative Code provides[8] that certain administrative officers and employes must execute in favor of the State, fidelity bonds conditioned for the faithful discharge of duties. Before such bonds are filed with the State Treasurer they are submitted to the Department of Justice for examination of the terms of the bonds and the security thereof. If everything is satisfactory, the bond is approved.

The Department also investigates the bonds furnished by persons receiving contracts from the Department of Property and Supplies. Such bonds are not acceptable unless approved by the Attorney General.

g. Approving Insurance Company Charters

When an insurance company desires to secure or renew a charter, it applies to the Department of Insurance, submitting articles of agreement. These articles are analyzed by the Department of Insurance to determine if they comply with the laws relating to the companies and are not inconsistent with the State and Federal Constitutions. If the Department of Justice is satisfied that these conditions have been met, the Attorney General certifies his approval of the articles to the Governor. No charter may be granted or renewed without the approval of the Attorney General.

h. Counsel to Workmen's Compensation Claimants

The Department of justice performs a unique service in rendering legal counsel to workmen's compensation claimants who cannot afford their own counsel. While there is no legal authorization for this work, the Department has been performing it for many years.

It has three regular attorneys—one located in Philadelphia, another in Pittsburgh, and a third in Scranton—whose sole function in the Department is the rendering of such free aid. Claimants unable to afford counsel apply to these attorneys, or to the Department, or are referred by the Workmen's Compensation Fund.

i. Special Assignments

Occasionally, the Legislature or the Governor makes a special assignment to the Attorney General or the Department of Justice. Such an assignment was made by the 1939 General Assembly, which directed and authorized the Attorney General to take steps to resist increases and secure reductions on freight or transportation charges on anthracite and bituminous coal. The sum of $100,000 was appropriated for this purpose, ($50,000 for the anthracite study and $50,000 for the bituminous study).[9]

The Department is now studying the problem, and negotiations have been carried on with the railroad carriers to secure a reduction in rates. These negotiations have generally proved unproductive, however, and complaints to the Interstate Commerce Commission are contemplated. In the anthracite region, the Attorney General intervened and became a party to a rate proceeding before the Interstate Commerce Commission by a number of coal companies.

j. Other Activities

While the above discussed subjects cover the main fields of activity of the Department of Justice, it is not all inclusive. Since the Department is the legal office for the executive branch of the State Government, it performs or controls any and all legal work that may arise in connection with the activities performed by the several administrative departments, boards, commissions, or officers.

2. Administrative Boards

The Department of Justice has two departmental administrative boards. One of these, the Board of Pardons, possesses an extensive organization. The other board, the Board of Commissioners on Uniform State Laws, is a

consulting and cooperative board without any organization other than the Board itself.

a. Board of Pardons

The State Constitution vests in the Governor the power to grant pardons, commute sentences, grant reprieves, etc. but provides that, "..... no pardon shall be granted, nor sentence commuted except upon the recommendation in writing of the Lieutenant Governor, Secretary of the Commonwealth, Attorney General and Secretary of Internal Affairs, or any three of them, after full hearing, and upon due public notice and an open session, and such recommendations, with the reasons therefor at length, shall be recorded and filed in the office of the Secretary of the Commonwealth."[10] While this provision does not actually create a Board of Pardons, it establishes the foundation for one. Upon this foundation, the Administrative Code[11] creates such a Board of Pardons as an administrative board in the Department of Justice. The Board is granted the power to hear applications for the remission of fines and forfeitures, and the granting of reprieves, commutations of sentences, and pardons, except in cases of impeachment. The Board is authorized to make recommendations in writing thereon to the Governor.

The Board of Pardon's power to recommend commutation of sentences extends only to those persons confined in State penal institutions. However, its power of recommending pardons covers all persons sentenced by any court in the Commonwealth, whether they are confined in State or county institutions or industrial reformatories and protectories. The Board does not concern itself with applications for probation; these are granted by the county judges.

The Board possesses review and approval powers regarding paroles granted criminals confined in State penal institutions. The Boards of Trustees of the State penitentiaries meet monthly and consider granting paroles to all prisoners who are serving an indeterminate sentence and whose minimum term has expired within three months. The Boards of Trustees forward their parole recommendations to the Board of Pardons, which may invite representatives of the penitentiaries or reformatories for consultation when considering cases from these institutions. If the Board concurs in a recommendation after reviewing a case, a written recommendation is made for the release of the prisoner, effective upon the expiration of the minimum term of the sentence. This recommendation is then sent to the Governor for his approval or disapproval. Such a procedure does not apply to the paroling of offenders in reformatories, as this is done by the Board of Trustees of the reformatory and does not clear through the Board of Pardons.

The Board of Pardons holds regular meetings and hearings. All papers filed with the Board are under the control of the Department of Justice, except the written reasons of the action of the Board in recommending pardons and commutations. These reasons are under the control of and technically filed in the office of the Secretary of the Commonwealth, although actually in the possession of the Board of Pardon's office. Copies of the reasons for recommending to the Governor the commutation or pardon of any applicant are also filed with the Clerk of the House of Representatives and the Secretary of the Senate, and become a part of the public records of the Commonwealth.

In the year 1939, there were 1012 cases placed on the Board's calendar. Of this number, 84 cases were either withdrawn or continued into 1940, there being a total of 928 cases argued before the Board.

The Board commuted 107 sentences and granted 56 pardons, these two types of action respectively accounted for 11.53% and 6.03% of the cases. While the Board heard ten applications for clemency asking a change of sentence from death to life imprisonment, it refused all such pleas. It granted commutations of sentences to 11 prisoners serving life imprisonment out of the 73 prisoners who applied for such clemency.

(1) Parole Supervision

A 1929 Act[4] vested in the Board of Pardons the supervision of the conduct of all prisoners released on parole, under the procedure described above, from the State penitentiaries and the Pennsylvania Industrial Reformatory. This Act also provided for the appointment by the Attorney General of a Supervisor of Paroles to administer the parole work.

For purposes of parole supervision, the State is divided into six districts, each with an office. District offices are located in Philadelphia, Pittsburgh, Harrisburg, Wilkes-Barre, Bellefonte and Erie. The Supervisor of Paroles directs activities from the headquarters office in Harrisburg. Each of the district offices is staffed with parole agents. These agents are assigned a number of parolees to supervise in accordance with rules and regulations established by the Board of Pardons. In 1939 the average number of parole cases handled by each agent was 157.

The supervision work of the agents entails receiving periodic reports from parolees, investigating their actions and conduct, and aiding in their rehabilitation and adjustment, etc. Detailed records are kept on all cases. Parole agents possess the necessary authority to secure information which they may need and to detail parolees for violations of parole. However, these agents do not possess the authority to return for violation of parole a parolee to the place of confinement from which he was released until they have specific authority to do so from the Board of Pardons.

In addition to supervising parolees from Pennsylvania penitentiaries and the State Industrial School, the parole agents supervise a number of parolees from other states under terms of an Interstate Compact. This is done on a reciprocal basis; the other states supervising Pennsylvania parolees permitted to reside out of the State.

A nine year resume of parole activities over the last nine years indicates the scope of this work. From November 30, 1930 to December 31, 1939, the parole supervision section received 16,838 cases for supervision. During this nine year period 2,725 of these cases were returned to the place of confinement from which they were released, 8,460 cases were discharged for having complied with the restrictions placed upon them by the Board of Pardons, 288 parolees died and 76 were pardoned. Subtracting these decreases totaling 11,549 from the total of 16,838 cases received, leaves 5,289 active Pennsylvania cases under supervision on December 21, 1939. As of this date, the agents were also supervising 531 cases for other states, making a total of 5,820 active cases.

An indication of the yearly work of this section is obtained by considering the case statistics for the calendar year 1939. On January 1, 1939 there were 5,072 Pennsylvania cases under supervision. During the year 1,725 cases were added, 1,026 cases were discharged, 445 were returned, 34 died, and 3 were pardoned. These reductions in cases totaled 1,508 producing a net increase of 217 cases, and a total domestic case loan of 5,289 as of December 31, 1939. During the year there was a net increase of 82 cases from other states, making a total active case load at the end of the year of 5,280.

This case record is summarized below in tabular form.

TABLE XII-A

DEPARTMENT OF JUSTICE
PAROLE SUPERVISION CASE RECORD
NOVEMBER 30, 1930 to DECEMBER 31, 1939

Case Distribution	Nov. 30, 1930 to Jan. 1, 1939	Jan. 1, 1939 to Dec. 31, 1939	Nov. 30, 1930 to Dec. 31, 1939
Pennsylvania Cases Received ..	15,113	1,725	16,838
Pennsylvania Case Losses:			
Discharged	7,434	1,026	8,460
Returns	2,280	445	2,725
Deaths	254	34	288
Pardons	73	3	76
Total Losses	10,041	1,508	11,549
Active Pennsylvania Cases	5,072	217	5,289
Cases Supervised for Other States	449	82	531
Total Active Cases	5,521	299	5,820

In Table XII-B, following, is presented an analysis of the 445 cases returned to the original place of imprisonment during 1939.

TABLE XII-B

DEPARTMENT OF JUSTICE
REASONS FOR RETURN OF PAROLEES IN 1939

Reason for Return	Number Returned			
	Eastern State Penitentiary	Western State Penitentiary	Penna. Indus. School	Total
General Violations	34	19	53	106
Voluntary Surrender ...	2	....	1	3
Predatory Crimes	98	44	110	252
Sex Crimes	13	1	3	17
Crimes of Violence	19	2	5	26
Miscellaneous	20	10	11	41
Total	186	76	183	445

b. Board of Commissioners on Uniform State Laws

For over half a century there has existed in the United States an organization titled the National Conference of Commissioners on Uniform State Laws. The object of this organization is to promote uniformity among the laws of the various states. It drafts model laws on common subjects and endeavors to have these laws adopted by the legislatures of the several states.

The Conference is composed of representatives from every State. Pennsylvania's representatives are legally designated in the Administrative Code[12] as the Board of Commissioners on Uniform State Laws, an administrative board in the Department of Justice.[13] The Board is charged with examining such subjects as it deems necessary, and to ascertain the best means of effecting an assimilation and uniformity of state legislation throughout the country. The members of the Board attend the annual meetings of the National Conference of Commissioners on uniform State laws. They are authorized to join with it in such measures as may be deemed most expedient to advance these objects.

Of the many uniform laws recommended by the Conference, covering some 50 or more subjects, Pennsylvania ranks high among the States in the number adopted. The General Assembly of the State has enacted 23 of the model laws. Only three other states have adopted more uniform laws than Pennsylvania.[14]

D. PERSONNEL

While the Department of Justice has no organizational sections, other than the Department proper and the administrative boards, it makes certain distinctions in its personnel.

1. Department Proper

The Department proper controls and directs three groups of employes. First, there are the employes in the Harrisburg or headquarters office. Secondly, there are the employes which are compensated by the Department but are not located in the Harrisburg office. Thirdly, there are those attorneys who are assigned to other agencies of the State Government and who are compensated by the agencies to which they are assigned.

a. Headquarters Staff

Heading the entire Department is the Attorney General. He is appointed by the Governor, with the consent of two-thirds of the Senate, and serves during the pleasure of the Governor. He receives an annual salary of $12,000.[15]

The staff of the headquarters office consists of the legal employes plus the general and clerical employes necessary to the functioning of the office.

The Department follows a policy of specialization among its headquarters attorneys. Matters pertaining to a particular subject are referred to the same attorney, in order that he may become experienced in the subject and can handle it more efficiently and accurately. Table XII-C indicates the general plan of assignment:

TABLE XII-C

DEPARTMENT OF JUSTICE
ASSIGNMENTS OF DEPUTIES
BY DEPARTMENTS AND SUBJECTS

Title	Assignment
Deputy Attorney General..	Department of Agriculture
	Department of Forests and Waters
	Board of Fish Commissioners
	Pennsylvania Game Commission

Title	Assignment
	Special Criminal Investigations
	Inquiries Involving Criminal Procedure and the Interpretation of Criminal Laws.
Deputy Attorney General..	Department of Public Instruction including all professional licensing and examining boards.
Deputy Attorney General..	Department of Banking
	Department of Insurance
Deputy Attorney General..	Department of Mines
	Supervision over all delinquent collections, escheat work, investment bond defaults, etc.
	Special assignments.
Deputy Attorney General..	Department of Health
	Department of Commerce
	Governor's Office
	All matters pertaining to notaries public, justices of the peace, aldermen, constables, civil officers, etc., their terms of office and duties.
	All matters involving municipalities and municipal officers.
Deputy Attorney General..	Department of Public Assistance
	Department of Labor and Industry
Deputy Attorney General..	Treasury Department
	Auditor General's Department
	Extraditions
	Pennsylvania Liquor Control Board
	Pennsylvania Motor Police
Deputy Attorney General..	Department of Property and Supplies
	Department of Military Affairs
	Department of Internal Affairs
	The General State Authority
	All Title and Deed Work
Deputy Attorney General..	Inheritance Tax Work
	Mercantile Tax Work
	Personal Property Tax Work
	Budget Office
	Legislative Work
	Legislative Officers and Commissions
	Consultations with deputies re various phases of departmental work.
Deputy Attorney General..	Corporation Tax Work
	Board of Finance and Revenue
Deputy Attorney General..	Department of Welfare
	Department of State
	Inquiries pertaining to problems of social welfare.
Assistant Deputy Attorney General	Assists deputies handling tax work
Assistant Deputy Attorney General	Department of Highways
	Department of Revenue—Bureau of Motor Vehicles only
	Public Utility Commission
Principal Legal Assistant..	Docket Work
	Court Detail
	Research
Assistant Deputy Attorney General	Bid Openings
	Inspection of all contracts, leases, agreements, bonds, proposals, etc.
Principal Legal Assistant..	Assists deputy handling delinquent collections, escheats, etc.

Table XII-D shows the staff of the Harrisburg Office of the Department of Justice as of June 1, 1940:

TABLE XII-D

DEPARTMENT OF JUSTICE
SUMMARY OF PERSONNEL AND SALARIES PAID IN HARRISBURG OFFICE—JUNE 1, 1940

Personnel Classification	Number of Employes	Annual Salaries
Attorney General	1	$12,000
Deputy Attorneys General ($6,000)	2	12,000
Deputy Attorneys General ($5,000)	10	50,000
Special Deputy Attorney General ..	1	5,000
Assistant Deputy Attorney General	1	4,200
Assistant Deputy Attorney General	1	3,200
Assistant Deputy Attorney General	1	2,400
Principal Legal Assistant	1	3,300
Principal Legal Assistant	1	2,400
Comptroller	1	2,400
Senior Editor	1	2,400
Principal Stenographer Secretary ..	1	2,100
Advanced Stenographer Secretary ..	1	1,860
Correspondent Stenographer	1	1,500
Correspondent Stenographer	1	1,380
Principal Stenographer Clerk	1	1,500
Principal Stenographer Clerks ($1,380)	10	13,800
Head File Clerk	1	1,380
Senior Clerk	1	1,380
Advanced File Clerk	1	1,380
Senior Stenographer Clerk	1	1,320
Senior Stenographer Clerks ($1,200)	3	3,600
Advanced File Clerk	1	1,140
Senior Stenographer Clerk	1	1,140
Senior File Clerks ($1,020)	2	2,040
Junior Clerk	1	1,020
Total	48	$135,840

b. Field Representatives

As was previously indicated, the Department has attorneys in individual counties to handle the work of the Department in those counties. In the larger counties these attorneys are employed on a salary basis, while in the smaller counties they are employed on a fee basis, as the situation demands.

As of June 1, 1940 the Department employed the following special deputies and local counsels on a salaried basis:

TABLE XII-E

DEPARTMENT OF JUSTICE
SUMMARY OF SPECIAL DEPUTIES AND LOCAL COUNSEL ASSIGNED TO WORK IN COUNTIES
JUNE 1, 1940

Personnel Classification	Number of Employes	Annual Salaries
Deputy Attorney General	1	$5,000
Special Deputy Attorneys General ($5,000)	3	15,000
Special Deputy Attorneys General ($3,600)	2	7,200
Attorneys ($3,600)	3	10,800
Attorney	1	3,500
Attorneys ($3,000)	2	6,000
Attorneys ($2,500)	6	15,000
Attorneys ($2,400)	2	4,800
Attorneys ($2,000)	2	4,000
Total	22	$71,300

c. Attorneys Assigned to and Compensated by Other State Agencies

There are some state agencies which require full time legal services from one or more attorneys. In such instances the Attorney General assigns to these agencies, the required number of attorneys. However, while they are employed, assigned and, in the final analysis, responsible to the Attorney General, these attorneys are compensated by the agency to which they are assigned and technically, are employes of that agency.

The following indicates the Depupty Attorneys General, Special Deputy Attorneys General and legal assistants appointed by the Attorney General and assigned to various agencies of the State Government, and compensated by the agencies to which assigned, as of June 1, 1940.

TABLE XII-F

DEPARTMENT OF JUSTICE
LEGAL EMPLOYES APPOINTED BY THE ATTORNEY GENERAL ASSIGNED TO VARIOUS DEPARTMENTS BOARDS AND COMMISSIONS AND PAID BY AGENCY ASSIGNED TO

Departmental Assignments and Personnel Classification	Number of Employes	Annual Salaries
Department of Labor and Industry:		
State Workmen's Insurance Fund		
Deputy Attorney General	1	$ 6,000
Advanced Legal Assistants ($2,400)	10	24,000
Senior Assistant Counsel	1	3,600
Principal Legal Assistant	1	2,100
Total	13	$35,700
Workmen's Compensation Board		
Principal Legal Clerks ($2,100)	2	$ 4,200
Special Legal Clerks ($2,400)	2	4,800
Principal Legal Assistant	1	3,000
Total	5	$12,000
Pennsylvania Labor Relations Board		
Special Solicitor	1	$ 5,000
Board of Review		
Assistant Counsel	1	$ 3,300
Assistant Counsel	1	2,700
Total	2	$ 6,000
Unemployment Compensation and Employment Service		
Special Deputy Attorneys General ($6,000)	2	$12,000
Executive Assistant	1	3,600
Field Prosecutors ($2,100)	6	12,600
Advanced Legal Assistants ($2,400)	4	9,600
Advanced Legal Assistants ($2,700)	2	5,400
Advanced Legal Assistants ($3,000)	2	6,000
Principal Legal Assistants ($3,000)	2	6,000
Attorney	1	2,700
Senior Attorneys ($3,000)	2	6,000
Total	22	$63,900
Department of Property and Supplies		
Head Legal Clerk	1	$ 2,400
Pennsylvania Liquor Control Board		
Deputy Attorney General	1	$ 6,000
Special Deputy Attorney General	1	5,000
Special Deputy Attorneys General ($4,000)	6	24,000
Assistant Special Deputy Attorney General	1	3,000
Total	9	$38,000
Department of Highways		
Senior Counsel	1	$ 5,300
Counsel	1	4,200
Principal Legal Clerk	1	3,000
Total	3	$12,500
Department of Revenue		
Special Deputy Attorney General	1	$ 4,200
Counsel	1	3,600
Advanced Corporation Taxing Officer	1	3,600
Total	3	$11,400
Henrietta Garret Estate		
Counsel ($7,500)	2	$15,000
Counsel	1	3,000
Total	3	$18,000
Milk Control Commission		
Deputy Attorney General	1	$ 5,000
Assistant Deputy Attorney General	1	4,000
Assistant Deputy Attorney General	1	3,600
Total	3	$12,600
Pennsylvania Public Utility Commission		
Chief Counsel	1	$ 7,500
Counsel ($5,000)	2	10,000
Counsel	1	4,200
Principal Legal Assistant	1	3,600
Principal Legal Assistant	1	3,000
Legal Assistant	1	3,600
Legal Assistant	1	3,000
Head Legal Assistant	1	3,600
Total	9	$38,500

Departmental Assignments and Personnel Classification	Number of Employes	Annual Salaries
Department of Forests and Waters		
Counsel	1	$ 5,000
Department of Public Instruction		
Counsel	1	$ 1,800
Insurance Department—Liquidation Division		
Counsel	1	$ 5,000
Pennsylvania Turnpike Commission		
Deputy Attorney General	1	$ 5,000
Grand Total	78	$272,800

2. Administrative Boards

As was previously indicated, of the two administrative boards in the Department of Justice, one has an extensive organization and staff while the other does not.

a. Board of Pardons

The Board of Pardons consists of the Lieutenant-Governor, the Secretary of the Commonwealth, the Attorney General and the Secretary of Internal Affairs.[16] This is the one administrative board in the Commonwealth upon which an officer may not be represented by his deputy. All members of the Board must sit in person.

The Board of Pardons has a Secretary who receives $3,000 per year. In addition, as of June 1, 1940, the Board had two employes to perform the necessary clerical work, as follows:

Personnel Classification	Number of Employes	Annual Salaries
Senior Stenographer Clerk	1	$1,140
Senior Clerk-Typist	1	1,020
Total	2	$2,160

(1) Parole Supervision

Chief employe of the Parole Supervision section is the Supervisor of Paroles. Each district office is headed by a senior parole agent who has under him a number of junior parole agents and the necessary complement of clerical employes. As of June 1, 1940, the following employes were on the parole supervision staff. (At that time there were several vacancies).

TABLE XII-G

DEPARTMENT OF JUSTICE

Employes of the Parole Supervision Staff June 1, 1940

Personnel Classification	Number of Employes	Annual Salaries
Supervisor of Paroles	1	$ 5,000
Senior Parole Agent	1	3,000
Senior Parole Agents ($2,400)	3	7,200
Junior Parole Agents ($2,040)	3	6,120
Junior Parole Agents ($1,860)	26	48,360
Senior Stenographer Secretary	1	1,620
Senior Stenographer Clerk	1	1,380
Principal Clerk Stenographer	1	1,380
Senior Stenographer Clerk	1	1,200
Senior Stenographer Clerks ($1,140)	10	11,400
Typist Clerks ($1,020)	2	2,040
Total	50	$88,700

b. Board of Commissioners on Uniform State Laws

The Board of Commissioners on Uniform State Laws consists of three persons learned in the law and appointed by the Governor, and Attorney General, ex-officio. The terms of the members are four years from the dates of their respective appointments. The Board has no staff of employes.

3. Summary of Personnel

As of June 1, 1940, the Department of Justice was staffed with the following regular salaried personnel:

TABLE XII-H

DEPARTMENT OF JUSTICE

Summary of Personnel and Annual Salaries June 1, 1940

Section	Number of Employes	Annual Salaries
Headquarters Staff	48*	$135,840*
Field Representatives	22	71,300
Board of Pardons	2	2,160
Parole Supervision	50	88,700
Total	122	$298,000

* Includes Attorney General at $12,000 per year.

In addition there were 78 attorneys with annual salaries of $272,800 assigned to other branches of the State Government and compensated by those branches. Also, when a situation requires, local attorneys are employed on a fee basis to handle the Department's work in the smaller counties.

E. FINANCES

The nature of the work of the Department of Justice is not such as to cause any complexity of finances. It is primarily a service agency to the State Government and therefore, has little opportunity to produce any income.

1. Department Proper

The expenses of the Department of Justice are divided between the administrative expenses and those of the special deputies and local counsel.

a. Administrative

The 1937-39 budget originally appropriated $302,500 for the expenses of the Administrative section. The Special Session of 1938 made a deficiency appropriation of $8,000 which was used for printing. A further deficiency appropriation of $30,000 was made by the 1939 session of the Legislature. Of the $340,500 thus appropriated, the Administrative section spent $340,495, distributed as follows:

TABLE XII-J

DEPARTMENT OF JUSTICE
EXPENDITURES OF ADMINISTRATIVE SECTION
BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Amount
Salaries	$232,184
Wages	9,838
Fees	38,173
Printing, Binding, etc.	25,105
Food	6
Materials and Supplies	995

Traveling Expenses	9,782
Motor Vehicle Supplies and Repairs	2,270
Freight, Express and Cartage	33
Postage	1,360
Telephone and Telegraph	8,438
Contracted Repairs	306
Rent of Equipment	283
Insurance and Fidelity Bonds	1,566
Other Maintenance Service	402
Equipment	4,881
Advance Requisition	4,873
Total	$340,495

b. Special Deputies and Local Counsel

The appropriations for special deputies and local counsel followed closely the pattern of those of the administrative section. The original appropriation in the 1937-39 biennium budget totaled $225,000. This was increased during the 1938 Special Session by $42,000 and further increased by a deficiency appropriation of $43,522 in the 1939 Session. This brought the total appropriation for the biennium to $310,522. The Department expended this entire amount, upon the following basis:

TABLE XII-K

DEPARTMENT OF JUSTICE
EXPENDITURES FOR SPECIAL DEPUTIES AND LOCAL COUNSEL 1937-39 BIENNIUM

Object	Amount
Salaries	$192,364
Fees	112,914
Traveling Expenses	3,340
Postage	548
Telephone and Telegraph	306
Wages	1,050
Total	$310,522

Combining the figures for the Administrative Section and those for special deputies and local counsel indicates that during the 1937-39 biennium the Department of Justice proper expended $651,017 out of appropriations of $651,022. To this must be added the salary of the Attorney General which amounted to $23,951 for the biennium, thus producing total expenditures for the Department proper of $674,968.

The money the Department of Justice collects on delinquent accounts, or helps collect through its inheritance tax and tax appeal work is not credited to the account of the Department. The only revenue of the Department proper stems from attorney and litigation fees that it receives. In the 1937-39 biennium, these amounted to $18,848. Deducting this from the total expenditures of $674,968 produces a net cost of $656,120.

2. Administrative Boards

The difference that was evident between the Board of Pardons and the Board of Commissioners on Uniform State Laws as far as organization and personnel is concerned also extends to finances.

a. Board of Pardons

The 1937-39 budget appropriated $21,000 for the Board of Pardons. The Board expended only $19,228 of this allotment, as follows:

TABLE XII-L

DEPARTMENT OF JUSTICE
EXPENDITURES OF BOARD OF PARDONS
1937-39 BIENNIUM

Object	Amount
Salaries	$10,440
Fees	347
Printing and Binding	3,819
Materials and Supplies	116
Traveling Expenses	307
Postage	1,150
Telephone and Telegraph	304
Advertising	2,434
Contracted Repairs	3
Equipment	308
Total	$19,228

The Board of Pardons makes certain charges. A $1.00 application fee is charged, and a $10.00 fee is charged for filing. During the 1937-39 biennium, these fees amounted to $22,730. This exceeded the expenses of the Board by $3,500, thus making it a self-supporting agency.

(1) Parole Supervision

Two appropriations were made for parole supervision in the 1937-39 biennium. The original budget appropriation was $261,000 and this was increased to $276,000 in the 1939 session by a deficiency appropriation of $15,000. Of this amount the Department expended $272,853 upon the following object classification basis set forth in Table XII-M. No revenue is received from Parole Supervision.

TABLE XII-M

DEPARTMENT OF JUSTICE
EXPENDITURES FOR PAROLE SUPERVISION BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Amount
Salaries	$187,051
Wages	1,699
Printing, Binding, etc.	2,384
Food	135
Materials and Supplies	366
Traveling Expenses	35,093
Motor Vehicles Supplies and Hire	15,384
Freight, Cartage and Express	57
Postage	5,507
Telephone and Telegraph	6.008
Light, Heat and Power	104
Contracted Repairs	106
Rent of Real Estate	15,565
Rent for Equipment	183
Insurance, Surety Bonds	900
Other Maintenance Service	106
Equipment	2,205
Total	$272,853

b. Board of Commissioners on Uniform State Laws

The chief expenses of the Board of Commissioners on Uniform State Laws are the traveling expenses of the members in attending the annual National Conference of such Commissioners. The amount spent is somewhat dependent upon the location of the meeting. A portion

of the money is used as a subsidy to the work of the Conference. During the 1937-39 biennium, $1,228 was expended for traveling expenses and $1,050 for subsidies, making total expenditures of $2,278 out of an appropriation of $2,500.

3. Summary of Finances

Thus, during the 1937-39 biennium the Department of Justice expended $969,326 out of appropriations of $984,522. During this period revenues of $41,578 were received reducing the net expenditures to $927,748. In the 1937-39 biennium budget there was an appropriation of $10,000 to revise the insurance and utility laws but no expenditures were made from this item.

For 1939-41 the sum of $1.086,000 was appropriated. In addition to the items of expense enumerated above there were three additional appropriation items. Two appropriations of $50,000 each were made for the anthracite and bituminous coal freight rates studies. The sum of $100,000 was appropriated for the Grand Jury Investigation of 1939. Receipts of $15,000 and $24,000 from attorney and litigation fees and Board of Pardon fees, respectively, was estimated, thus producing net expenditures of $1,047,000. These figures are shown in Table XII-N, following:

TABLE XII-N

DEPARTMENT OF JUSTICE
APPROPRIATIONS AND EXPENDITURES
1937-39 AND 1939-41 BIENNIUMS

Item	1937-39 Appropriations and Estimates	1937-39 Actual Expenditures and Receipts	1939-41 Appropriations and Estimates
Expenditures			
Salary of Attorney General	$ 24,000	$ 23,951	$ 24,000
Administrative Section	340,500	340,495	302,500
Special Deputies and Local Counsel	310,522	310,522	275,000
Board of Pardons	21,000	19,228	21,000
Parole Supervision	276,000	272,853	261.000
Board of Commissioners on Uniform State Laws	2,500	2,278	2,500
Revision of Insurance and Utility Laws	10,000	.....	.....
Coal Freight Rate Studies	.....	.....	100,000
Grand Jury Investigation	.....	.....	100,000
Total	$984,522	$969,326	$1,086,000
Less Receipts			
Attorney and Litigation Fees	$ 25,000	$ 18,848	$ 15,000
Board of Pardon Fees	24,000	22,730	24,000
Total	$ 49,000	$ 41,578	$ 39,000
Net Expenditures	$935,522	$927,748	$1,047,000

FOOTNOTES

[1] Constitution 1776, Section 20.
[2] Constitution, Article IV, Section 1.
[3] Administrative Code, Sections 901 to 910, 2410 and 219.
[4] 1929 P. L. 1184.
[5] Commonwealth ex al. Minird, et al, vs. Margiotti, 326 Pennsylvania 17 (1936)
[6] Administrative Code, Section 512.
[7] 1933 P. L. 946.
[8] Administrative Code, Section 219.
[9] 1939 P. L. 1113 and 1115.
[10] Constitution, Article IV, Section 9.
[11] Administrative Code, Section 202.
[12] Administrative Code, Section 910.
[13] Administrative Code, Section 202.
[14] State Government, "Record of Uniform State Laws Enacted," Inside Back Cover, Volume XIII, Number 8, August, 1940.
[15] Administrative Code, Sections 207, 208 and 209.
[16] Constitution, Article IV, Section 9; Administrative Code, Section 202.

CHAPTER XIII

DEPARTMENT OF LABOR AND INDUSTRY

First official recognition, in Pennsylvania, that State governments have a primary responsibility in the care, welfare, and protection of its industrial workers, came with the passage of the so-called "Factory Act"[1] in 1889. This Act provided for the appointment of a factory inspector and six deputies. Later, in 1905, the Legislature passed a "Boiler Inspection Act,"[2] and still later, in 1913, the Department of Labor and Industry was created.[3]

Since 1913, matters concerning employers, employes, and their interrelationship, have come up for deliberation at almost every session of the Legislature. Many acts were passed affecting industry, and the scope of the Department of Labor and Industry's activities expanded rapidly. Today, considering personnel and range of influence, it is one of the largest and most important departments in Pennsylvania's governmental set-up.

A. FUNCTION

The Department of Labor and Industry is concerned chiefly with the protection of the life of the worker. It prescribes and enforces safety rules and regulations, administers the various laws with regard to same, as well as those laws concerned with hours, wages, and conditions of work, and, in general, looks after the welfare of employes. Included among the more important laws administered by the Department are those having to do with unemployment compensation, employment service, minimum wages for women and minors, hour laws for all classes of workers, industrial home work, workmen's compensation, occuptional disease, accident reporting, safety, and industrial health.

In carrying out its varied activities, the Department maintains relationships with industry, with educational institutions, with State and Federal agencies, and with the general public. It plays a leading part in matters of national concern such as production for national defense, settlement of strikes, etc.

B. POWERS AND DUTIES

Major powers and duties of the Department of Labor and Industry, as outlined in the Administrative Code, include the following:

1. In relation to inspection and administration:

   a. To inspect every room, building, or place within the State where labor is being performed, and all buildings where public assemblies are held.

[1] Footnotes on page 6964.

b. To receive, examine, and approve plans for all buildings of more than two stories and all places of assembly outside of cities of the 1st, 2d, and 2d-A classes.

c. To receive and check plans for elevator installations outside of cities of 1st and 2d classes, and to issue permits for erection and repair of elevators.

d. To file reports of inspection of elevators.

e. To inspect boilers and to receive and check reports of inspection of boilers.

f. To examine and license motion picture projectionists and apprentices.

g. To receive reports of industrial accidents, to direct the investigation and to prescribe means for the prevention of such accidents.

h. To issue orders for removing or safe-guarding against industrial hazards.

2. In relation to investigation:

a. To make investigations and surveys upon any subject within the Department's jurisdiction, on its own initiative or on request of the Industrial Board.

3. In relation to statistics:

a. To collect, compile, and transmit to the Department of Propery and Supplies for publication, statistics relating to labor and industry, organizations of employes, and organizations of employers.

4. In relation to rules and regulations:

a. To make rules and regulations, subject to approval by the Industrial Board, for carrying into effect the laws regulating the labor of persons, and the construction, ventilation, and equipment of places where labor is performed or public assemblies held, and to enforce all such rules and regulations.

5. In relation to mediation and arbitration:

a. To send a representative to any locality where an industrial controversy exists and endeavor to effect an amicable settlement by mediation. If such settlement cannot be effected and the dispute is submitted for arbitration, to select, on request of the parties to the dispute, an impartial person to act as chairman of the Board of Arbitration, in the event the representatives of employer and employes fail to name such a person.

6. In relation to women and children:

a To make studies and investigations of the special problems connected with the labor of women and children.

b. To create the necessary organization and appoint an adequate number of inspectors to enforce the laws and rules and regulations relating to the work of women and children.

7. In relation to workmen's compensation:

a. To administer and enforce the laws relating to workmen's compensation.

b. To receive and classify reports of all accidents; to receive and approve or disapprove agreements, supplemental agreements, receipts, final receipts, and other papers in workmen's compensation cases, which have heretofore been subject to the approval of the Workmen's Compensation Board, and to notify the parties of its approval or disapproval within 30 days after the receipt of such agreements, receipts, or other papers.

c. To follow up all cases in which workmen's compensation agreements have been filed, and see that such agreements are fulfilled.

d. To advise injured workmen of their rights under the workmen's compensation laws.

e. From time to time, to divide the State into such number of workmen's compensation districts as it may, with the approval of the Executive Board, deem advisable for the proper administration of the Workmen's Compensation Laws.

f. To receive and refer to the Workmen's Compensation Board claims in contested cases, and mail decisions of the Workmen's Compensation Board and of Workmen's Compensation Referees, in all contested cases, to claimants and defendants.

g. To render to the Workmen's Compensation any reasonable assistance requested by the Board in the conduct of its work.

h. To prepare and issue to the Auditor General certificates or requisitions for the payment of workmen's compensation to injured employes of the Commonwealth, except in cases in which the Commonwealth's liability therefore is covered by insurance.

8. In relation to rehabilitation:

a. To aid persons injured in industrial pursuits; to arrange for medical treatment and procure artificial limbs and appliances to enable them to engage in remunerative occupations.

b. To make surveys to ascertain the number and condition of physically handicapped persons.

c. To cooperate with the Department of Public Instruction in arranging for training courses in the public schools or other educational institutions, and in industrial or agricultural establishments, for persons injured in industrial pursuits.

d. To provide maintenance for such injured persons, during such training, to such extent as the Department may have funds available for the purpose.

9. In relation to employment and unemployment:

a. To endeavor to bring together employers seeking employes and applicants for employment.

b. To supervise all public and private employment agencies.

c. To report on the extent of unemployment, the remedy therefor, and the means for the prevention thereof.

d. To establish employment offices or labor exchanges at convenient places throughout the Commonwealth.

e. To promote the intelligent distribution of labor and, when necessary, to assist in securing transportation for employes desiring to go places where work is available.

10. State Workmen's Insurance Board—Powers and Duties:

a. To administer the State Workmen's Insurance Fund.

b. To determine the amount of premiums which subscribers to the State Workmen's Insurance Fund shall pay, and to fix the premiums for insurance.

c. To make all contracts necessary for supplying medical, hospital, and surgical services which the employer is required to furnish during the first 14 days after disability begins, as provided in section 306, sub-section (e), Article 3, 1915, P. L. 736.

d. To inspect all property and premises of any subscriber, and to examine from time to time the books, records, and payrolls of any subscriber or intending subscriber to determine the amount of premium payable to such subscriber or intending subscriber.

e. To make reasonable rules and regulations for the prevention of injuries upon the premises of subscribers; and to refuse to insure or to terminate the insurance of any subscriber who refuses to permit such examinations or disregards such rules or regulations.

11. Workmen's Compensation Board—Powers and Duties:

a. To make all proper and necessary rules and regulations for the legal and judicial procedure of the Bureau of Workmen's Compensation, and to hear and determine promptly all petitions and appeals.
b. To divide the Commonwealth into workmen's compensation districts, which shall, as near as may be practicable, be of compact and contiguous territory.
c. To conduct any investigation deemed necessary to ascertain the facts of any claim or any other matter properly before the Board.

12. Workmen's Compensation Referees — Powers and Duties:

a. To hear such claims for compensation as are assigned to them by the Workmen's Compensation Board, and to perform such duties as may be required by the Board or by law.
b. To conduct any investigation deemed necessary to ascertain the facts of any claim or any other matter properly before such Referees.

13. Industrial Board—Powers and Duties:

a. To meet at least once each month to consider such matters as are brought before it or are requested by the Secretary of Labor and Industry.
b. To hold hearings with reference to the application by the Department of the laws affecting labor, upon appeal of employes, employers, or the public, and, after such hearings, to make recommendations to the Department.
c. To approve or disapprove the rules and regulations established by the Department and make suggestions to the Department for the formulation of such rules and regulations.
d. To consider, study, and investigate the conduct of the work of the Department.

C. ORGANIZATION AND OPERATIONS

The chief executive officer of the Department of Labor and Industry is the Secretary who is appointed by the Governor for a term of four years, and who receives a salary, set by statute, of $10,000 per year. Serving under the Secretary, and acting as his representative when occasion demands, is a Deputy Secretary who receives a salary of $7,000 per year. In the absence of the Secretary from the Department, the Deputy Secretary exercises all the powers and performs all the duties vested by law in the head of the Department except the power to appoint deputies, bureau chiefs, assistants, or other employes. In addition to his responsibilities as chief administrative officer of the Department, the Secretary is by law chairman of the State Workmen's Insurance Board and of the Industrial Board, and is a member of the Workmen's Compensation Board.

For administrative purposes, the work of the Department is divided among a number of boards, bureaus, and divisions. Organization Chart XIII-1, page 6944 shows the present set-up and the inter-relationship of the various groups.

1. The Executive Office

This office includes the staffs of the Secretary and the Deputy Secretary and is responsible for the general administrative work of the Department. Functions pertaining to personnel, supplies, equipment, duplicating, mailing, budgeting and departmental receipts and expenditures are performed under the immediate supervision of this office. Directly responsible to the Executive Office is the Accounting Division.

a. The Accounting Division

The Accounting Division is the fiscal unit of the Department. It is responsible for the preparation of budgets and the regulation of expenditures within the limits specified in the budget, as finally approved. It makes up the payrolls and furnishes all accounting figures and reports required by the Governor's Budget office. Accounts of all appropriations, receipts, and expenditures are kept, and monthly cost reports are prepared showing expenditures by bureaus, divisions, functions, etc. It handles the procurement of supplies, acting in laison with the Department of Property and Supplies, and maintains the Department storeroom. This Division also acts as agent for the Department of Revenue in the collection of fees and other receipts from departmental activities.

2. The Labor Relations Board

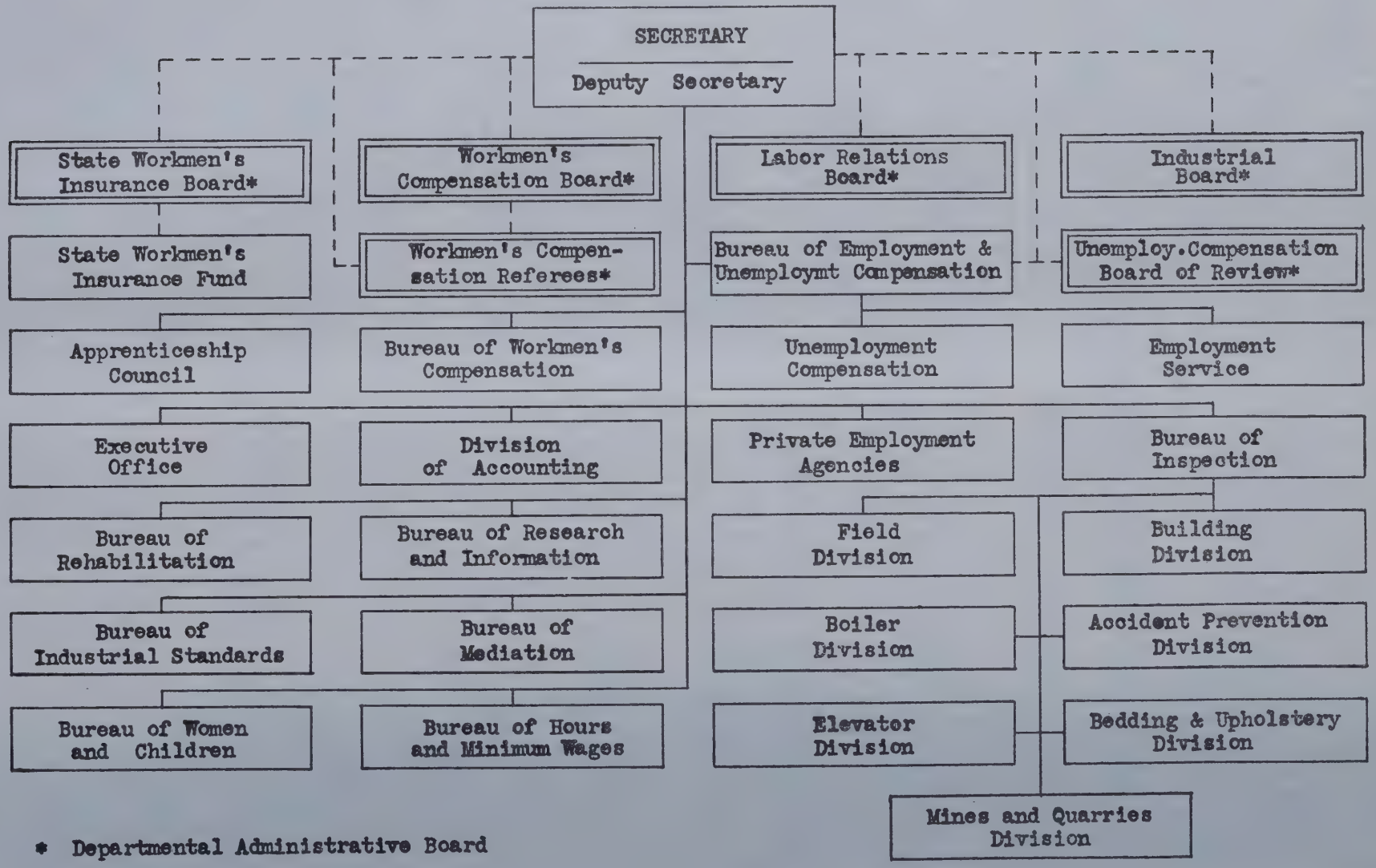
This Board, known as the "Pennsylvania Labor Relations Board," was created as a departmental administrative board in the Department of Labor and Industry, by an act of the Legislature in 1937,[4] as amended in 1939.[5] It consists of three members, appointed by the Governor with the advice and consent of the Senate. Original members were appointed for two, four and six years respectively, but their successors in office serve for six years. The chairman of the Board receives $7,500 per year and the other members $7,000 per year each. Employes of the Board are appointed by the Secretary of Labor and Industry.

Consideration and passage of the Creating Act was based on the Legislature's findings that there existed "a growing inequality of bargaining power between employer and employe," which was "substantially and adversely affecting the general welfare of the State," and that "such inequality makes for industrial instability and depressed purchasing power, leading more directly to the creation of sweat-shops, an increased disparity between production and consumption, and a tendency to produce and aggravate recurrent business depressions. Protection by law of the employe's right to organization and collective bargaining is recognized as a means to the restoration of equality of bargaining power between employers and employes and as removing potential sources of industrial strife and unrest." The Act therefore, establishes a far reaching policy which is expressed in the Act as follows: "In the interpretation and application of this Act and otherwise, it is hereby declared to be the public policy of the State to encourage the practice and procedure of collective bargaining and to protect the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection, free from the interference, restraint or coercion of their employers."

In view of the State policy specifically mentioned in the Act, the work of the Board consists in the prevention of certain unfair labor practices enumerated in the Act and in the certification, by means of employe elections or other methods of determination of the representatives that have been selected by a majority of the employes in an appropriate unit. In this work the Board operates as an independent quasi-judicial body. The power of the

CHART XIII-1

ORGANIZATION OF THE DEPARTMENT OF LABOR AND INDUSTRY



* Departmental Administrative Board

Board to prevent unfair labor practices is exclusive and is not affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise. Being concerned primarily in the protection of legal rights, the work of the Board generally does not run along the lines of mediation and arbitration. Activity of the latter sort is administered by the Department of Labor and Industry under the provisions of the "Pennsylvania Labor Mediation Act."

3. The Industrial Board

When the Department of Labor and Industry was created in 1913, the same Act created the Industrial Board, with powers and duties as outlined earlier in this chapter.

Membership consists of the Secretary of Labor and Industry, who serves as chairman, and four associate members appointed by the Governor, with the consent of the Senate. Associate members must include one employer of labor, one wage earner, and one woman. The four associate members are appointed for four-year terms, and receive $15.00 per day while in the performance of their official duties.

The Board investigates and reports on all matters concerning the Department of Labor and Industry which have to do with the enforcement and the effect of the provisions of all laws which the Department has imposed upon it to enforce, and prescribes rules and regulations in connection therewith.

In making investigations, the Board, when necessary, has all details ascertained and verified by competent experts. Any agency of the Department in a position to contribute pertinent data may be called upon to assist. For example, when petitions are received for relief from laws or regulations in specific cases or in general application, full and complete information covering all the facts and circumstances is accumulated and compiled for presentation.

The Board devotes much of its time to making routine investigations of safety devices for the purpose of approving or disapproving same, and in building up safety codes that are both adequate and reasonable.

4. The Apprenticeship Council

The Pennsylvania Apprenticeship Council, started in 1939 and functioning under the direct supervision of the Executive Office, was not created by the Legislature. Under the present set-up, it is referred to as a "cooperative, mutual, or free-will entity."

Composition of the Council comprises six members appointed by the Governor on the recommendation of the Secretary of Labor and Industry, who in turn receives nominations from central labor bodies and manufacturing-contractor organizations. Three of the members represent labor and three industry. They serve without compensation other than allowance for transportation and lodging and $10.00 for each monthly meeting.

As the name suggests, the Council's deliberations have to do with apprentices and apprentice-helpers. An apprentice is defined as "a worker, not less than 16 years of age, engaged under direct journeyman supervision, and according to a prescribed series of work processes, graded to coincide increasing trade maturity in learning a skilled occupation that requires, during the learning process, several years of reasonably continued employment prior to the time that the worker may be considered a qualified workman." Legally, apprenticeship is recognized only if recorded in a written contract, indenture, or agreement, in which, in return for services rendered, the employer promises to teach the worker the processes of his trade.

An apprentice-helper is defined as a worker whose "duties are not performed under organized instruction or contractural relationship." The progress of such work depends on his own initiative and the cooperation of the worker whom he aids.

Meetings of the Council, held monthly, are open and visitors are welcome. Their unbiased, constructive views are solicited. Places of meetings are now rotated and may be in any part of the State where immediate problems are of local importance.

5. Private Employment Agency Licenses

This Division, functioning under the Executive Office, exists for the especial purpose of exercising a supervisory control over private employment agencies. Administration of the laws[6] regulating the operation of these agencies is a responsibility of the Division.

Agencies are required to obtain licenses before being permitted to operate. Applications for these licenses are sent to the Secretary of Labor and Industry and issuances are made through this Division. Fees charged are dependent upon classification. "A" and "B" licenses require a fee of $100.00 and a "C" license $200.00. Classes are as follows:

> Class "A" covers domestic and common labor
> Class "B" covers professional and technical help
> Class "C" covers those agencies supplying help under both classifications, "A" and "B" and any other occupations not specifically listed in the law as coming under "A" or "B".

All agencies are inspected several times a month to see that posted and scheduled rates are adhered to, and that no improper placements are made or fees collected when employment has not been furnished.

The following Table shows the number of licenses issued yearly since June 1, 1927 (June 1, to May 31 of each succeeding year).

TABLE XIII-A

DEPARTMENT OF LABOR AND INDUSTRY
LICENSES ISSUED BY DIVISION OF EMPLOYMENT AGENCY LICENSES 1928 TO 1941

Fiscal Year (Ending May 31)	Number of Licenses
1928	368
1929	352
1930	275
1931	227
1932	158
1933	119
1934	132
1935	121
1936	119
1937	144
1938	198
1939	185
1940	207
1941	225*

* Estimated.

6. Bureau of Workmen's Compensation

The Bureau of Workmen's Compensation of the Department of Labor and Industry was created by an Act of the Legislature in 1915,[7] to provide for the administration of the Workmen's Compensation Act,[8] passed earlier in the same session. In general, this Bureau is responsible for the administration and enforcement of the Workmen's Compensation Law and the Occupational Disease Act. These duties include the adminstration of the Industrial Accident Reporting Law, and such duties connected with the enforcement of the Law relating to workmen's compensation as advising injured workmen of their rights, approving or disapproving agreements, receipts, and other papers in compensation cases, notifying the parties at interest, receiving and classifying reports of all industrial accidents, auditing compensation agreements and receipts for the protection of the interests of the parties concerned, the investigation of questionable cases, as well as fatal and member-loss cases, the keeping of records of employers carrying compensation insurance, passing on applications for insurance exemption, enforcing insurance coverage, instituting prosecutions for violation of the Law, and the assignment of petitions in contested cases to the several referees employed for this work.

To carry on these activities, there has been set up, in addition to the office of the Director and the Assistant Director, a series of eight divisions, as follows: Insurance Coverage, Indexing, Accident and Agreement, Approval, Coding, Filing, Auditing, and Petition. An extensive force is employed for making investigations and adjustments. In addition to offices in Philadelphia and Pittsburgh, both of which require several employes and clerks, investigators or adjusters are stationed at the following points throughout the Commonwealth: Shamokin, Pottsville, Greensburg, Wilkes-Barre, Harrisburg, Altoona, and Kittanning.

The Director is the general supervising officer, while the special work of the Assistant Director is to supervise the adjusters and the field force. He himself acts as adjuster in the Harrisburg and York districts. There are nine districts. Adjusters notify injured employes of their rights as well as the dependants of employes fatally injured. He assists them in entering into agreements with employers, and investigates requests for commutation on the part of such dependants. In the course of his duties, it may be necessary for him to contact the employer and the insurance carrier as well.

The duties of the Insurance Coverage Division are largely indicated by its name. It is concerned chiefly with the enforcement of the law which requires employers to insure against compensation claims. When an accident occurs, the Indexing Division receives the report, and assigns a number to the case for the purpose of making out the card and folder. A notification of this number is sent to the insurance carrier concerned, and a form letter is sent to the injured worker indicating the rights and benefits to which he is entitled under the law, and the steps which he must take in order to obtain same. This is done under authority of the Administrative Code.[9]

The Accident and Agreement Division is very largely the record division, having charge of the cross-index cards which are made out as soon as the accident reports come in and are filed alphabetically, accordingly to the name of the employer and employe. Each card bears a summary of the particular case with which it deals. Many accidents do not involve compensation. For those that do, a folder is made up and marked with the number assigned to the case when the accident was reported. While the case is open and compensation is being paid, it is kept in an open file. As soon as the case is closed, the record is transferred to the closed file.

The Approval Division is charged with the handling of agreements for all cases. It computes the weekly wage to which the employe is entitled and approves or disapproves agreements submitted to it. Even though the employe may be satisfied with the compensation offered, the Division is obliged, under the law, to notify him of his rights if it feels that the compensation as offered is not based upon the proper weekly wage. Continuous employment on the basis of 5½ days per week is usually assumed. Many agreements, however, are based on part-time employment.

The Coding Division performs the first step in the statistical work, by classifying accident reports and compensation agreements according to the statistical bases set up by the Bureau of Research and Information. While the work of this Division does not in any way duplicate the work of the Bureau of Research and Information, the two are very closely related.

All files are kept in the Filing Division, except the duplicate files which are kept in the Petition Division. Through this Division, it is possible to ascertain every reference that is made to the referees, and the disposition of all cases by the referees. It is also possible to ascertain rather easily, how many undisposed cases rest with the referees, the date on which reference to the referee was made, and when the matter was disposed of.

The Auditing Division examines all folders periodically to ascertain whether proper receipts for compensation payments have been filed. Carriers are required to send in, every three months, a receipt for such payments, in order that this Division may be certain that payments are being made in accordance with the agreement, or, if the case was contested, in accordance with the award.

Finally, the Petition Division receives all claim petitions filed after the parties at interest have failed to arrive at an agreement. These are docketed and assigned to various referees. The Division receives decisions as made and reports to the parties at interest.

The activities of the Bureau of Workmen's Compensation in administering the Law should be clearly distinguished from the judicial functions of the Workmen's Compensation Board. Generally speaking, the volume of judicial work which must be performed by the referees or by the Board is directly dependent upon the success with which the Bureau administers the Law. When an accident occurs, the law requires that, if the disability is of two days' duration or more, an accident report must be filed with the Bureau by the employer. If the accident is compensable, the injured party is advised to enter into an agreement, if possible; if not, he is notified of his right to file a claim petition, which should immediately take the case before a referee. When

the report of the accident is received on a form furnishd by the Bureau, the Bureau notifies the claimant of his rights by means of a form letter of the type previously referred to.

When a signed agreement is received by the Bureau, it is carefully examined to see whether or not it complies with the law, as far as compensation which the employe is entitled to is concerned. If it does not comply with the law. the defects are stated and an attempt is made to have another agreement entered into. Both the insurance company and the employe are notified of the objections to the original agreement. This procedure is followed whether or not the employe is satisfied with the compensation provided for in the original agreement.

The 1939 Law[10] specifies that the employe, for total disability, is entitled to 66 2/3% of his weekly wage, provided, however, that the amount is not less than $9.00 nor more than $15.00 per week, and does not exceed the aggregate sum of $7,500. For partial disability, it is specified that employes may receive 66 2/3% of the difference between earnings before and after the injury. Such compensation may not exceed $15.00 per week but continues for the duration of the partial disability, up to a total of 300 weeks after the seventh day of disability.

For all disability resulting from permanent injuries, compensation in the major classifications is exclusively as follows:

a. For the loss of a hand—66 2/3% of wages during 165 weeks.
b. For the loss of an arm—66 2/3% of wages during 215 weeks.
c. For the loss of a foot—66 2/3% of wages during 150 weeks.
d. For the loss of a leg—66 2/3% of wages during 215 weeks.
e. For the loss of an eye—66 2/3% of wages during 125 weeks.
f. For the complete loss of hearing in both ears—66 2/3% of wages during 150 weeks.
g. For the loss of a thumb—66 2/3% of wages during 60 weeks.
h. For the loss of an index finger—66 2/3% of wages during 35 weeks.
i. For other injuries, specifically mentioned in the 1939 Act—generally 66 2/3% of wages for a varying number of weeks.

7. Workmen's Compensation Referees

Appointment of Workmen's Referees was authorized by legislation passed in 1915 and 1919.[11] These appointments, made by the Secretary of Labor and Industry with the approval of the Governor, may not exceed 14 in number. Referees, after appointment, are assigned to various districts. A supervisory referee, who acts as consultant, is also appointed, bringing the total to 15. The supervisor receives $6,000 per year and the others $5,000 per year each. In addition to salaries paid, each referee is reimbursed for expenses incurred during performance of duties.

Referees perform their respective duties independently of the Secretary of Labor and Industry.[12] They conduct hearings on all original petitions assigned to them by the Workmen's Compensation Board, and make such inquiries and investigations as may be necessary to ascertain pertinent facts. On the basis of testimony presented at hearings and the data obtained through investigations, decisions are made on each case. In addition, the referee may be required by the Workmen's Compensation Board to supply information pertaining to a case being heard by the Board. In the latter instance, the referee merely acts as an informant and is not required to decide the case.

8. Workmen's Compensation Board

This Board was created in 1915[13] for the express purpose of directing and supervising the work of the Bureau of Workmen's Compensation. It consists of three members appointed by the Governor, with the approval of the Senate, for four-year terms. The Secretary of Labor and Industry is a member ex-officio. One of the members, designated as chairman by the Governor, receives a salary of $9,000 per year, and the other two members receive $8,500 each.

The Board is the final arbiter of Workmen's Compensation cases. Its decisions can be appealed only to the Courts. Duties include deciding on appeals from decisions of referees, and consideration of petitions for commutation of benefits, determination of counsel fees, further medical treatment, etc. Although the Board itself has a quasi-judicial status, the necessary administrative work is handled by the staff of the Secretary of the Board, which is a unit of the Department of Labor and Industry. District offices are maintained in eleven cities throughout the Commonwealth as follows: Philadelphia, Pottsville, Scranton, Lancaster, Williamsport, Altoona, Kane, Pittsburgh, Wilkes-Barre, Uniontown, and DuBois.

9. State Workmen's Insurance Fund

The State Workmen's Insurance Fund, established in 1915 under the terms of the original Workmen's Compensation Act, is probably the most nearly independent unit of the Department of Labor and Industry. It is, in fact, an independent self-sustaining insurance company, writing workmen's compensation insurance in Pennsylvania. It functions through a home office in Harrisburg and nine district offices located in Philadelphia, Harrisburg, Wilkes-Barre, Pottsville, Sunbury, Johnstown, Greensburg, Pittsburgh, and Erie.

Although the Fund operates as a unit of the Department of Labor and Industry, it is governed by the State Workmen's Insurance Board. This Board is composed of the Secretary of Labor and Industry, who serves as chairman ex-officio, the State Treasurer, and the Insurance Commissioner.

The Fund began operations on January 1, 1916, aided by two appropriations by the State Legislature; the first in 1916 for $300,000, and the second in 1917 for $200,000. These two appropriations, made to defray the initial expense of organization and early administration, were repaid in 1921.

The State Fund was created for the purpose of providing compensation insurance for injures sustained by employes of employers coming under the Act. The Compensation Act requires that every employer liable under the Act must insure the payment of compensation in the State Workmen's Insurance Fund, or in another authorized company or association. The Fund's primary purpose, therefore, is one of public service, to the employer,

on the one hand, and to the injured workmen and their families, on the other.

The Fund functions much the same as any other insurance company, with one major exception—it cannot assume any selectivity in assuming risks. Since the privilege of selection is one of the fundamental principles of all insurance, it is obvious that the State Fund is operating at a disadvantage in the insurance field. A "bad" risk may be refused by other companies, but it must be accepted by the Fund. This is an important part of the public service offered by the Fund as a governmental agency, since employers in hazardous as well as non-hazardous industries must have insurance. The needs of both types of risk are met by the State Fund.

Administration of the Fund is under a Manager and an Assistant Manager appointed by the State Workmen's Insurance Board with the approval of the Governor. A legal adviser interprets the Law under which the Fund operates, and advises the management and Board on all legal matters pertaining thereto. The Accounting Section is responsible for the maintenance of the general records of the Fund, keeping accounts of cash received and disbursed, individual policy-holders' ledger accounts, the auditing of payrolls, and credit and collection routine. The Underwriting Section handles applications for new policies and the renewal of established policies, as well as cancellations. Classifications, rates, and estimates of premiums are worked out in this Section, as well as the billing and adjustments of premiums.

The general policy files are maintained by the Filing Section, which also receives and distributes incoming mail. The Inspection Section operates in the commercial policy field (other than coal), along safety engineering lines, to further the prevention of accidents. Its function includes the maintaining of fair and equitable rates on commercial policies. The Claim Section passes upon all claims for compensation, medical, hospital, and funeral expenses filed against the Fund. Its staff, working in conjunction with the Legal Section, represents the Fund in all disputed cases taken before referees and the Board. In it are maintained the records of all claims filed and the records of disbursements for claim payments. The Statistical Section keeps tabulated records of premiums received, loss claims assumed, and loss claim payments, arranged as to individuals, policy classifications, etc. Detailed records of premiums charged and losses assumed are furnished to the rating bureaus through this Section.

While the State Fund is not in direct competition with private companies, its success depends largely on the type of service rendered to claimants and policy holders. It does enjoy certain definite advantages such as freedom from taxation on premiums received, freedom from commissions or acquisition fees, freedom from assessment liability on policyholders, and freedom from expenses in the inspection of commercial risks. There are, on the other hand, certain factors which operate to off-set these advantages, such as being obliged to accept risks which a private company would be at liberty to refuse.

On June 1, 1940, the total number of employes on the State Fund payroll was 291. Aggregate salaries amounted to $452,218.00.

The following Table shows the number of policies in force, as of December 31st, for the years 1936 to 1939 inclusive.

TABLE XIII-B

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
POLICIES IN FORCE
1936 TO 1939

Year December 31	Number
1936	30,775
1937	34,915
1938	30,940
1939	24,457

Accidents reported for the years 1936 to 1939 inclusive are shown below:

TABLE XIII-C

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
ACCIDENTS REPORTED
1936 TO 1939

Year	Total Number	Number Fatal	Others Compensable	Medical Only
1936	39,515	162	23,818	15,535
1937	40,743	162	23,959	16,622
1938	31,043	117	17,314	13,612
1939	26,540	125	14,949	11,466

10. Bureau of Employment and Unemployment Compensation

This Bureau was created to carry out the provisions of the Unemployment Compensation Law passed by a Special Session of the Legisalture in 1936,[14] in order that Pennsylvania might qualify for participation in this aspect of the Federal Social Security Program.

The chief administrative officer is the Executive Director. Under him are two Associate Directors, one in charge of the Unemployment Compensation Division, and the other in charge of the Employment Service Division. Also functioning in conjunction and cooperation with the Executive office is a departmental administrative board known as the Unemployment Compensation Board or Review.

Activities of the Bureau cover the entire State. An idea of the extensiveness of these activities may be gained from the fact that the total number of employes, including the numerous field offices, totaled 3,339 on June 1, 1940.

The Bureau functions as a semi-independent unit of the Department of Labor and Industry. It administers a system for setting aside reserves to be used for the benefit of persons unemployed through no fault of their own, and operates a State-wide public employment service. This system and employment service are based on a declaration of public policy aptly expressed in the Unemployment Compensation Act, referred to above, as follows: "Economic insecurity due to employment is a serious menace to the health, morals, and welfare of the people of the Commonwealth. Involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker, and ultimately upon the Commonwealth and its political subdivisions in the form of poor relief assistance. Security against unemployment

and the spread of indigency can best be provided by the systematic setting aside of financial reserves to be used as compensation for loss of wages by employes during periods when they become unemployed through no fault of their own"

The work of the administrative office is divided among seven major sections as follows: Office Management; Standards; Methods and Planning; Training; Legal; Fiscal; Public Information and Research and Statistics. The name of each section indicates the functional responsibility.

a. Division of Unemployment Compensation

In administering the provisions of the Unemployment Compensation Law, this Division, under an Associate Director of the Bureau, works in close cooperation with the Social Security Board, making such reports in such form and containing such information as the Social Security Board may, from time to time, require. It is authorized to, and does, enter into reciprocal arrangements and compacts with the proper authorities of other states and the Federal Government for the purpose of carrying out the objectives of the unemployment acts of this and other states and the Federal Social Security Act.

Title IX of the Federal Social Security Act provides that employers of eight or more persons pay taxes on their payrolls at the following rates: 1% for the year 1936, 2% for the year 1937, 3% for the year 1938, and 3% for each year thereafter. Pennsylvania's Unemployment Compensation Act accepts the provisions of the Federal Act but its coverage is all-inclusive. Instead of collecting contributions only from employers of eight or more persons, Pennsylvania collects from employers of one or more persons. Classes of employment excepted by the Federal Social Security Act are also excepted from coverage by the Pennsylvania Act. Because of the extensive coverage in Pennsylvania, it is estimated that more than 3,000,000 workers will ultimately be eligible for benefits under the Act and that fully 175,000 employers will eventually become contributors to the Compensation Fund.

The following Table shows the number of contributing employers by months for the year 1940, and the number of employes affected:

TABLE XIII-D

DEPARTMENT OF LABOR AND INDUSTRY CONTRIBUTING EMPLOYERS AND EMPLOYES AFFECTED BY MONTHS DURING 1940

1940	Number Employers	Number of Employes*
January	144,800	2,233,700
February	144,584	2,217,500
March	144,145	2,228,000
April	143,592	2,205,600
May	144,858	2,218,200
June	146,779	2,251,800
July	147,732	2,259,500
August	150,021	2,293,300
September	150,637	2,345,700
October	150,026	2,398,800
November	149,642	2,426,400
December	145,293	2,542,600

* Estimated

The Federal Act makes no provisions for the payment of benefits but provides only for the collection of the tax. Consequently, it is necessary for the individual states to organize and operate the machinery for making Unemployment Compensation effective within their respective confines.

Unemployment Compensation benefits under the Pennsylvania Law are limited to a maximum of $15.00 per week for a total of not more than 13 weeks and a minimum of $7.00 per week based on past earnings and accumulated reserves. Between the time of unemployment caused by no fault of the worker and benefits, there is a waiting period of three weeks, extended to six weeks if caused by a labor dispute .

Claims filed for Unemployment Compensation benefits by months for the year 1940, and total pending, are shown in Table XIII-E.

TABLE XIII-E

DEPARTMENT OF LABOR AND INDUSTRY UNEMPLOYMENT COMPENSATION MONTHLY NUMBER OF CLAIMS AND TOTAL PENDING 1940

Month	Number Filed	Total Pending
January	65,826	605,167
February	54,382	585,463
March	61,345	618,617
April	63,939	707,513
May	62,257	667,165
June	49,513	537,385
July	53,215	620,952
August	42,043	502,361
September	28,788	372,051
October	30,847	367,193
November	22,663	258,999
December	*	*

* Not available at time of compilation.

b. Division of Employment Service

The administration of this Division is also under the immediate supervision of an Associate Director of the Bureau. Functionally, the work is divided among an Office Management Section, a Clearance Section, twelve District Offices, and some ninety local offices scattered over the entire State. On June 1, 1940, employes in this Division totaled 1,580.

The Division of Employment Service really serves a dual purpose. It asists unemployed persons in obtaining jobs and employers in obtaining workers. It also serves as an integral part of the machinery for administering unemployment compensation. Comprehensive files containing essential data for all registered persons are maintained. These facilitate the task of referring applicants on the basis of their qualifications to possible places of employment. The service is free to both employers and employes. Registration is voluntary, except that it is a requirement for the receipt of unemployment compensation benefits. The Division is affiliated with the United States Employment Service.

The following Table shows the number of applications on file and the number of placements made during each month of 1940:

TABLE XIII-F

DEPARTMENT OF LABOR AND INDUSTRY MONTHLY NUMBER OF EMPLOYMENT APPLICATIONS ON FILE AND PLACEMENTS MADE 1940

Month	Applications On file Active	Placements Made
January	432,622	9,634
February	421,567	8,931
March	282,407	9,762
April	355,039	12,654
May	356,204	16,950
June	372,175	13,418
July	385,636	12,453
August	379,425	12,779
September	345,166	13,883
October	310,041	16,821
November	308,189	12,911
December	*	*

* Not available up to time of compilation.

11. Unemployment Compensation Board of Review

The Unemployment Compensation Law provided for the creation of a departmental administrative board, known as the Board of Review, composed of three members, appointed by the Governor with the consent of the Senate, for terms of six years. One member, designated by the Governor as chairman, receives an annual salary of $9,000, and the other two members $8,500 each.

The Board hears appeals arising from claims for compensation, undertakes investigations, and takes such action with respect to disposition of appeals as it deems necessary, consistent with the provisions of the Unemployment Compensation Law. In addition to its function of adjudicating disputes arising over questions of unemployment compensation benefits, the Board performs another major function relating to the selection and organization of personnel in the Divisions of Unemployment Compensation and Employment Service. It receives applications from persons desiring to qualify for civil service appointments, conducts examinations for such positions, and certifies to the Secretary of Labor and Industry, lists of names of persons receiving passing marks. Names are ranked, according to mark, from the highest down. The Board also hears appeals in all cases of employes engaged in the administration of the Act, who are given notice of dismissal, suspension or furlough.

On authority granted to it by the Act, the Board may create State-wide and local Advisory Councils whose functions it would be to aid and advise the Department in formulating policies, in discussing problems relating to the administration of the Act, in assuring impartiality and freedom from political influence in the administration of the Act, in taking steps to reduce and prevent unemployment, and in making studies relating to partial and seasonal unemployment. Members of these Councils would be appointed by the Board and would serve without pay but be reimbursed for expenses incurred in the discharge of their duties. Each such Council would be composed of the same number of employer and employe representatives, and there would also be members representing the general public. Except for a brief period, however, the Board has not exercised its authority in this connection, and no Advisory Councils are in existence at the present time.

Because of the extensive work involved in exercising the "appeals" function, as described above, the Board utilizes a staff of "referees" who conduct hearings, make investigations, and render decisions. Decisions of referees may, however, be appealed to the Board of Review.

The following Table shows the number of appeals handled by the Board of Review during the calendar years 1939 and 1940:

TABLE XIII-G

DEPARTMENT OF LABOR AND INDUSTRY NUMBER OF APPEALS TO BOARD OF REVIEW 1939 and 1940

Type	1939	1940
Civil Service	178	80
Unemployment Compensation	822	552
Total	1,000	632

12. Bureau of Rehabilitation

The Bureau of Rehabilitation was originally established in 1919 by legislative authorizations, and re-constituted by the Administrative Code of 1923,[15] for the purpose of rendering physically disabled persons fit to engage in renumerative occupations. The Act of March 2, 1921,[16] directed the Department of Labor and Industry, through the Bureau of Rehabilitation, to formulate a plan of cooperation with the State Board of Education for the purpose of administering the rehabilitation acts, accepting the benefits of the Federal Vocational Rehabilitation Act, and cooperating with the Federal Board for Vocational Education.

The Bureau is empowered to aid any person who is totally or partially incapacitated for remunerative employment by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, regardless of the financial standing of the individual. The Bureau may arrange for medical treatment for such persons, and procure artificial limbs and appliances. It may make surveys to ascertain the number and condition of physically handicapped persons within the Commonwealth. It may arrange for training courses in selected occupations in the public schools, other educational institutions, or any industrial or agricultural establishment. It may provide maintenance for such injured persons during the period of training, to the extent that the Department's funds permit.

The Bureau is headed by a Director and an Assistant Director, in which position a vacancy now exists. Besides the central office, there are eight field offices located in the following cities: Harrisburg, Philadelphia, Pittsburgh, Altoona, Wilkes-Barre, DuBois, Erie, and Reading. Each is under the direction of an adjuster, equipped with necessary stenographical and other assistance. The field offices serve as bases for visiting handicapped persons, investigating such cases with a view toward determining eligibility, contacting training agencies, and performing necessary follow-up work.

The names of disabled persons are reported to the Bureau or to one of the district offices by the Workmen's Compensation Bureau, by social and educational agencies, by interested persons, or by the disabled person who may apply directly. The disabled person is contacted by a

representative of the Bureau who determines his eligibility and assists in the development of a plan which will meet his needs and suit his abilities. Such services as will enable him to enter employment are then provided, such as assistance in securing physical restoration, vocational training for the job selected, assistance in securing employment, or assistance in establishing vocational permanency.

The work of the Bureau is supported in part by Federal funds. The Federal Board of Vocational Education matches State funds for all expenditure items, except equipment and the salary of one employe, who does not meet Federal qualifications. Total expenditures, actual, for the 1937-39 biennium were $666,854.

13. Bureau of Inspection

The Bureau of Inspection was established in 1913 as the principal unit of the newly created Department of Labor and Industry, and was reorganized under the provisions of the Administrative Code of 1929.[17]

The Bureau is charged with the responsibility of enforcing laws pertaining to the safety and working conditions of employes, places of public assembly, elevators, boilers, and bedding and upholstery.

For administrative purposes, the Bureau is organized into seven divisions: a Field Division responsible for general inspection; and 6 divisions each of which is devoted to inspection work of a specialized character, namely, Boilers, Elevators, Mines and Quarries, Buildings. Accident Prevention, and Bedding and Upholstery.

The total number of employes in the Bureau is 175 including the Director. Total actual expenditures for the 1937-39 biennium were $1,021,462 or approximately 20 per cent of total departmental expenditures.

a. General Inspection

The general inspection work of the Bureau is in charge of the Director and his administrative staff of 4 persons. The 81 employes engaged in general inspection work are distributed among 7 field offices located at Philadelphia, Hazleton, Lancaster, Williamsport, Altoona, Pittsburgh, and Titusville. Each is under the direction of a District Supervisor and is staffed with inspectors and necessary clerical assistants.

These field inspectors are responsible for a variety of activities.[18] They inspect buildings in which groups of people congregate, for facility of exit, under the Fire and Panic Act. They inspect factories and other industrial establishments for defective tools or equipment, sanitation and lighting facilities, safety guards on machinery, and general working conditions. In addition, they inspect bakeries, restaurants, theatres, and schools for certain features.

These Industrial and Building Inspectors are required to inspect all industrial establishments within their assigned territory which come under the Department's jurisdiction. To be efficient, each inspector must have some knowledge of engineering and construction work in order to apply the various safety laws and regulations. It is necessary that he be a safety engineer in the fullest extent of the term. His job is not only one of enforcing the law but in selling safety to both employers and employes. He is required to promote educational safety programs in addition to securing reasonable enforcement of the Law. He is required to be conversant with the latest developments in industrial safety and health and to be prepared to make recommendations in eliminating all unsafe conditions in the various establishments visited.

Under the requirements of the Fire and Panic Act, the Industrial and Building Inspection force was charged with the duties of eliminating unsafe conditions in public buildings, schools, churches, dance halls, etc. It is required to inspect theatres and auditoriums with respect to such matters as adequacy of fire escapes, aisle space, and emergency lighting systems. An attempt is made to inspect such public buildings at least once a year.

The general inspection service includes the supervision of schools and other public buildings constructed and maintained by local government agencies. Schools are inspected for means of egress and for fire alarm systems, and where they have auditoriums, for emergency lighting systems, and other factors relating to safety.

b. Boiler Division

The inspection of boilers in Pennsylvania developed from a small beginning in 1913 when the Factory Act of 1905 was amended to require that all boilers destined for use in this Commonwealth after July 1, 1916, should be built in accordance with the rules of the American Society of Mechanical Engineers.

The present Boiler Law[19] requires the inspection of all unfired pressure vessels and high pressure boilers with the exception of those inspected by the Federal Government. The Department of Labor and Industry is empowered to formulate rules and regulations for the construction, installation, maintenance, operation, and inspection of boilers used or destined for use in Pennsylvania. It has done so in the Boiler Code adopted by the Industrial Board. Every boiler is required to be inspected during its construction and at least once a year during use. Inspections by insurance companies authorized to insure boilers are accepted by the Department. All uninsured boilers are inspected by departmental inspectors who are commissioned after examination. All boilers are required to be registered with the Department.

The fee for the certificate of operation for all insured or uninsured boilers is $1.00. Additional fees are charged for inspections by the Department. Such fees amounted in the 1937-39 biennium to $112,442, which exceeded the operating expenses of the Division for the biennium.

The 1937 amendments to the Boiler Law extended the State's responsibility to include boilers located in Philadelphia, Scranton, and Erie; required the annual inspection of all low pressure heating boilers in theatres, hospitals, schools, and colleges; and extended the State's authority to cover the construction, installation, and inspection of unfired pressure vessels throughout the Commonwealth.

The Division employs 21 persons including the Chief. The following Table, page 6952, shows the number of State boiler inspections and visits, the total number of insurance inspections, and costs of the Division. In 1939, more than 84,000 inspections were made, 6,827 of them by the State. The average cost of the State inspections was $2.76.

c. The Elevator Division

The Department of Labor and Industry is directed by

the Administrative Code to receive and check plans for elevator installations, to issue permits for the erection and repair of elevators, and to file reports of inspection of elevators received from inspectors employed by the Department or from inspectors holding certificates of competency issued by the Department.[20] The standards to be met are set forth in the Elevator Code adopted by the Industrial Board.

All elevators are required to be registered with the Department of Labor and Industry, to be certificated for operation, and to be inspected by employes of insurance companies authorized to insure elevators against loss from accident or, if uninsured, by inspectors of the Department. Passenger elevators and escalators are required to be inspected 4 times a year; freight elevators, at least twice a year; dumb-waiters, hoists and other lifting apparatus, at least once a year; and building hoists, at the time of erection.[21]

TABLE XIII-H

DEPARTMENT OF LABOR AND INDUSTRY
BUREAU OF INSPECTION—BOILER DIVISION
RECORD OF BOILER INSPECTIONS AND AVERAGE COSTS*
1935 TO 1939

	1935		1936		1937		1938		1939	
	Visit	Insp.	Visit	Insp.	Visit	Insp.	Visit	Insp.	Visit	Insp.
Inspector A	614	724	705	723	316	489				
Inspector B	418	486	380	609	157	402	682	343	640	1,328
Inspector C	488	1,567	586	1,553	496	1,704	502	1,714	535	1,608
Inspector D	302	730	383	766	268	901	262	894	281	949
Inspector E	411	693	434	777	393	743	348	785	412	789
Inspector F	480	1,308	542	1,271	493	1,243	466	1,189	541	1,120
Inspector G	468	829	372	791	336	885	229	883	198	833
Total State Inspection	3,181	6,337	3,402	6,490	2,459	6,367	2,489	5,808	2,607	6,627
Total Insurance Inspections		30,239		31,324		41,722		70,360		77,757
Grand Total Inspections		36,576		37,814		48,089		76,168		84,384
Average Cost of State Insp.		$ 3.23		$ 3.30		$ 3.01		$ 3.21		$ 2.84
Total Cost Field Inspection		20,468.10		21,445.88		19,190.01		18,666.19		18,844.60
Total Cost of Section		30,744.10		32,704.04		48,330.81		51,843.95		47,122.47

* Including salaries and travel expenses only.

In the case of new installations and repairs, detailed plans and specifications must be submitted to the Department for approval. Such application must be accompanied by the following fees: Dumb-waiters, $5.00; freight elevators, $7.50; and passenger elevators, $10.00. If the plans are approved, a permit is issued and the apparatus is inspected upon installation for final approval.

Inspectors are empowered to discontinue the operation, within 24 hours, of elevators which, in their judgment, are dangerous to life or property, or are being operated without the certificates required.

The fee for the certificate of operation for all insured and uninsured elevators is $1.00. Additional fees are charged for inspections by Department inspectors. The amendment of 1937 to the Elevator Law extended its provisions to the cities of Philadelphia, Pittsburgh, and Scranton. The work of the Division was thereby increased approximately 175%, with a resultant increase in the force of inspectors.

The Elevator Division employs 32 persons, including the Chief.

For the 1937-39 biennium, plans-approval fees amounted to more than $6,000, inspection fees to more than $89.000.

d. Mines and Quarries Division

The Division of Mines and Quarries is authorized to see that all pits, quarries, mines other than coal mines, trenches, excavations, and similar operations are properly shored, braced, and otherwise guarded, and to insure adequate protection to workers employed therein.[23] The industries inspected by this Division include substantial operations above ground, such as explosives plants, cement, lime, brick and clay industries. The great majority of quarry operations under its jurisdiction are of the exposed type, unlike coal mining.

The Division also administers the Explosives Law of 1937.[25] One of the principal features of this Act is the provision that storage of explosives in any magazines is illegal unless a license has been obtained from the Department. Such licenses are issued only after an inspection of the magazines to determine whether or not they comply with the requirements of the rules and regulations formulated and established by the Department. The license fees are prescribed by the Department, according to the quantity of explosives to be stored in the magazine, and may not be less than $2.50 nor more than $25.00. Receipts from such licenses amounted to $16,767.50 in the 1937-39 biennium.

The Division employs a Chief, 6 inspectors, and a clerk.

e. Buildings Division

The Building Inspection Division is responsible for the enforcement of the regulations of the Fire and Panic Act.[24] This Act empowers the Department to regulate 5 classes of public buildings, excepting those in cities of the 1st, 2nd, and 2nd-A classes, with respect to such matters as type of construction and materials used, fire-

proofing, ways of egress, aisles, stairs and fire escapes, exits, emergency lighting systems, fire alarm systems, sprinkler systems, electrical equipment, heating apparatus, number of occupants, ventilation, seating arrangement, etc.

A recent opinion of the Attorney General construed the provisions of the General Safety Law of 1937 so as to give the Department of Labor and Industry jurisdiction over all buildings in the Commonwealth, including those in cities of the 1st, 2nd, and 2nd-A classes. This authority, however, is still to be clarified.

The five classes of buildings coming under the Division's jurisdiction include: (1) factories, mercantile buildings, hotels, hospitals, schools, warehouses, and garages; (2) theatres; (3) public halls, dance halls, churches, and other auditoriums; (4) tenement and apartment houses; and (5) grandstands and stadiums.

Whenever such buildings become dangerous because of structure or other defects, they are closed to further occupancy until all recommendations of the Department to eliminate hazardous conditions have been complied with.

The regulations of the Department are enforced for new or remodeled or altered buildings by requiring all plans and specifications to be submitted to the Department for approval. A charge is made equal to the actual cost of making the necessary examination of drawings and specifications, but not exceeding $25.00. Before any building so newly erected or altered may be used or opened for occupancy, the Department must issue a permit of occupancy or use.

The provisions of the Act are now applicable to buildings owned in whole or in part by the Commonwealth or any political subdivision.[25]

A record of plans approved, during the 1936 to 1940 period, by the Buildings Division is shown in Table XIII-J, below.

A special function of the Buildings Division is the approval of emergency lighting systems and fire alarm systems, which are required in public buildings. Systems already installed are inspected; and the plans for systems to be installed in new buildings are examined and approved. No fee is charged. A record of emergency lighting and fire alarm plans approved since 1936 follows in Table XIII-K, next column.

Another special function of the Buildings Division is the licensing of motion picture projectionists. No person may project any motion picture, until he has obtained a license from the Department, after passing an examination prescribed by the Department. Any license may be suspended or revoked for due cause, but only after a hearing before the Secretary of Labor and Industry.

TABLE XIII-J

DEPARTMENT OF LABOR AND INDUSTRY
BUILDING DIVISION
TYPE AND NUMBER OF PLANS APPROVED, 1936 TO 1940

Type	Number Approved				
	1936	1937	1938	1939	1940
Buildings	1,051	1,235	1,249	1,263	2,148
Theaters	34	38	32	43	39
Fire Escapes	224	546	391	305	410
Bakeries[1]	....	....	....	....	....
Wash Rooms and Toilets	....	....	....	....	....
Exhaust Systems[2]	....	....	....	....	....
Miscellaneous	265	444	545	649	636
Total	1,574	2,263	2,217	2,260	3,233

[1] After September 1933 Bakeries were not included in our records due to the Bakery Act being transferred to the Department of Agriculture for enforcement.
[2] After December 1934 plans were not approved for Exhaust systems by executive order from Director, due to there being no provision for it in Fire and Panic Act.

TABLE XIII-K

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF EMERGENCY LIGHTING AND FIRE ALARM PLANS APPROVED BY BUILDINGS DIVISION, 1935 TO 1940

Type	Number Approved					
	1935	1936	1937	1938	1939	1940
Emergency Lighting	238	283	326	357	239	358
Fire Alarm Class "A"	247	208	209	220	76	110
Fire Alarm Class "B"	92	49	96	77	29	19
Total	577	540	631	654	344	487

The schedule of fees for motion picture projectionists follows:

Application for examination as a projectionist	$2.00
Certificate of competency—commercial	5.00
Certificate of competency—non-commercial	2.00
Apprentice projectionist's license	3.00
Renewal of commercial license	5.00
Renewal of non-commercial license	2.00
Renewal of apprentice license	1.00

A statement of the number of licenses issued to motion picture projectionists is found in Table XIII-L.

TABLE XIII-L

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF LICENSES ISSUED TO MOTION PICTURE PROJECTIONISTS BY BUILDINGS DIVISION 1936 TO 1940

Type	Number Issued				
	1936	1937	1938	1939	1940
Theatrical Licenses	174	176	149	140	476
Theatrical Renewals	2,094	1,390	2,652	1,610	1,581
Non-Theatrical Licenses[1]	1,146	2,301	1,277	2,146	4,101
Non Theatrical Renewals	144	109	330	246	114
Provisional Licenses[2]	....	....	....	....	....
Apprentice Licenses	184	214	193	146	166
Apprentice Renewals	29	33	48	27	26
Duplicate Licenses	16	14	9	14	13
Total	3,787	4,237	4,658	4,329	6,477

[1] This group is divided into four classes. The figures given are totals of the four classes for the year.
[2] Provisional licenses were discontinued starting September 1, 1933 when the fees for licensing went into effect.

On June 1, 1940 the Buildings Division personnel consisted of a Chief, a building inspector, 3 draftsmen, and 7 stenographers and clerks receiving aggregate annual salaries of $17,820.

The receipts of this Division for the 1937-39 biennium included $20,614 in building plans-approval fees, and $26,460 in projectionist examination and license fees.

f. Accident Prevention Division

The Accident Prevention Division is primarily a promotional agency interested in industrial safety and the elimination of industrial injuries. Its work is performed by direct contact with industry and indirectly through the factory inspection division and various local safety organizations.

In connection with its safety educational program, the

Division reviews all industrial injuries which are reported to the Bureau of Workmen's Compensation and selects certain ones for investigation on the basis of violations of labor laws and regulations, and good safety practice. Where violations are found, an order is issued to eliminate the hazard, or, in the case of flagrant violations, legal proceedings are instituted.

Accident statistics are studied and analyzed in order to determine accident causes by industrial groups and in order to secure information which will assist in directing the efforts of the inspectors in accident prevention work.

This Division also sponsors and promotes Industrial Group Contests and the annual State-wide accident prevention contests. Together with safety organizations, the Division sponsors and conducts hundreds of plant safety meetings in which employes participate.

The Division makes recommendations for the revision of safety regulations on the basis of its accident investigation work and study of safety literature.

The Accident Prevention Division personnel consists of a Supervisor, a stenographer clerk, a typist clerk, and a code clerk.

g. Bedding and Upholstery Division

The Division of Bedding and Upholstery regulates the manufacture and sale of bedding and upholstered furnitrue; prohibits use of certain filling materials unless properly sterilized by an approved process, and requires a permit for such process; and requires a statement of filling material to be printed on an attached tag on all articles of bedding and upholstered furniture, such tag to bear the bedding and upholstery stamps sold by the Department. This Division also inspects every place in the State where making, remaking, renovating, or selling of bedding or upholstered furniture is carried on.

Under the 1937 Bedding and Upholstery Law,[26] second hand material is prohibited in manufacturing. A complete record of all articles sterilized is required and an initial fee of $25.00 and an annual renewal fee of $1.00 is required for sterilizing permits. Auctioneers are required to pay an initial fee of $5.00 and an annual renewal fee of $1.00 for a certificate to sterilize. The minimum fine for conviction of a violation was increased from $10.00 to $50.00, and the maximum fine from $50.00 to $100.00. A record of prosecution information from 1933 to 1940 is shown in Table XIII-M, next column.

The Division maintains a staff of inspectors to aid in the enforcement of the Law, and a laboratory for the testing of materials used in the manufacturing or renovation of upholstered articles. In practice, these inspectors are required to see that all materials going into bedding, mattresses, and upholstered furniture are clean and sanitary, and to see that proper tags with the adhesive stamps are attached to each article. These inspectors are, in fact, detectives; they not only inspect bedding material and extract samples of the filling used in finished products, but they have to discover, largely for themselves, where work of this character is being done.

Until 1923, no fee was charged for inspection work. Since that date, this service has been supported by the sale of stamps at 1c each.[27] The Law requires one stamp to be attached to the tag placed on each article sold.

All bedding and upholstery fees amounted, in the 1937-39 biennium, to $109,506. The Division is much more than self-sustaining.

The personnel of the Division consists of a chief, 8 inspectors, a laboratory assistant, and 2 clerks.

TABLE XIII-M

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF PROSECUTIONS AUTHORIZED AND AMOUNT OF FINES IMPOSED BY BEDDING AND UPHOLSTERY DIVISION
1933 TO 1940

Year (Ending May 31)	Prosecutions Authorized	Fines Imposed
1933-34	66	$ 935.00
1934-35	33	740.00
1935-36	26	565.00
1936-37	22	405.00
1937-38	10	120.00
1938-39	..	.....
1939-40	4	100.00
Total	161	$2,865.00

Of the 161 prosecutions authorized, 140 were closed by the payment of fines, 10 cases were closed without imposition of fines, but with the settlement of prosecution costs, while 11 cases were withdrawn or dismissed.

14. Bureau of Industrial Standards

The Administrative Code of 1929 provides that "subject to approval by the Industrial Board, the Department of Labor and Industry shall have the power to make rules and regulations for carrying into effect the laws regulating the labor of persons within this Commonwealth, and the construction, ventilation, and equipment of the rooms, buildings, or places where such labor is performed or where public assemblies are held...."[28] The Bureau of Industrial Standards was established, under this authority, as the agency charged with performing the technical work of code-making. As such, its work is closely interrelated with that of the Industrial Board.

Other activities related to code-making have been delegated to the Bureau because its activities deal directly with the technical information contained in the safety regulation codes. These other activities include: investigation of petitions submitted to the Industrial Board wherein relief from requirements of the regulations is requested; drafting of amendments to codes to keep them up-to-date in light of modern practices and new methods; drafting of administrative rulings for guidance of the Department in administering various laws and regulations; testing of all safety devices submitted to the Department for approval; and development of methods to transmit to the field inspectors the required technical knowledge for proper administration of laws and regulations.

The detailed work of code development comprises the most important work of the Bureau. This requires a high degree of technical knowledge and considerable tact to draft codes that are accepted by the industries regulated as fair, impartial, and adequate. The Department had in effect, as of December, 1939, fifty-nine different safety

codes. These cover every type of hazard such as guarding of machinery, shoring of trenches, protection for window cleaners, protection against hazards in the manufacture and storage of explosives and fireworks, specifications for construction of ladders and scaffolds, detailed specifications for construction of boilers and elevators as well as codes governing the construction of all types of public buildings. Pennsylvania has always been noted for the excellence of its safety codes and for the prominent part it has played in fostering the development of these codes or regulations.

The work of this Bureau does not embrace enforcement of the law; rather, it determines in detail the manner in which the Bureau of Inspection shall apply and enforce laws and regulations. Problems of enforcement may come before the Bureau for decision in several ways. Statistical evidence may show the occurrence of an unreasonable number of accidents in the operation of a particular machine. Manufacturers must obtain approval for new devices before commercial production is undertaken. Labor organizations, insurance representatives, or other interested persons may bring problems to the attention of the Bureau. The Bureau is equipped to handle technical problems of either a mechanical or a chemical nature.

Another important activity of the Bureau of Industrial Standards is with reference to occupational disease hazards. The Bureau cooperates with the Bureau of Inspection in making inspections where it is suspected occupational disease hazards exist. These inspections include collection and analysis of air samples for poisonous dusts and other atmospheric contaminants, and other tests for presence of industrial poisons in whatever form they may be found.

The Bureau is under the direction of an engineer, and the staff consists of a draftsman and 2 stenographer-clerks. The internal organization of the Bureau consists of two divisions; engineering, and industrial hygiene and sanitation. All work dealing with safety regulations and their application is referred to the engineering division, and that dealing with occupational hazards is handled by the Industrial Sanitation Division.

Total expenditures for the Bureau of Industrial Standards for 1937-39 were $45,510.

15. Bureau of Research and Information

The Administrative Code of 1923 provided that "the Department of Labor and Industry shall have the power to collect, compile, and publish statistics relating to labor and industry, to organizations of employes, and to organizations of employers." [20] In line with this authorization, the Bureau of Research and Information was established as a separate and distinct agency to carry on statistical work for the entire Department.

To assist in administrative problems, data are compiled, tabulations made, special studies conducted, council given, and legislation analyzed.

In addition to gathering current data and making special studies, the Bureau is responsible for coordinating the statistical activities of other bureaus, within the Department of Labor and Industry. It edits and analyzes the statistical reports of the bureaus and prepares them for submission to the Secretary.

The Bureau is organized into 5 divisions: Research and Reports Division, Tabulating Division, Duplicating Division, Division of Negro Research and Planning, and the Library.

The Research and Reports Division prepares 3 regular statistical reports which are published monthly: Employment and Payrolls in Pennsylvania industries, Building Operations in Pennsylvania, and Industrial Accidents in Pennsylvania.

The Employment and Payrolls report shows the fluctuations in employment, payrolls, average hours, and average earnings in the major industries by months. The collection of this data has for some years been a joint function of this Bureau, the United States Bureau of Labor Statistics, and the Federal Reserve Bank of Philadelphia, which makes the tabulations prepared from these reports available to the Bureau for consolidation with reports from non-manufacturing firms. Since January of 1938, under a contractual agreement between the United States Bureau of Labor Statistics and the Department, the Bureau of Research and Information has collected and tabulated all reports from more than 2,000 non-manufacturing firms, and has immediately transmitted them to the Bureau of Labor Statistics for inclusion in national totals.

The Building Operation report shows the trend in the number, value and type of proposed building projects in the State. The preparation of this report involves a monthly collection of building permit data from nearly 300 municipalities in the State and a tabulation and analysis of these collected data. Here, too, a cooperative arrangement exists with the United States Bureau of Labor Statistics.

The Industrial Accidents report shows the trend in the number of fatal and non-fatal accidents. As the result of a new accident-cause code which was arranged by the Bureau of Workmen's Compensation with the United States Bureau of Labor Statistics, the Bureau of Research and Information has been able, since January, 1938 to collect much more detailed information as to cause, type, and nature, of accidents. These statistics are of valuable administrative use to the Department's Bureau of Inspection in accident prevention work.

An annual summary for each of these reports is made in December and an annual supplementary statistical report is published for the Industrial Accidents Report.

Beginning in 1938, the Bureau undertook a new statistical function, given impetus by the Minimum Wage Act, of collecting retail prices for the purposes of making cost of living studies and preparing minimum wage budgets. The price data which are collected in three cities—Connellsville, Johnstown, and Lancaster—have fulfilled the requirements of the wage board in setting minimum fair wages and also of the cost of living studies. The cost-of-living data has been continued and is published quarterly for the three cities named, and also for Philadelphia, Pittsburgh, and Scranton, for which cities the United States Bureau of Labor Statistics collects the data.

In addition to these regular reports, the Bureau's research work includes the prosecution of special studies referred to it by the Secretary of the Department. In 1940, these consisted of a study of data on wage collection laws, a survey of hourly earnings of women and

minors employed in Pennsylvania laundries, an occupational survey of Negroes in the State, and a breakdown of the Bureau's State-wide employment and payroll estimates of Pennsylvania industries into county figures showing average weekly and hourly earnings and average hours worked per week.

The Tabulating Division is a service Division for all units of the Department. As a part of its duties, it maintains a complete list of all Pennsylvania employers with a record of their industrial accidents since January 1, 1938. Tabulating cards, bearing data pertaining to injuries, are prepared by the Bureau of Workmen's Compensation, but the work of classification and tabulation is done by the Tabulating Division by means of its mechanical facilities.

The Duplicating Division is, like the Tabulating Division, a service unit for the entire Department, with the exception of the Bureau of Employment and Unemployment Compensation and the State Workmen's Insurance Fund. All mimeographing, multigraphing, addressographing and work of a similar nature are performed by this Division. Incidental to the chief functions of the Division are the servicing of departmental mail; the assembling, folding, fastening and addressing of reports and orders, formal opinions and other material; proofreading; and the numbering of bedding and upholstery stamps. Table XIII-N shows that during the year beginning June 1, 1939, over 5,000,000 letters and forms were mimeographed, over 500,000 multigraphed; that 294,000 envelopes and letters were addressed, 32,000 stencils cut, and over 4,000,000 pieces of material assembled and fastened.

TABLE XIII-N

DEPARTMENT OF LABOR AND INDUSTRY

ANALYSIS OF EMPLOYES' TIME, AND THE VOLUME OF WORK HANDLED BY THE DUPLICATING DIVISION FISCAL YEAR 1939-40

Type of Work	Percentage of time of Employes Required	Percentage of Actual Volume of Work	Number of Pieces of Material Handled
Bedding and Upholstery Stamps (7,566,300)	20	2.8	302,652
Mimeographing letters, forms, etc.	28	48.3	5,230,868
Multigraphing letters, forms and cards	14	4.9	532,000
Addressing envelopes, letters and forms	12	2.7	294,000
Elio-Stencils cut for mailing lists. (Additions and changes)	6	0.3	32,800
Assembling and fastening all work having more than one page	16	38.2	4,138,053
Envelopes stuffed for mailing	2	1.4	156,000
Letters folded for mailing	2	1.4	156,000
Total	100	100.0	10,842,373

The Division of Negro Research and Planning was organized in October, 1939 as the State Advisory Council on Negro Affairs for the purpose of assisting Negroes in their search for employment. Toward this end, the Department has the cooperation of the Department of Public Assistance and County Boards of Assistance, and the machinery of the State Employment Service. Surveys made by the Division in 1940 included an investigation of the role of the Negro in the National Defense Program. The Division has conducted a Vocational Education Program for Defense by press releases to all major Negro newspapers in the United States and by a special bulletin outlining the State's Vocational Education Program to more than 250 Negro leaders in Pennsylvania. Other functions performed by the Division have included the sponsoring of the Annual Conference on the Vocational Industrial Problems of Negroes in Pennsylvania and the publication of a monthly bulletin, The Bronzeman.

Actual expenditures for the Bureau of Research and Information in the 1937-39 biennium were slightly more than $120,000. Comparative expenditures for the bienniums 1933-35, 1935-37, and 1937-39, and for the 1940 fiscal year, for the several divisions of this Bureau are shown in Table XIII-O, below.

16. Bureau of Women and Children

The Bureau of Women and Children was established in 1925, under the authority of the Administrative Code which empowers the Department of Labor and Industry: (a) to make studies and investigations of the special problems connected with the labor of women and children; and (b) to create the necessary organization, and to appoint an adequate number of inspectors, to enforce the laws and rules and regulations relating to the work of women and children. [80]

TABLE XIII-O

DEPARTMENT OF LABOR AND INDUSTRY

EXPENDITURES OF BUREAU OF RESEARCH AND INFORMATION

Divisions	Biennium 1933-35	1935-37	1937-39	1939-41[f]
Administration	$13,950.86[a]	$6,331.07[b]	$21,886.55	$7,411.37
Research and Planning	.....	3,690.00	23,714.09	7,530.03
Reports	18,149.60[a]	13,095.47	26,221.14	12,568.08
Tabulating	21,950.00[a]	22,989.00	28,037.50[c]	14,153.00
Duplicating	2,567.00[d]	12,685.00	14,210.00	7,117.00
Library and Publicity	588.00[d]	5,640.00	6,840.00	3,587.00[e]
Total	$57,205.46	$64,430.54	$120,909.28	$52,366.48

[a] Estimated—Actual figures not available.
[b] The Director of Employment at an annual salary of $6,000 was named Acting Director of Research and Information, at no cost to the Research Bureau.
[c] January 1, 1938, 80-column tabulating equipment was installed to replace 45-column used previously, which, naturally increased monthly rentals.
[d] Beginning January 1, 1935, the Bureau was reorganized and the Divisions of Duplicating and Library transferred from the Executive Bureau and added to the Bureau of Research and Information.
[e] Includes publication of Department bulletin which, prior to December, 1939, was a function of the Executive Bureau.
[f] One year only (June 1, 1939 to May 31, 1940.)

The Bureau is charged with the administration and enforcement of the Women's Labor Law, to Child Labor Law, and the Industrial Homework Law. Its powers and duties include the improvement of standards of employment for women and children workers; the enforcement of regulations governing hours and conditions of labor of women and minors; the enforcement of regulations governing industrial home work, by licensing and supervising employers distributing such work, and by inspection of homes in which such work is conducted; the investigation of accidents to minors under 18 to determine

illegality of employment and eligibility for payment of double indemnity as provided by the Child Labor Law.

The Bureau is organized into three principal divisions: Research, Industrial Homework, and Minor's Accidents.

The primary function of the Bureau is that of making studies of the working conditions of women and children. These comprise the work of the Research Division. The nature of the surveys has been determined by outstanding problems in the field. Numerous studies have been published, some having served as the basis for legislative action. Investigations are carried on in specific industries and trades where conditions restrictive to established labor standards and the welfare of women and children workers are known to exist, as, for instance, in the manufacture of men's and women's garments, in the service industries, in household employment, and in commercialized agriculture.

The problem of industrial home work as an administrative problem was entrusted to the Bureau of Women and Children because it demanded a type of inspection of homes and contacts with employers which could not be included in routine factory inspection. A sharp reduction in the number of firms engaging in the practice of sending work into the homes was affected by requiring payment of high fees for such practices under the Industrial Home Work Law.[31] Unfortunately, the National Defense Program has been responsible for an increase in such home work. All employers and contractors who deliver materials for home work are obliged to procure permits from the Department. The employer's fee is $200.00 for original issuance and $50.00 to $200.00, depending on number of home workers employed, for each annual renewal of the permit. Contractors pay a fee of $25.00 for the issuance of a permit.

The work of actual enforcement, through inspection and prosecution, was transferred from the General Inspection Division of the Bureau of Inspection to the Bureau of Women and Children in 1940. Such industrial inspection work as is performed by this Bureau is limited to service industries wherein women are almost exclusively employed, such as laundries, beauty parlors, hotels, restaurants, etc. Table XIII-P, shows a record of prosecutions for violation of the Women's Labor Law for the years 1933 to 1940, inclusive.

TABLE XIII-P

DEPARTMENT OF LABOR AND INDUSTRY
VIOLATIONS OF THE WOMEN'S LABOR LAW
PROSECUTIONS RECORD—JUNE 1, 1933 TO JANUARY, 1941

Fiscal Year (Ending May 31)	Prosecutions Authorized	Total Amount of Fines
1934	468	$14,330.00
1935	144	3,945.00
1936	281	2,352.00
1937	549	7,725.00
1938	170	2,435.00
1939	113	1,560.00
1940	159	2,270.00
1941[a]	54	1,035.00
Total	1,938	$35,652.00

[a] Incomplete, covers period from June 1, 1940 to January, 1941.

Of the 1938 prosecutions authorized, 1,378 were closed by payment of fines, 357 were terminated by payment of prosecution costs without fines, while 250 cases were withdrawn or dismissed.

The Bureau is administered by a Director whose staff of 13 includes 7 home work investigators, a report analyst, clerical assistants, and several inspectors.

Expenditures for 1937-39 totaled $70,595.00.

17. Bureau of Mediation

The work of this Bureau is predicated on the belief that it is good public policy "to encourage employers and employes by their representatives to make and maintain agreements concerning wages, hours, and conditions of employment, and to settle all controversies arising out of the application of such agreements."[32]

This Bureau was originally created as a Bureau of Mediation and Arbitration in 1913, and was re-established under the Administrative Code of 1929 which authorized it to endeavor to affect amicable settlements of industrial controversies.[33]

Several avenues are available for the resolution of industrial disputes. The parties or either party to a controversy between employers and employes may invoke the services of the Department, or the Department may proffer its services in controversies with respect to hours, wages, or conditions of employment. The Department thereupon communicates with the parties involved and uses its best efforts by mediation, through a representative of the Secretary of Labor and Industry, to bring them in agreement.

At the request of both the employer and employes, the Department may set up a commission or panel of citizens to mediate. The members of such commission serve without compensation.

Should a controversy not be adjusted through mediation, such controversy may, by agreement of the parties, be submitted to arbitration, one person to be selected by the employer, one by the employes, and a third by the representatives of the employer and employes. In the event such appointment is not made, the Department may select the third person to arbitrate the matter. Submission of a controversy for arbitration is not mandatory. If the request for appointment of the third arbitrator is made to the Department of Labor and Industry, the procedure is for either the employer or employes or both parties to pay for the services of the arbitrator so selected.

That mediation is a successful means of settling industrial disputes can be seen by an examination of the record of the Bureau of Mediation. From January to November 15, 1939, 229 disputes, involving 38,035 workers, were reported to the Bureau. Of these disputes, there were 153 strikes involving 24,449 employes, 70 controversies involving 13,338 employes, and 5 lockouts involving 248 employes. The Bureau was successful in settling 53 controversies before reaching the strike stage, and effected early termination of 101 strikes and 2 lockouts.

The staff of the Bureau consists of 3 advanced mediators, 3 senior mediators and 2 stenographer clerks.

This mediation service cost the Commonwealth $76,353 for the 1937-39 biennium.

18. Bureau of Hours and Minimum Wages

The Bureau of Hours and Minimum Wages was created

in 1937 to administer the Minimum Fair Wage Law for women and minors and the amended Women's Labor Law.[84]

Its personnel consists of an investigator, a statistical clerk, and clerical assistants. There is a vacancy in the directorship.

At the present time, this Bureau is operating in close cooperation with the Bureau of Women and Children.

D. PERSONNEL

The following Table summarizes the personnel of the Department of Labor and Industry, and shows the total salaries paid, as of June 1, 1940.

TABLE XIII-Q

DEPARTMENT OF LABOR AND INDUSTRY
SUMMARY OF PERSONNEL AND SALARIES PAID BY ORGANIZATIONAL UNITS AS OF JUNE 1, 1940

Organizational Unit	Number of Employes	Annual Salaries
Executive Office:		
Administrative Division	13	$ 38,492
Accounting Division	18	23,700
Division of Private Employment Agency Licenses	7	13,380
Industrial Board	4	7,980
Pennsylvania Labor Relations Board	44	103,180
Total	86	$186,732
Bureau of Workmen's Compensation:		
Administrative Division	4	$ 12,780
Insurance Coverage Division	4	8,160
Accident Reports Division	43	47,160
Petitions Division	10	11,760
Agreements Division	10	11,880
Adjusting and Investigating Division	23	37,140
Occupational Disease Survey	2	4,860
Total	96	$133,740
Workmen's Compensation Referees	68	$158,860
Workmen's Compensation Board	29	$ 67,640
State Workmen's Insurance Fund	291	$452,218
Bureau of Employment and Unemployment Compensation		
Board of Review	99	$ 218,660
Executive Office	330	495,485
Division of Unemployment Compensation	1330	1,749,515
Division of Employment Service	1580	2,388,600
Total	3339	$4,852,260
Bureau of Rehabilitation	46	$ 71,460
Bureau of Inspection		
Administrative	5	$ 10,540
General Inspection Division	81	143,880
Boiler Division	21	28,560
Elevator Division	32	53,820
Mines and Quarries	8	15,780
Building Division	12	17,820
Accident Prevention	4	5,460
Bedding and Upholstery Division	12	19,980
Total	175	$ 295,840
Bureau of Industrial Standards	4	$ 7,260
Bureau of Women and Children	14	$ 24,340
Bureau of Research and Information	26	$ 38,220
Bureau of Mediation	8	$ 18,660
Bureau of Hours and Minimum Wages	7	$ 9,420
Grand Total	4,189	$6,316,650

Of the 4,189 persons comprising the total personnel of the Department of Labor and Industry on June 1, 1940, 80%, or 3,339, worked in the Bureau of Unemployment Compensation and Employment Service. The following Table summarizes the personnel, by divisions, in that Bureau.

TABLE XIII-R

DEPARTMENT OF LABOR AND INDUSTRY
BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION
SUMMARY OF PERSONNEL AND SALARIES PAID BY ORGANIZATIONAL UNITS
AS OF JUNE 1, 1940

Organizational Unit	Number of Employes	Annual Salaries
Board of Review	99	$ 218,660
Executive Director's Office		
Administrative Office	14	$ 37,185
Personnel Section	13	16,740
Training Section	11	28,145
Standards, Methods, and Planning Section	5	9,135
Office Management Section	140	150,500
Research and Statistics Section	49	79,660
Fiscal Control Section	50	76,710
Legal Section	42	85,275
Public Relations Section	6	12,135
Total	330	$ 495,485
Division of Unemployment Compensation		
Administrative Office	62	$ 76,130
Accounting and Auditing Section:		
Excluding Field Force	413	515,155
Field Force	210	400,360
Benefit Payment Section	645	757,870
Total	1330	$1,749,515
Division of Employment Service		
Administrative Office	21	$ 59,300
District Offices	1559	3,329,300
Number 1	65	92,160
Number 2	36	49,380
Number 3	34	49,860
Number 4	136	213,420
Number 5	79	120,840
Number 6	78	116,160
Number 7	105	160,800
Number 8	269	370,320
Number 9	144	221,740
Number 10	83	130,620
Number 11	98	156,040
Number 12	432	647,960
Total	1580	$2,388,600
Grand Total	3,339	$4,852,260

E. FINANCES

Although the cost of operating the Department of Labor and Industry is paid for largely from appropriations made to it by the General Assembly, some of the units derive funds from other sources. For example, the Bureau of Inspection is largely self-supporting through collection of fees for inspection services, and the administrative costs of the Division of Unemployment Compensation are paid for out of Federal funds. Appropriations made by the State for operation of the Employment Service Division are matched by the Federal Government. The Division of Private Employment Agency Licenses is more than self-sustaining.

1. Income From Inspection Services

Substantial revenues are derived from various inspection services. In Table XIII-S, below, is set forth a statement of these revenues for the last two bienniums and the first year of the current biennium, and the expenses involved.

2. Income From Employment Agency Licenses

Licensing of private employment agencies is a self-sustaining activity. Total receipts over total expenditures varies from year to year. Table XIII-T, below, compares yearly receipts with expenditures, since June 1, 1927.

3. Departmental Appropriations

Appropriations made by the General Assembly to the Department of Labor and Industry for the last three bienniums were as shown in Table XIII-U, page 6960.

TABLE XIII-S

DEPARTMENT OF LABOR AND INDUSTRY
INSPECTION SERVICE RECEIPTS AND EXPENSES
BIENNIUMS 1935-37 TO 1939-41

Service	1935-1937 Receipts	1935-1937 Expenses	1937-1939 Receipts	1937-1939 Expenses	1939-1941* Receipts	1939-1941* Expenses
Boiler Inspection Fees	$84,860.17		$112,442.00		$90,547.27	
Boiler Inspection Fines	243.00		631.00		149.00	
Total Boiler Receipts	$85,103.17	$63,328.38	$113,073.00	$100,174.76	$90,696.27	$47,122.47
Elevator Inspection Fees	$48,150.72		$89,138.47		$57,119.00	
Elevator Plans Approval Fees	3,047.50		6,127.50		3,035.00	
Elevator Inspection Fines	181.00		354.00		400.00	
Total Elevator Receipts	$51,379.22	$49,429.04	$95,619.97	$148,070.95	$60,554.00	$68,201.87
Explosive Storage Permit Fees		$40,529.50	$16,767.50	$ 57,547.28	$ 9,615.00	$20,302.36
Building Plans Approval Fees	$17,504.00		$20,613.75		$11,528.00	
Projectionist Exam and License Fees	24,392.10		26,460.10		12,924.00	
Factory Act Fines	470.00		50.00		50.00	
Fire Alarm and Panic Fines	350.00		205.00		160.00	
Total Building Receipts	$42,716.10	$22,495.56	$47,328.85	$65,047.66	$24,662.00	$25,464.29
Bedding and Upholstery Fees	$117,117.10		$109,506.13		$73,250.00	
Bedding and Upholstery Fines	980.00		120.00		100.00	
Total	$118,097.10	$51,743.56	$109,626.13	$73,410.23	$73,350.00	$27,787.01
Grand Total	$297,295.59	$227,526.04	$382,415.45	$444,250.88	$258,877.27	$188,878.00

* One year only (June 1, 1939 to May 31, 1940).

TABLE XIII-T

DEPARTMENT OF LABOR AND INDUSTRY PRIVATE EMPLOYMENT AGENCY LICENSES RECEIPTS AND EXPENDITURES

Fiscal Year Ending May 31	Receipts	Expenditures
1928	$18,400.00	$7,606.54
1929	17,600.00	7,607.56
1930	31,970.00[a]	8,480.06
1931	25,905.00	9,607.37
1932	18,700.00	9,983.86
1933	13,800.00	9,294.13
1934	14,005.00	6,047.39[d]
1935	13,800.00	4,745.30
1936	13,700.00	4,258.24
1937	16,205.00[b]	5,002.77
1938	22,000.00	6,642.19
1939	20,900.00	8,064.54
1940	23,205.00	11,815.14
1941	27,700.00[c]	12,500.00[d]

[a] Act No. 438, May 2, 1929, P. L. 1260 went into effect October 1, 1929, increasing fees, etc.

[b] Act No. 438 was amended by Act No. 240, May 25, 1937, P. L. 899, to include theatrical booking agencies.

[c] Estimated.

[d] Salaries of the Director and part of the office staff were paid from Federal employment funds or other allocations from 1933 to 1939.

Note: Prior to October 1, 1929, the license fee was $50. Many undesirables were licensed prior to that time. The Depression of 1929-30 is reflected in the gradual drop in receipts from 1930 to 1938. With the present industrial spurt and war defense programs a number of new commercial employment agencies are being organized and there is every indication of a substantial increase in that field. Closer administration of theatrical booking agents and nurses' registries is bringing increase in these two classes.

TABLE XIII-U

DEPARTMENT OF LABOR AND INDUSTRY BIENNIAL APPROPRIATIONS 1933-35 TO 1937-39

Biennium	Amount
1933-35[a]	$1,957,000.00
1935-37[a]	1,955,116.25[b]
1937-39	4,373,500.00

[a] During these periods, additional appropriations were made to the Department of Property and Supplies for the Department of Labor and Industry.

[b] Includes $50,000 appropriated for payment to the Unemployment Administration Fund.

The following Table XIII-V, shows the expenditures of the Department of Labor and Industry, by departmental sub-divisions, for the last three bienniums:

TABLE XIII-V

DEPARTMENT OF LABOR AND INDUSTRY BIENNIAL EXPENDITURES 1933-35 TO 1937-39

Bureau or Division	Biennium 1933-35	1935-37	1937-39
Executive Bureau	$104.597.35	$82,242.51	$238.530.82
Employment Service	150,859.25	108,316.50	978,219.75*
Inspection	643.560.58	613.549.73	1,021,462.10
Industrial Standards	51.741.27	42,716.60	45,510.27
Industrial Board	3.937.98	3,517.73	15.803.33
Mediation	36.025.74	59.741.82	76.353 08
Women and Children	46,469.67	47,811.67	70,595.24
Pennsylvania Labor Relations Board	.....	.....	373.724.44
Hours and Minimum Wages	.....	.....	237,701.05
Rehabilitation—General	248,377.16	421,845.47	628.461.33*
Rehabilitation—Deaf	.....	.....	38,392.29*
Workmen's Compensation Board	123.689.70	127,790.15	161.939.19
Workmen's Compensation Ref.	308.242.45	330.186.79	412.411.37
Workmen's Compensation Bureau	228.164.19	236.501.75	563.579.86
Research and Information	40,328.46	47,628.08	120,301.17
Workmen's Compensation to Injured State Employes	20,413.73	10,357.12	4.371.54
Occupational Disease Survey	.....	.....	117.431.16
Storeroom	.....	.....	13.733.05
Total	$2.006,407.53	$2,132,205.92	$5,118,521.04

* Includes expenditures from Federal funds as follows:

Employment Service $491,955.13

Rehabilitation:
General $324.692.52
Deaf $8,500.00

4. Unemployment Compensation Contributions and Benefit Payments

Contributions by employers to the Unemployment Compensation Fund have shown a steady increase since 1937. In view of these increases, it is interesting to note that total benefits paid to employes have just as steadily decreased during the same period, reflecting a marked improvement in employment. From 1937 to 1940 inclusive, because of the favorable influence mentioned above, the Fund balance has risen from $70,152,958.53 to $132,-393,967.85. The following Table XIII-W presents the figures for the four years involved:

TABLE XIII-W

DEPARTMENT OF LABOR AND INDUSTRY CONTRIBUTIONS BY EMPLOYERS, BENEFIT PAYMENTS TO THE UNEMPLOYED AND BALANCE IN THE UNEMPLOYMENT COMPENSATION FUND 1937 TO 1940 INCLUSIVE

Year	Total Contributions and Interest[a]	Total Benefits Paid	Balance in Fund (December 31)
1937	$ 70,152.958.53	.....	$ 70,152,958.53
1938	71,581.566.21	$ 71,553,159.05	70,181,365.69
1939	80.407,613.83	54,594,544.60	95,994,434.92
1940	86,034.963.63	44,260,798.98	132,393,967.85
Total	$308,177,102.20	$170,408,502.63	$132,393,967.85[b]

[a] Includes Penalty Interest.

[b] Does not include $5,374,631.72 transferred to Railroad Unemployment Compensation Authorities.

Month by month variations for the year 1940, in employer's contributions, benefits paid, etc., are shown in Table XIII-Y, page 6961.

5. Expenditures of Unemployment Compensation Bureau

Administrative expenditures of the Bureau of Employment and Unemployment Compensation are paid for principally out of moneys received from the Federal Government.

An analysis of operation costs, by functions on a yearly basis, was not available at the time of writing this chapter. Costs for October, 1940 were compiled, however, and percentages computed. Although variations occur from month to month and year to year, the percentage figures for October are considered to be fairly representative and should apply to other months and yearly operations in general. Table XIII-Z presents the figures referred to, for the Bureau of Employment and Unemployment Compensation:

Operation costs and percentage determinations on a functional basis, for the Divisions of Unemployment Compensation and Employment Service, computed similarly to Table XIII-Z, page 6961, for the entire Bureau, are given in Table XIII-BB, page 6962.

6. Finances of State Workmen's Insurance Fund

A summary statement of the general and administrative

TABLE XIII-Y

DEPARTMENT OF LABOR AND INDUSTRY

CONTRIBUTIONS BY EMPLOYERS AND BENEFIT PAYMENTS TO THE UNEMPLOYED BY CALENDAR MONTHS FOR THE YEAR 1940

Month	Receipts			Benefit	Balance
	Contributions	Interest	Total	Payments	in Fund
January	$ 4,714,722.49	$545,060.89	$ 5,259,783.38	$ 4,024,506.50	$ 97,229,711.80
February	18,316,256.06	.....	18,316,256.06	4,017,219.00	111,528,748.86
March	425,674.80	.....	425,674.80	4,207,155.75	107,747,267.91
April	1,492,759.94	628,880.84	2,121,640.78	4,615,856.80	105,253,051.89
May	17,767,638.72	.....	17,767,638.72	5,304,598.40	117,716,092.21
June	476,598.66	.....	476,598.66	3,909,225.15	114,283,465.72
July	3,705,735.22	675,627.25	4,381,362.47	4,474,767.00	114,190,061.19
August	15,877,276.85	.....	15,877,276.85	4,054,669.15	126,012,668.59
September	360,484.65	.....	360,484.65	2,918,355.75	123,454,797.49
October	5,104,811.61	733,471.29	5,838,282.90	2,726,743.85	126,566,336.54
November	14,502,945.55	.....	14,502,945.55	1,881,052.48	133,813,597.89*
December	707,018.81	.....	707,018.81	2,126,648.85	131,069,600.60**
Total	$83,451,923.36	$2,583,040.27	$86,034,963.63	$44,260,798.98	

* Transferred to Railroad Unemployment Insurance Account—$5,374,631.72.
** Transferred to Railroad Unemployment Insurance Account—$1,324,367.25.

TABLE XIII-Z

DEPARTMENT OF LABOR AND INDUSTRY

EXPENDITURES OF THE BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION DURING OCTOBER, 1940

Function	Total Expenditures*	Per Cent of Total Bureau Expenditures	Per Cent of Functional Expenditures
Administrative			
Interstate and Federal Activities	$ 5,010.64	1.30	18.28
Advisory Councils	4,829.62	1.25	17.62
Appeals	11,810.54	3.07	43.07
Office Conferences, etc.	5,760.44	1.49	21.03
Total	$27,411.24	7.11	100.00
Staff Functions			
Legal	$ 7,727.63	2.01	10.87
Storeroom and Budget Activities	7,871.39	2.06	11.07
Personnel, Welfare and Training	9,361.89	2.43	13.16
Research and Statistics	11,325.34	2.94	15.93
Procedure and Planning	5,048.52	1.30	7.10
Informational Service	1,148.20	.29	1.61
Office Services and Miscellaneous	28,632.40	7.42	40.26
Total	$71,115.37	18.45	100.00
Contributions			
Supervision—General	$ 2,342.81	.61	3.77
Employer Status	3,807.51	.99	6.13
Contribution Reports and Remittances	5,765.33	1.50	9.28
Deposit of Remittances	950.44	.25	1.53
Employer Accounts	2,376.91	.62	3.82
Adjustments and Assessments	7,498.29	1.94	12.07
Field Audits and Investigations	34,525.10	8.95	55.57
Contribution Files	4,863.40	1.26	7.83
Total	$62,129.79	16.12	100.00
Benefits			
General Supervision	$ 3,838.92	1.00	3.76
Wage Records	13,559.51	3.52	13.26
Claim Determination	5,554.63	1.44	5.43
Claim Adjustments	10,921.60	2.83	10.68
Benefit Payments	27,296.31	7.08	26.70
Reconcilement of Benefit Payments Account	4,237.35	1.10	4.14
Benefit Files	8,328.39	2.16	8.15
Interstate Benefit Claims	1,879.35	.49	1.84
Taking and Processing Claims in Local Offices	26,616.57	6.91	26.04
Total	$102,232.63	26.53	100.00
Local Office Supervision			
Technical and Advisory Services	$ 473.55	.12	10.49
Local Office Supervision	4,042.03	1.05	89.51
Total	$ 4,515.58	1.17	100.00
Local Office Placement Functions			
Office Managers and Internal Operating Reports	$ 14,095.81	3.66	11.94
Interviewing	44,509.70	11.55	37.72
Placement Activities	22,523.79	5.84	19.09
Employer and Community Relations	12,790.26	3.32	10.84
Filing	15,148.82	3.93	12.84
Itinerant Service	7,942.76	2.06	6.73
Waiting Time and Receptionist at Itinerant Points	993.30	.26	.84
Total	$118,004.44	30.62	100.00
Total Cost, Less Leave Cost	$385,409.05	100.00	.....
Leave Cost	$ 38,839.84	.....	.....
Total Cost	$424,248.89		

*Includes regular and overtime.

expenses of the State Workmen's Insurance Fund for the years 1936 to 1939 inclusive, is presented in Table XIII-AA.

TABLE XIII-AA

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
SUMMARY STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

Item	1936	1937	1938	1939
Salaries	$478,365.17	$493,952.33	$563,258.87	$466,129.33
Traveling Expense ..	89,190.50	90,005.99	84,828.26	84,078.09
Rent	23,687.40	22,506.57	24,862.37	24,881.50
Furniture and Fixtures	5,643.58	10,232.05	4,635.67	5,171.37
Office Supplies	5,866.03	8,102.43	3,252.70	4,968.00
Postage ...	19,038.29	21,512.90	22,067.98	22,209.15
Stationery & Printing ..	14,169.95	20,759.86	17,678.35	19,120.64
Telephone, Telegraph and Express	4,944.83	4,959.62	4,886.41	6,133.91
Heat, Light and Power	4,683.54	4,832.10	4,318.94	4,172.64
Automobile Expense ..	446.30	772.20	339.10	463.76
Legal Expense	24,862.98	25,684.27	26,086.57	26,271.47
Alterations and Repairs	2,369.63	1,758.85	1,056.70	1,599.07
Rent of Equipment	11,287.66	11,921.90	12,954.32	15,003.88
Insurance ..	4,064.59	1,260.51	3,582.99	8,533.75
Miscellaneous Expense .	15,091.72	18,928.24	32,052.42	111,018.14
Penna. Compensation Rating and Inspection Bureau—Commercial	24,849.00	37,318.00	37,840.00	34,349.94
Penna. Compensation Rating and Inspection Bureau—Coal	28,137.51	29,942.93	27,500.28	24,162.02
Total ..	$756,698.68	$804,450.75	$871,201.93	$858,266.66

Table XIII-CC sets forth a summary statement of income and disbursements of the Fund for the years 1938 and 1939. Of particular interest is the decrease in the excess of income over expenditures during 1939 as compared with 1938. While the aggregate expenses of the Fund increased in 1939, a drastic reduction occurred in the value of premiums written.

TABLE XIII-BB

DEPARTMENT OF LABOR AND INDUSTRY
COST OF OPERATION OF
THE BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION
OCTOBER, 1940

Function	Unemployment Compensation Cost	Unemployment Compensation Percent of Total	Unemployment Compensation Percent or Major Function	Employment Service Cost*	Employment Service Percent of Total	Employment Service Percent of Major Function
Administrative						
Interstate & Federal Activities	$ 2,329.78	1.26	12.76	$ 2,680.86	1.33	29.30
Advisory Councils	4,829.62	2.62	26.44	.....	....	....
Appeals	11,103.65	6.02	60.80	706.89	.35	7.73
Local Office Conference & Reading Time	.....	....	....	5,760.44	2,87	62.97
Total	$ 18,263.05	9.90	100.00	$ 9,148.19	4.55	100.00
Staff Functions						
Legal	$ 7,726.39	4.19	19.83	1.24	..**	..**
Storeroom and Budget Activities	5,723.35	3.10	14.69	2,148.04	1.07	6.69
Personnel, Welfare, and Training	5,461.29	2.96	14.01	3,900.60	1.94	12.13
Research and Statistics	6,100.92	3.31	15.65	5,224.42	2.60	16.25
Procedure and Planning	3,028.78	1.64	7.77	2,019.74	1.01	6.28
Information Service	1,148.20	.62	2.95	.....	....	....
Office Services and Miscellaneous	9,779.60	5.30	25.10	18,852.80	9.38	58.65
Total	$ 38,968.53	21.12	100.00	$ 32,146.84	16.00	100.00
Contributions						
Supervision—General	$ 2,342.81	1.27	3.79	$	....	....
Employer Status	3,807.51	2.06	6.16	.....	....	....
Contribution Reports and Remittances ..	5,765.33	3.13	9.33	.....	....	....
Deposit of Remittances	950.44	.52	1.54	.....	....	....
Employer Accounts	2,376.91	1.29	3.85	.....	....	....
Adjustments and Assessments	7,498.29	4.06	12.14	.....	....	....
Field Audits and Investigations	34,174.16	18.52	55.32	350.94	.17	100.00
Contribution Files	4,963.40	2.64	7.87	.....	....	....
Total	$ 61,778.85	33.49	100.00	$ 350.94	.17	100.00

TABLE XIII-BB (Continued)

DEPARTMENT OF LABOR AND INDUSTRY

COST OF OPERATION OF

THE BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION

OCTOBER, 1940

Function	Unemployment Compensation			Employment Service		
	Cost	Percent of Total	Percent or Major Function	Cost*	Percent of Total	Percent Of Major Function
Benefits						
General Supervision	$ 3,838.92	2.08	5.87	$	....	....
Wage Records	13,559.51	7.35	20.72	.....	....	....
Claim Determination	4,412.80	2.39	6.74	1,141.83	.57	3.11
Claim Adjustments	6,325.48	3.43	9.66	4,596.12	2.29	12.50
Benefit Payments	22,876.27	12.40	34.95	4,420.04	2.20	12.01
Reconcilement of Benefit Payments Account	4,237.35	2.30	6.47	.....	....	....
Benefit Files	8,328.39	4.51	12.72	.....	....	....
Interstate Benefit Claims	1,879.35	1.02	2.87	.....	....	....
Taking and Processing Claims in Local Offices	.....	....	....	26,616.57	13.24	72.38
Total	$ 65,458.07	35.48	100.00	$ 36,774.56	18.30	100.00
Local Office Supervision						
Technical and Advisory Services	$	....	....	$ 473.55	.24	10.49
Local Office Supervision	.....	....	....	4,042.03	2.01	89.51
Total	$	....	....	$ 4,515.58	2.25	100.00
Local Office Placement Functions						
Office Managers and Internal Operating Reports	$	....	....	$ 14,095.81	7.02	11.95
Interviewing	.....	....	....	44,509.70	22.16	37.73
Placement Activities	.....	....	....	22,523.79	11.21	19.09
Employer and Community Relations	.....	....	....	12,790.26	6.37	10.84
Filing	.....	....	....	15,148.82	7.54	12.84
Itinerant Service	23.30	.01	100.00	7,919.46	3.94	6.71
Waiting Time and Receptionist at Itinerant Points	.....	....	....	993.30	.49	.84
Total	$ 23.30	.01	100.00	$117,981.14	58.73	100.00
Total Cost, less Leave Cost	$184,491.80	100.00	....	$200,917.25	100.00	....
Leave Cost	$ 21,925.19	....	....	$ 16,914.65	....	....
Total Cost	$206,416.99			$217,831.90		

* Includes regular and overtime.
** Percentage less than .05.

TABLE XIII-CC

DEPARTMENT OF LABOR AND INDUSTRY STATE WORKMEN'S INSURANCE FUND SUMMARY STATEMENT OF INCOME AND DISBURSEMENTS

Income and Disbursements	1938	1939
Income		
Premiums Written	$6,443,484.54	$4,739,434.97
Interest on Investments	474,818.51	479,046.89
Rents on Real Estate	23,322.99	22,184.00
Credit by Treasury Department Account Checks 7 year or older	5,402.71	.....
Profit on Real Estate	888.00	4,240.46
Profit on Bonds	81.96	1,958.27
Second Injury Reserve Account	100,000.00	.....
Replacement Check Account	5,000.00	.....
Total	$7,052,988.71	$5,246,864.59
Disbursements		
Claim Payments	$3,332,964.83	$3,292,478.91
Investigation and Adjustment of Claims	437,755.52	408,489.29
General Administrative Expense	426,988.01	442,407.35
Real Estate Repairs and Expense	16,935.46	16,291.87
Salaries and Expense in the Handling of Investments	6,458.40	7,370.02
Dividend Payments to Policy Holders	335,896.88	623,932.99
Workmen's Compensation Security	.....	89,962.33
Decrease in Deposit Premiums	25,897.40	120,192.24
Claims Paid on Second Injury Reserve Account	.....	82.25
Old Checks Paid on Replacement Check Account	.....	158.32
Uncollectable Accounts Charged Off	.....	20,981.28
Loss on Sale of Bond	13,471.94	18,712.42

Total	$4,596,368.44	$5,041,059.27
Excess of Income over Disbursements	$2,456,630.27	$ 205,805.32

The financial status of the State Workmen's Insurance is reflected in the following statement covering the years 1938 and 1939:

TABLE XIII-DD

DEPARTMENT OF LABOR AND INDUSTRY STATE WORKMEN'S INSURANCE FUND STATEMENT OF ASSETS, LIABILITIES AND SURPLUS

Assets and Liabilities	1938	1939
Assets		
Cash	$2,634,669.33	$4,244,243.96
Bond (Ammortized Value)	10,191,398.90	9,193,858.04
Federal Loan Association Shares	15,000.00	23,400.00
Mortgages, Regular	596,366.12	582,152.99
Mortgages, F.H.A.	1,279,561.67	1,213,018.88
Real Estate Owned	224,191.00	215,197.00
Accrued Interest	139,432.27	111,908.39
Due from State Work Relief Compensation Fund Commissions at 17½% for handling Account	64,920.19	71,319.96
Total Assets	$15,145,539.48	$15,645,099.22
Liabilities and Surplus		
Reserve for Losses	$7,906,243.92	$8,008,968.00
Estimated Expense in Investigating and Adjusting of Claims	395,312.20	.....
Unearned Premiums	583,334.68	422,833.28
Accrued Expenses	100,000.00	50,000.00
Dividends Due Policy-Holders	639,103.12	15,170.13
Amounts Payable to Policy-Holders	108,104.53	313,472.35
Deposit Premiums due Policy-Holders	472,939.39	352,747.15
Second Injury Reserve Account	100,000.00	99,917.75
Replacement Check Account	5,000.00	4,841.68
Reserve for Invalidation Refunds	.....	150,000.00
Voluntary Reserves:		
Reserve for Catastrophe	1,100,000.00	1,000,000.00
Contingency Reserve	.....	1,000,000.00
Surplus	3,835,501.64	4,227,148.88
Total Liabilities and Surplus	$15,145,539.48	$15,645,099.22

Particularly notable is the upward trend in the financial surplus of the State Workmen's Insurance Fund during the years 1933 to 1939. During the latter year, a Contingency Reserve of $1,000,000 was setup to take care of any reduction on securities held by the Fund or for any other emergency.

TABLE XIII-EE

DEPARTMENT OF LABOR AND INDUSTRY SURPLUS IN STATE WORKMEN'S INSURANCE FUND 1933 TO 1939

Year (December 31)	Surplus
1933	$ 965,034.00
1934	2,060,808.78
1935	1,640,395.34
1936	2,338,848.64
1937	2,871,833.56
1938	3,835,501.64
1939	4,227,148.88

In Table XIII-FF, below, is set forth a summary statement showing investments of the Funds as of December 31, 1939.

TABLE XIII-FF

DEPARTMENT OF LABOR AND INDUSTRY STATE WORKMEN'S INSURANCE FUND SUMMARY STATEMENT OF INVESTMENTS AS OF DECEMBER 31, 1939

Investment Item	Book Value	Par Value	Ammortized Value
Bonds			
United States Government Bonds	$ 2,295,875.00	$ 2,330,000.00	$ 2,304,936.38
State, Territories and Possessions.	1,080,790.00	1,080,790.00	1,079,854.50
Political Subdivisions of State, Territories, and Possessions.	5,769,338.42	5,613,541.70	5,634,152.59
Mortgage Bonds	161,020.00	166,000.00	164,914.57
Total Bonds	$ 9,307,023.42	$ 9,190,331.70	$ 9,183,858.04
Federal Loan Association Shares	$ 23,400.00	$ 23,400.00	$ 23,400.00
Mortgages and Real Estate Mortgages, Regular	$ 582,152.99	$ 582,152.99	$ 582,152.99
Mortgages, F.H.A.	1,213.018.88	1,213,018.88	1,213,018.88
Real Estate Owned	215,197.00	215,197.00	215,197.00
Total Mortgages and Real Estate	$ 2,010,368.87	$ 2,010,368.87	$ 2,010,368.87
Total Investments	$11,340,792.29	$11,224,100.57	$11,217,626.91

FOOTNOTES

[1] 1889, P. L. 243.
[2] 1905, P. L. 102.
[3] 1913, P. L. 396.
[4] 1937, P. L. 1168.
[5] 1939, P. L. 293.
[6] 1929, P. L. 1260, 1937, P. L. 899.
[7] 1915, P. L. 758.
[8] 1915, P. L. 736.
[9] Administrative Code of 1929, Section 2208 (d).
[10] 1939, P. L. 520.
[11] 1915, P. L. 758; 1919, P. L. 1077.
[12] Administrative Code of 1929, Section 2208.
[13] 1915, P. L. 758.
[14] 1937, P. L. 2897.
[15] 1919, P. L. 1045; Administrative Code of 1923, Section 1709; (Administrative Code of 1929, Section 2209).
[16] 1921, P. L. 12.
[17] 1913, P. L. 396; Administrative Code of 1929, Section 2202.
[18] Administrative Code of 1929, Section 2202 (a); General Safety Law, 1937 P. L. 654.
[19] 1929, P. L. 1518, amended by 1937, P. L. 912, and 1937, P. L. 1662.
[20] Administrative Code of 1929, Section 2202 (c) and (d).

[21] 1929, P. L. 1518, Amended by 1933 P. L. 999, and 1937, P. L. 277.
[22] 1937, P. L. 654, Section 2 (f).
[23] 1937, P. L. 2681.
[24] 1927, P. L. 465, amended by 1929, P. L. 1523; 1933, P. L. 997; 1937, P. L. 1016; and 1937, P. L. 1670.
[25] 1937, P. L. 1016.
[26] 1937, P. L. 926.
[27] 1933, P. L. 802.
[28] Administrative Code of 1929, Section 2205.
[29] Administrative Code of 1923, Section 1704 (Administrative Code of 1929, Section 2204).
[30] Administrative Code of 1923, Section 1707 (Administrative Code of 1929, Section 2207).
[31] 1937, P. L. 665.
[32] Pennsylvania Labor Mediation Act, 1937, P. L. 674.
[33] Administrative Code of 1929, Section 2206.
[34] Minimum Wage Law—1937, P. L. 917; Women's Labor Law—1913, P. L. 1024, amended by 1915, P. L. 709; 1929, P. L. 617; 1937, P. L. 1547.

CHAPTER XIV

DEPARTMENT OF MILITARY AFFAIRS

A. FUNCTION

The Department of Military Affairs is under the direction of the Adjutant General's Office which was established by Act of April 11, 1793. The present organization of the Department was set up in the Administrative Code of 1923.[1]

There have been no major alterations in the organizational structure of the Department since 1923 with the possible exception of the Act of 1937 transferring the State Athletic Commission from the Department of Military Affairs to the Department of Revenue.[2]

The organization and powers of the Department, however, have been seriously affected as a result of the National Defense Program and the Executive Order calling up all members of the National Guard for service in the regular armed forces. This matter will be considered more fully in later pages.

The duties and functions of the Department are those of directing the State's military interests, particularly the activities of the Pennsylvania National Guard, of coordinating the State's military activities with those of the Federal Government, and of assuming charge of the interests of Pennsylvania's military veterans.

The Department of Military Affairs, as in all States, functions under a dual status—Federal and State. For national purposes, it is under the control of the Federal Government; for State or local purposes it is under State authority. Specifically, the drills, equipment and summer training of the Pennsylvania National Guard are maintained by the Federal Government, while the upkeep of their armories, their training places and their administrative expenses are provided by the State. During 1940, the National Defense Program has cut across this division of functions and has caused a complete revision of the Department's powers and duties.

B. POWERS AND DUTIES

In ordinary times the Department performs functions of the following nature. Its principal work is to organize, train, maintain, discipline, and service or equip the Pennsylvania National Guard and the Naval Militia (though the latter has not been reorganized since the World War). This involves the keeping of records of drill attendance, of physical condition of officers, and of efficiency of personnel, the issuing of payroll requisitions and the keeping of war records. This force of approximately 14,000 men may be called upon when necessary as a State Defense Force in case of riot or insurrection. The Department must account for and preserve the extensive Federal military property and stores located within the Commonwealth. It is charged with the custody of about $18,000,000 worth of Federal equipment including rifles, machine guns, cannons, aeroplanes, ammunition and other materials for the organization and training of the National Guard. Standard reports on these arms, uniforms and other accoutrements are sent to the Secretary of War of the United States.

The Department controls, maintains and operates extensive real property including the State Arsenal at Harrisburg, the Indiantown Gap Military Reservation, comprising more than 13,000 acres, the undisposed portions of the old Military Reservation at Mount Gretna, ninety-two State-owned and nine rented armories, and the Soldiers' and Sailors' Home at Erie. In all, its real estate control extends over 13,000 acres of land, 1,200 acres of which are rented for a period of fifty years, the remainder owned outright by the State.

The Department is also charged with the responsibility of caring for veterans and their affairs, including the administration of the State fund for the relief of impoverished war veterans. Other duties which might be classified as subsidiary functions of the Department include the sale, exchange or supervised destruction of military stores and equipment which have become unserviceable due to obsolescence or decay. Under proper supervision, the Department adjudicates claims up to $250.00 caused by injuries to persons or damages to property arising out of National Guard maneuvers.[3]

The Department must determine the amount of relief to be paid to guardsmen who are wounded or otherwise disabled while on duty in active service. It prepares an annual directory and roster of National Guard officers and men in the State. The Department also has the power to issue arms and accoutrements to military schools and veterans' organizations, but has not done so due to the lack of available supplies.

An anomalous situation surrounds the State Military Cemetery which is owned and maintained by the Department despite the fact that no one has ever been buried in that ground.

The Adjutant General, as the head of the Department, is chairman of the State Armory Board and a member of the State Military Reservation Commission, the State Veterans' Commission and the Board of Trustees of the Soldiers' and Sailors' Home.

C. ORGANIZATION AND OPERATIONS

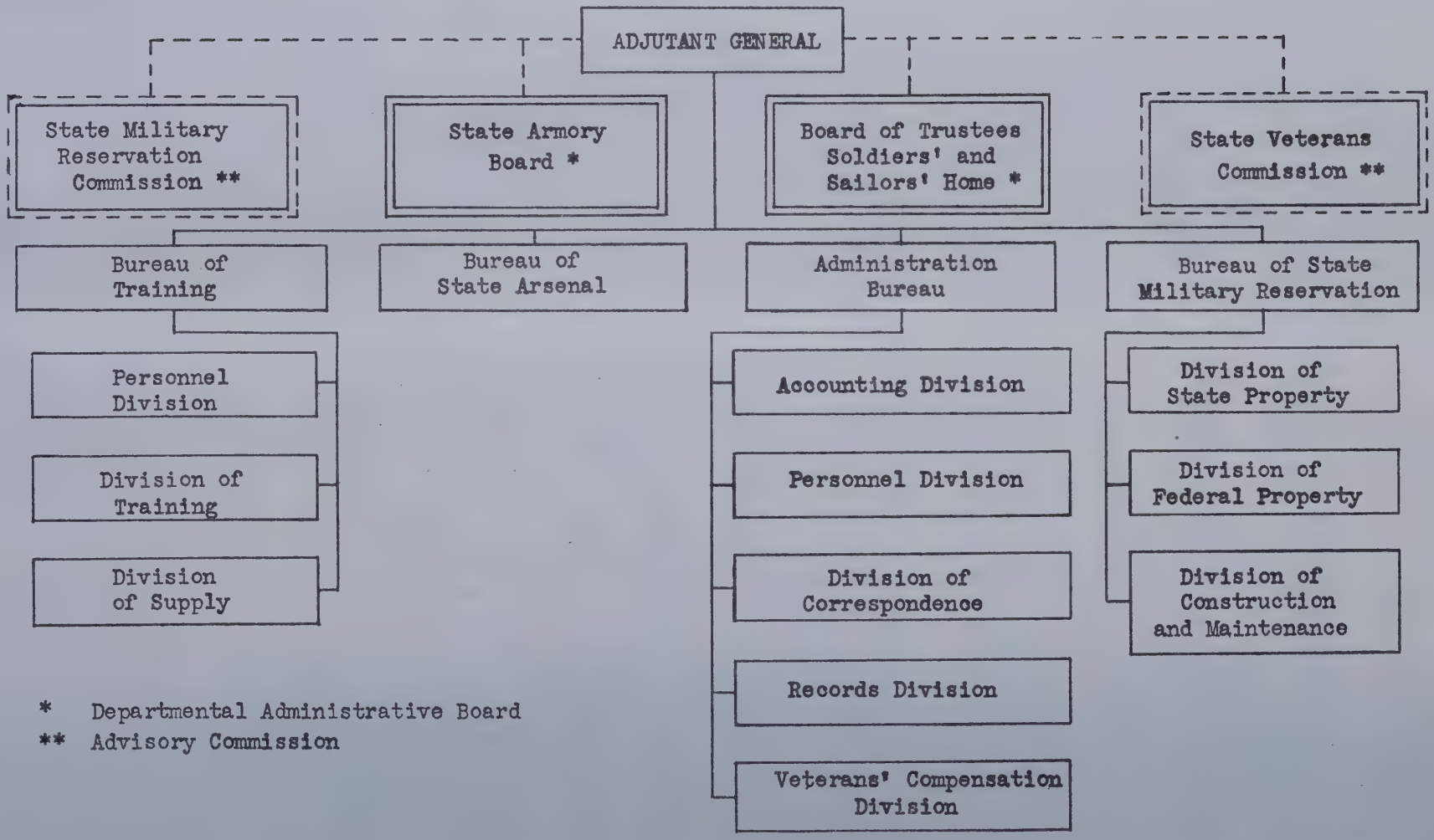
As is indicated by Chart XIV-1, page 6966 the work of the Department is administered by four Bureaus, two Executive Boards, and two Advisory Commissions. Although the major portion of the personnel is stationed at various points throughout the State, the Adjutant General and his staff and the Headquarters of the 28th Division now occupy offices in the South Office Building, though most of the Adjutant General's time is spent in his office at the Indiantown Gap State Military Reservation.

The Administrative Bureau, the Bureau of Training Headquarters 28th Division, the Bureau of State Arsenal,

[1] Footnotes on page 6973.

CHART XIV-1

ORGANIZATION OF THE DEPARTMENT OF MILITARY AFFAIRS



* Departmental Administrative Board
** Advisory Commission

and the Bureau of Military Reservation are the four larger subdivisions of the Department's Administrative set-up. The Armory Board of the State of Pennsylvania and the Board of Trustees of the Pennsylvania Soldiers' and Sailors' Home are departmental administrative boards, while the State Military Reservation Commission and the State Veterans' Commission are advisory Commissions.

Because of the highly specialized nature of the Department's activities, it is necessary in some branches of its administration to combine both a civil and a military form of organization. However, the functions of the Department, as outlined below, must be regarded as representing a normal peace-time arrangement of personnel, subject to considerable change toward a more distinctly military type of organization with State civil functions declining in importance and Federal military functions growing in importance as defense activities develop.

1. Administration Bureau

The Governor, by Constitutional authority, is the Commander-in-Chief of the Army and Navy of the Commonwealth. In practice, however, all ordinary operations of the Department of Military Affairs are under the direct supervision of the Adjutant General. The Adjutant General's office is headed by the Adjutant General, two deputies[4] and a clerical force of eight. The Bureau comprises five divisions, established to carry on all the work on the headquarters level. These are: the Accounting Division, the National Guard Personnel Division, the Division of Correspondence (Mail, Files, and Messenger Section), the Records and Old Records Division, and the Veterans' Compensation Division (in charge of the Soldiers' Bonus).

a. Accounting Division

The Accounting Division has grown in recent years and operates with a comptroller, two examiners, an accountant, a bookkeeper, two requisition clerks, and two typists. It maintains the accounting and budgetary system for the Department, prepares estimates and expenditures, audits bills, prepares requisitions for the Auditor General, prepares audits and approves all requisitions for supplies purchased through the Department of Property and Supplies. It compiles monthly reports of appropriation expenditures and also cost reports. It is responsible for the supervision and control of the departmental storeroom. In addition, it audits the allowance account for 350 National Guard companies and acts as agent for the Department of Revenue.

b. Division of Personnel (Records Section, National Guard)

The Division of Personnel is in charge of a Chief of Personnel who is assisted by a force of five persons.

The Division maintains an individual file or record of the active personnel of the Pennsylvania National Guard, which as of August 22, 1940, consisted of 873 officers, 13 warrant officers, and 13,043 enlisted men, or a total of 13,929. During the past five years the annual average number of enlistments was 3,170, re-enlistments 2,752, a total of 5,922, representing an annual turnover of 53.6%. As of August 22, 1940, there were 292 units comprising the Pennsylvania National Guard. The officers of the Guard are named by the Governor of the State under authority granted by the United States Constitution.[5] In this, however, as in most other matters relating to military discipline, close collaboration is maintained between the office of the Adjutant General and the United States Secretary of War.

Officers in the National Guard are not paid at a rate commensurate with their rank (as in the Regular Army), but rather on the basis of the responsibility of their position and their experience. Their compensation approximates one-seventh of the pay of the officers of the same grade in the Regular Army.

The compensation received by Guardsmen is paid by the Federal Government with the exception of fifty cents additional pay per day per man while encamped. The enlisted personnel records are checked four times each year with armory drill payrolls.

A recent Executive Order of the President has increased the quota of the Pennsylvania National Guard, and caused greater burdens and additional expenditures to be undertaken by the Department. This problem will be discussed more in detail in later pages.

Duty performance reports, payroll reports, efficiency reports, etc., are required at regular intervals. Each officer is required to pass a physical examination each year. The work of this Division involves the keeping of a set of highly detailed records.

c. Old Records Division

After the completion of the individual war records files by this Division in 1934, the personnel was reduced from ten temployes to four. The Division is now concerned with answering inquiries pertaining to individual war records, which are usually required for historical purposes, adjudication of pensions, and requests for disability allowances. The records contain all available information regarding each individual in this Commonwealth enlisted in the armed forces of the United States during the World War. During 1934 this Division, for practical purposes, was merged with the Veterans' Compensation Division and a large portion of the over-lapping detail was handled by Veterans' Compensation personnel. The consolidation has remained in effect since that time, but now the Old Records Division has taken over the payment of Veterans' Compensation in addition to its normal duties. The volume of inquiries to this Division from the public has increased almost one hundred and fifty percent in the last three years, and is continuing to show a gradual increase. Old National Guard records, in many cases, are the only sources for substantiating the ages of persons born before the year when the Bureau of Vital Statistics initiated birth records.

Marriage, birth and death certificates obtained from the Bureau of Vital Statistics for verification of military service upon request of veterans, veterans' dependents, veterans' organizations and Veterans' Administration are as follows:

1938	1939	1940 (to 10-1)
8,639	8,096	9,575

Statements of military service prepared upon requests

of veterans, veterans' dependents, American Legion, American Legion Auxiliary, etc.:

1938	1939	1940 (to 10-1)
3,452	2,851	2,999

d. Veterans' Compensation Division (Bonus)

This Division was charged with the distribution of the Federal Soldiers' Bonus, more than $1,000,000 of which has not yet been applied for by veterans in the State. The State Legislature extended the application deadline until July 1, 1942. In addition, the State has collected more than $47,000 from veterans who applied for and received bonuses for which they were not entitled.

This Division employs a Veterans' Claims Investigator, who functions directly under the Deputy Adjutant General for veterans' affairs giving his full time to that function. The investigator assists veterans in the presentation of claims to the Federal Government and his activity saves the Commonwealth many thousands of dollars each year by securing Federal grants for veterans and their dependents who might otherwise be a burden on the State. In brief, the work of the Division relates itself to:

(1) The handling of Veterans' Administration cases for veterans and their dependents.
(2) The filing of claims with the Veterans' Administration in Philadelphia, Pittsburgh, and Washington, D. C., for compensation, pension, hospitalization, domiciliary care, adjusted compensation, insurance, appeals, burial allowances, headstones, medals, etc.

The volume of work handled by the Division in the above instances and the monies recovered from the Veterans' Administration for veterans and their dependents is shown in Table XIV-A.

TABLE XIV-A

DEPARTMENT OF MILITARY AFFAIRS
VETERANS' ADMINISTRATION CASES HANDLED, CLAIMS FILED, AND MONIES RECOVERED FOR VETERANS BY VETERANS' COMPENSATION DIVISION, 1933-1940, INCLUSIVE

Year	Cases Handled	Claims Filed	Monies Recovered
1933	10,324	2,634	$162,727.76
1934	10,119	1,722	115,084.10
1935	8,065	1,135	77,723.63
1936	2,272	2,360	22,981.92
1937	529	413	13,028.00
1938	708	683	2,114.50
1939	657	634	1,804.00
*1940	804	578	1,296.33

* To October 1st.

Only one Investigator is now on duty for this Division. He is stationed in the Adjutant General's Office, Harrisburg. The Investigators formerly located in Philadelphia and Pittsburgh were discontinued August 31, 1936.

e. Correspondence Division (Mail and Files Section)

Under the Correspondence Division are handled the departmental mail, the filing and the messenger service.

f. Essington Rifle Range

In addition to the divisions of the Bureau of Administration listed above there must also be mentioned here the Essington Rifle Range which is owned by the Commonwealth of Pennsylvania and operated by this Department as a rifle range of the National Guard unit at Philadelphia and vicinity for both rifle and pistol marksmanship training.

2. Bureau of Training—Headquarters 28th Division

The headquarters of the 28th Division, Pennsylvania National Guard, are located in Harrisburg. This Division acquired a glorious reputation for its bravery during the first World War. Prior to 1939, direct command of this force was vested in the Division Commander. Since that time, however, the positions of Adjutant General and Division Commander were consolidated effecting a salary saving of $8,000 a year and making possible a closer unity of command. This change has been adopted in a number of States in the Corps Area, where the Commander of the troops is also the head of the military activities.

This Bureau is responsible for the training and discipline of the officers and men of the Pennsylvania National Guard. The Bureau operates under three divisions: Personnel, Training, and Supply.

a. Division of Personnel

The Division of Personnel schedules and supervises inspections and maintains personnel and efficiency records for both officers and enlisted men.

b. Division of Training

The Division of Training is responsible for the training of the personnel of the 28th Division. Major decisions concerning the type of training initiate with the Federal War Department which issues directions to the State military agency where the training schedules are set up and administered. Uniformity of training is effected by the establishment of a broad training program which is broken down by the different echelons of command so that each grade and unit has a rigid training schedule to adhere to during the weekly armory drills. Recent increases in the enlisted personnel of the Guard have added greatly to the work of this Division, as explained in greater length later in this chapter.

Under normal organization, the military units of the 28th Division include, in addition to its four infantry regiments, the 176th Field Artillery, the 103rd Observation Squadron, the 101st Radio Intelligence Company, the 52nd Cavalry Brigade and the 213th Coast Artillery.

c. Division of Supply

The Division of Supply is responsible for such matters as the uniforming and equipping of the members of the Guard.

3. Bureau of State Arsenal, and United States Property and Disbursing Office

The Pennsylvania State Arsenal, at Harrisburg, is in charge of a superintendent, who at the same time serves as the United States Property and Disbursing Officer for Pennsylvania. The duties of such an officer are clearly defined in the National Guard Regulations. They include the responsibility for all of the property of the United States War Department within the Commonwealth, the value of which is estimated at $18,000,000. He must also disburse all Federal funds allotted to the Commonwealth for military operations. Such funds are expended through

the 278 organizations which comprise the Pennsylvania National Guard. In practice, these duties mean that the officer in question must keep all Federal property in repair, that he must return worn out articles for replacement, that he must distribute all clothing, pay all troops, compute all payrolls, and make all contracts for food, forage for animals and Federal supplies.

The superintendent of the State Arsenal is thus called upon to serve two masters, the Federal Government and the Commonwealth. For the performance of these duties, the following sections have been established for handling the Federal business:

(a) Finance Section
(b) Accounting and Audit Section
(c) Correspondence Section
(d) Requisition Section
(e) Section of Survey
(f) Division of Shipping and Receiving
(g) Division of Garage
(h) Correspondence Section
(i) Accounting Section—Handles State Work
(j) Division of Labor and Maintenance—Handles State and Federal Work

Many of the activities of the Department of Military Affairs are supported jointly by the Federal Government and the Commonwealth. In connection with the superintendent of the State Arsenal, one finds an interesting illustration in the manner in which this plan works out. This officer normally receives $3,600 from the Commonwealth and $2,700 from the Federal Government. Although the present United States Property and Disbursing Officer is now retired from State service, he is continuing to function in his Federal capacity, but does not draw a salary from the Commonwealth.

As a considerable quantity of military equipment is stored in armories throughout the State the Arsenal Bureau maintains a central perpetual inventory of all such supplies and equipment, which includes approximately nine hundred motor vehicles, as well as seven airplanes.

4. Bureau of State Military Reservation

This Bureau is charged with the maintenance of the State Military Reservation and its equipment. Like the Bureau of State Arsenal it has both State and Federal responsibilities to discharge. It is organized into a Division of State Property, a Division of Federal Property and a Division of Construction and Maintenance.

The staff of the Bureau, which consists of a force of sixteen clerical workers, maintenance workers, and laborers is in charge of a superintendent.

On the grounds of the State Military Reservation at Indiantown Gap, in Lebanon County, the National Guard convenes for its annual two week encampment every summer. During 1940 this summer training period was extended six days. When the entire Guard is called out, the greater portion of the troops will train at the Indiantown Gap Military Reservation.

Ordinarily, the Reservation is not occupied for any great period of time. Nevertheless, the Reservation's buildings and grounds must be maintained and repaired throughout the year. This work falls under the Division of Construction and Maintenance.

a. Divisions of State Property and Federal Property

The Divisions of State Property and Federal Property have charge of the various types of supplies and equipment provided by the State and Federal Governments for the maintenance of the military reservation. Under present conditions. which involve the induction of the enlisted personnel of the National Guard into the Army of the United States and the accumulation of large stores of military equipment for the use of these men during an extended period of active training, it is impossible to make any specific allocation of the personnel and duties of the men in these divisions.

These conditions also render it impossible to provide very specific information as to the exact extent of the responsibility of the Division of Construction and Maintenance whose work is dealt with in the following paragraph.

b. Division of Construction and Maintenance

The maintenance of the State Military Reservation involves under normal conditions the repair and upkeep of several hundred buildings and of many miles of roadway. The water system and the heating plant serving the buildings of the Reservation must also be kept in operation, the grounds must be maintained, cord wood must be provided for use in the encampment, rifle ranges must be prepared and cared for, ammunition must be received and stored, a considerable fleet of trucks must be kept in repair, the artillery target range and its approach must be maintained in condition for immediate use, and tank equipment must be conditioned for summer camps and stored at the end of the season. Other types of equipment must be transported and issued to troops as required. Many of the buildings house Federal property for which the Commonwealth is responsible. The foregoing statement describes the normal peace-time responsibilities of this Division at Indiantown Gap. Needless to say, during the year 1940, with an immense emergency construction program involving hundreds of new buildings now being rushed to completion, and preparation being made for training at this Reservation of a larger number of men than were ever assembled here before, it is impossible to state exactly how many buildings, how many miles of roadway, or what other additional equipment may fall under the care of this Division of the Bureau.

The Commonwealth's land holdings at Indiantown Gap have been increased until today the Reservation covers 13,200 acres, 1,200 of which have been rented for a 50 year period. The last budget of the Department provided $28,000 for land purchases and improvements at the Reservation, this being a marked decrease over the 1937 budget of $50,000 and that of 1935 providing $100,000.

c. Publications

The Department of Military Affairs does not publish a periodic bulletin, but instead "farms out" this function to a private individual who publishes a magazine known as THE PENNSYLVANIA GUARDSMAN. The Department subscribes for a copy for each member of the National Guard, for which it pays $12,000 a year out of the regular appropriation. Although it has been held by the Attorney General that such a subsidy arrangement is legal, it is undoubtedly true that a publication of this type is definitely a governmental function and should eventually be handled by the Department itself as is done in most

of the States, with substantial savings. The present situation, however, renders any immediate change in this matter inadvisable.

5. Affiliated Boards and Institutions

a. State Military Reservation Commission

This is an advisory Commission and consists of the Governor, the Major General of the Pennsylvania National Guard, and those Major Generals who have retired from service, the Adjutant General, the Brigadier Generals commanding brigades, the Chief of Staff of the 28th Division, and two other members appointed by the Governor. It is the function of the Commission to consider any matters upon which the Department may ask for its advice, and to investigate and study the condition of any State Military Reservation and in particular the Indiantown Gap Reservation, for the purpose of approving any additional land purchases thereto, and making and approving recommendations to the Department for the maintenance and improvement thereof.

b. State Armory Board

The Board, located at Harrisburg, consists of the Governor, the Adjutant General, and five other persons, of whom three must be officers of the Pennsylvania National Guard. Each member of the Board, with the exception of the Governor and the Adjutant General, receives a salary of $1,200 per annum. Other personnel attached to the Board consists of two armory inspectors and one secretary. The Board is an administrative departmental agency and under the fiscal control of the Department. The Board is charged with the equipment, maintenance, management and regulation of the ninety-two State-owned and nine rented armories throughout the Commonwealth.

A total of twenty-seven new armories have been erected since 1933 through the Works Progress Administration, the Department of Property and Supplies and the General State Authority. In 1931, $80,000 was appropriated to the Department of Property and Supplies for the construction of armories and in 1935 this sum was increased to $500,000. Following the creation of the General State Authority in 1935 and under its vast building program, $1,970,000 was appropriated for new armories. In 1931 the Department of Property and Supplies received $40,000 to purchase armories, but no further appropriations for purchases have been made since.

c. State Veterans' Commission

This Commission has both advisory and investigatory functions and consists of the Adjutant General and seven veterans of American wars who are members of accredited veterans' organizations. The Commission office is in Philadelphia and the staff consists of four relief investigators and nine typists and clerks. This organization is charged with the administration of relief to ex-soldiers and their dependents. The Commission is under the general supervision of a Deputy Adjutant General appointed for the purpose. Most of its case investigation is done without cost to the State by the welfare officer of the American Legion post or that of the Veterans of Foreign Wars. When an application is approved, food orders are issued not to exceed $5.00 per week. The Legislature has appropriated approximately $800,000 to $900,000 each biennium for veterans' relief. For the last two bienniums, the sum has been $890,000 for relief and $40,000 for the education of veteran's orphans.

TABLE XIV-B
DEPARTMENT OF MILITARY AFFAIRS
EXPENDITURES OF PENNSYLVANIA VETERANS' COMMISSION 1939

Purpose	Amount	Percent of Total
Relief and Assistance	$398,317	92.6
Education of War Orphans	11,598	2.7
Administration	20,468	4.7
Total	$430,383	100.0

The Pennsylvania Veterans' Commission relief program consists in caring for unemployable veterans, pending their acceptance by some other agency. All investigation is done by local volunteer agencies, who use the Department of Public Assistance grant set-up as a base in determining the weekly amount given to the veterans or their families.

There are no cash grants. All vouchers are for food, clothing orders, and averaged $8.56 per person for February 1940, to which should be added 35c per person for medical assistance.

The orphans of veterans (does not include post-war) receive Pennsylvania Veteran's Commission grants to pay tuition in any school, trade school or college in Pennsylvania. These grants average about $175 a year for each orphan.

PENNSYLVANIA VETERANS' COMMISSION
STATISTICS

Number of veterans in Pennsylvania (estimated)	320,000
Number of veterans unemployed, January 1940	16,629
Number of veterans on W.P.A. (by counties 11-29-39)	12,159

The State Department of Public Assistance certifies to W.P.A. only those veterans who are employable or a member of the family who is employable.

The number of orphans of veterans cared for by the Pennsylvania Veteran's Commission from June 1939 to April 1940 was 66, exclusive of post-war children. It is estimated that there will be no orphans eligible for Pennsylvania Veterans' Commission assistance by 1945.

Table XIV-C shows the number of active cases and the number of persons on the relief rolls of the Pennsylvania Veterans' Commission.

TABLE XIV-C
DEPARTMENT OF MILITARY AFFAIRS
MONTHLY RECORD OF CASES AND PERSONS ON RELIEF ROLLS OF PENNSYLVANIA VETERANS' COMMISSION JUNE 1939 TO FEBRUARY 1940

Month and year	Number of Cases	Number of Persons
June, 1939	663	3,289
July, 1939	691	2,401
August, 1939	710	3,517
September, 1939	714	3,534
October, 1939	731	3,555
November, 1939	735	3,542
December, 1939	731	3,509
January, 1940	755	3,567
February, 1940	779	3,858

(1) A Comparison of Pennsylvania Veterans' Commission and Department of Public Assistance

The cost of administration of the Pennsylvania Veterans' Commission is about $2.40 per case per month, with an average monthly grant of approximately $46.00 per case of 4.8 persons per case. This compares very favorably with the Department of Public Assistance where the cost of administration averages $4.50 per case per month, with a monthly grant of only $31.04 per case and an average of 3.02 persons per case.

Administrative costs for Pennsylvania Veterans' Commission program are kept at a minimum by utilizing the services of established welfare agencies, and veteran organizations for all field investigations. Over 50% of the families assisted by the Pennsylvania Veterans' Commission are supervised by the American Red Cross workers. The remaining families are investigated by the Service Officers of Veteran Organizations and by other established private welfare agencies, such as the Family Society, etc. All field work is done on a volunteer basis.

d. Soldiers' and Sailors' Home at Erie

The Soldiers' and Sailors' Home at Erie was established in June, 1886, under authority of an act passed by the General Assembly in the preceding year.[7] Since that time the Commonwealth has constructed a hospital building, twenty additional buildings and various additions and improvements to existing buildings. On June 1, 1940, there were 51 persons employed at the Home, 23 of whom were employed on a per diem basis. In 1925, it had a population of 95, in 1933 there were 400 veterans residing at the Home, and in 1939 the number decreased to 235. The Home can accommodate 450 persons.

General direction and control of the affairs of the Home are vested in a Board of Trustees consisting of 9 members appointed by the Governor. The Board selects the superintendent who is subject to the authority of the Board. In addition, the Board passes on the application of veterans seeking entrance to the Home.

All residents at the Home are classified according to age and physical ability to perform work of various types. In 1932 the Board of Trustees followed the lead of the National Soldiers' Home and established a ruling whereby any man who draws a pension or disability allowance or compensation amounting to $30.00 or over will not be given free clothes. All this class of men get is their lodging and food. Men who draw disability allowances or pensions are not entitled to free tobacco or free barber service, except those in the hospital. Those who do not receive compensation are entitled to board and lodging, free tobacco, clothes and barber service. The labor performed by the inmates on the premises, for which some slight compensation is given, is performed by men not receiving pensions.

The Department of Property and Supplies exercises a regulatory supervision over all purchases except perishable foodstuffs and emergency purchases or those within certain limits may be obtained locally by the institution. The present system of centralized contracting has helped measurably to reduce delays and inconveniences in obtaining proper and standard articles and supplies. The biennial appropriation for 1939-41 for the administration and upkeep of this Home was $202,000, a decrease of $38,000 over the previous biennium. Forty percent of the expense of maintaining this institution is repaid by the Federal Government which maintains no general veterans' hospital or soldiers' home in Pennsylvania.

e. Effect of the National Defense Program

The National Defense Program has had a telling effect on the activities and functions of the Department of Military Affairs. In the latter part of 1939 the Federal Government, by executive order, increased the training of the National Guard by adding seven days and twelve additional weekly drills. In addition, the Guard was increased by 35,000 men, 2,200 of these coming from Pennsylvania. This added to the expense of the Commonwealth, since Pennsylvania provides for additional camp pay, administrative pay and lockers. As a result, much additional work was placed on the Department's administrative force, since officers were advanced and non-commissioned officers were being appointed as a result of added training and the inclusion of the Guard into the Regular Army of the United States. During 1940, the summer training period was extended six days. The military administrative force in the Department, by working nights and on Saturdays, has been able to carry on its work without the employment of additional help, although the 1939-41 budget for the Department did not contemplate nor include any extra funds to take care of the additional work and expenses.

Artillery has already been inducted into the Federal forces. When this was done, all the expenses of this regiment were borne by the Federal Government except the care and operation of the armories of the State occupied by the regiment. Shortly after the first of the year all of the National Guard will be in the United States Army. Pay, maintenance and supplies will then be furnished by the Federal Government. When this happens, the Department of Military Affairs will devote its time to problems of morale, to the maintenance of the 101 armories throughout the Commonwealth, to directing the activities and efforts of the veterans' organizations of the State along patriotic lines, to watching subversive interests, and to the organization of a unit to take the place of the Guard, if this should be deemed necessary. Since most of the Pennsylvania National Guard will train at the Indiantown Gap Military Reservation, the Department will still be obligated to see that the Reservation and its surroundings are made and kept suitable for the training of this vast military force, although all the other expenses will be borne by the Federal Government.

Thus, in 1941 it is expected that the major work of the Department, namely the organizing, training, equipping and maintaining of a National Guard force, will have been taken over by the Federal Government. To this extent, therefore, certain economies and reductions in personnel may occur in the Administration Bureau, the State Arsenal and the State Armory Board, while the 28th Division Headquarters will become a part of the Federal Government and will operate directly under it.

D. PERSONNEL

It is obvious that while much of the work of this Department involves the maintenance of records and inventories of the extensive equipment and other supplies

in its custody, and is therefore comparable to the work of other State Departments, those of its functions which have to do directly with the National Guard, the State Arsenal, and the Military Reservation require as their directive personnel men of training and experience in military affairs. It is also obvious that in the interest of the State's defense organization it is advisable that certain of its Department subordinate positions also be occupied by men familiar with military equipment and accustomed to military regulations. The salaried and per diem personnel of each Bureau is summarized in Table XIV-D, following which the full list of salaried employes, with their functions, is detailed in Table XIV-E below.

TABLE XIV-D

DEPARTMENT OF MILITARY AFFAIRS
Summary of Employes in Administrative Bureaus
June 1, 1940

Bureau	Number of Employes	Annual Salaries
Administrative Bureau	5	$ 22,480
Accounting Bureau	9	16,140
Mail and Files	5	6,720
Records Section (National Guard)	5	7,200
Old Records	4	5,760
Veterans Compensation Division (Bonus)	6	6,555
Division Headquarters	8	20,900
State Arsenal	24	31,460
Military Reservation	17	23,460
Essington Rifle Range	1	1,800
State Armory Board	6	11,250
Soldiers' and Sailors' Home, Erie	28	32,400
State Veterans' Commission	13	16,080
Total	131	$202,205

In addition to the above salaried personnel, the Department employed on June 1, 1940, a total of 161 per diem employes. Of these employes 23 were located at the Soldiers' and Sailors' Home at Erie, 114 were employed by the State Armory Board, 23 at the Military Reservation, and 1 was located in the Veterans' Compensation Division at Washington, D. C.

TABLE XIV-E

DEPARTMENT OF MILITARY AFFAIRS
Number of Employes and Annual Salaries
June 1, 1940

Bureau	Number of Employes	Total Salaries
Administrative Bureau		
Adjutant General	1	$10,000
Deputy Adjutant General	1	4,500
Executive Assistant	1	4,500
Adv. Secretary-Stenographer	1	1,860
Stenographer-Secretary	1	1,620
Total	5	$22,480
Accounting Bureau		
Comptroller	1	$ 3,300
Examiner	1	2,700
Assistant Allowance Examiner	1	1,980
Bookkeeper	1	1,620
Jr. Assistant Accountant	1	1,620
Sr. Requisition Clerk	1	1,380
Sr. Stenographer	1	1,260
Requisition Clerk	1	1,140
Principal Typist	1	1,140
Total	9	$16,140
Mail and Files Section		
Head File Clerk	1	$ 1,620
Storeroom Keeper	1	1,380
Principal Clerk-Typist	1	1,260
Advanced Mail Clerk	1	1,320
Advanced File Clerk	1	1,140
Total	5	$ 6,720
Records Section (National Guard)		
Supervising Personnel Clerk	1	$ 2,100
Advanced Personnel Clerk	1	1,800
Personnel Clerk	1	1,140
Jr. Personnel Clerk	1	1,020
Sr. Stenographer-Typist	1	1,140
Total	5	$ 7,200
Old Records Section		
Supervisor	1	$ 1,620
Veterans Claims Investigator	1	1,620
Special Typist-Clerk	1	1,380
Sr. Stenographer-Clerk	1	1,140
Total	4	$ 5,760
Veterans' Compensation Division (Bonus)		
Senior Search Clerk	1	$ 1,380
Senior Computing Clerk	1	1,380
Stenographer	1	1,140
Stenographer-Clerk	1	1,080
Stenographer-Typist	1	1,020
Janitress	1	555
Total	6	$ 6,555
Division Headquarters		
Administrative Assistant	1	$ 5,000
Administrative Assistant	1	4,200
Office Assistant	1	3,600
Personnel Assistant	1	2,700
Principal Stenographer-Clerk	1	1,440
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	1	1,320
Chauffeur-Clerk	1	1,260
Total	8	$20,900
State Arsenal		
Junior Disbursement Accountant	1	$ 2,100
Stenographer-Secretary	1	1,560
Senior Stenographer-Clerk ($1,140)	3	3,420
Senior Storeroom Keeper	1	1,500
Senior Survey Clerk	1	1,380
Principal Clerk	1	1,860
Advanced Account Clerk	1	1,620
Senior Requisition Clerk	1	1,380
Senior Foreman	1	1,740
Senior Skilled Laborer ($1,140)	11	12,540
Carpenter	1	1,140
Saddler-Armorer	1	1,220
Total	24	$31,460
Essington Rifle Range		
Custodian	1	$ 1,800
State Armory Board		
Armory Board Members ($1,200)	3	$ 3,600
Armory Inspector	1	3,000
Armory Inspector	1	2,550
Secretary	1	2,100
Total	6	$11,250

Bureau	Number of Employes	Total Salaries
Military Reservation		
Superintendent	1	$ 3,600
Assistant Draftsman	1	1,140
Senior Stenographer-Clerk	1	1,140
Junior Stenographer	1	1,020
Engineering Clerk	1	1,140
Principal Foreman	1	1,860*
Head Skilled Laborer	1	1,380
Senior Carpenter	1	1,380
Senior Electrician	1	1,380
Senior Motor Mechanic	1	1,440
Senior Plumber	1	1,380
Foreman	1	1,380
Skilled Laborer	1	1,020
Caretaker	1	1,140
Watchmen ($1,020)	2	2,040
General Laborer	1	1,020
Total	17	$23,460
Soldiers' and Sailors' Home, Erie		
Superintendent	1	$ 3,600*
Engineman	1	840*
Labor Foreman	1	900*
Steward	1	1,620*
Graduate Nurses ($1,140)	2	2,280*
Resident Director of Nurses	1	1,500*
Firemen ($960)	2	1,920*
Night Policemen ($960)	2	1,920*
Maids ($660)	2	1,320*
Maid	1	580*
Kitchen Manager	1	1,920*
Stenographer-Clerk	1	1,440
Storeroom Manager	1	1,380*
Maid	1	600*
Typist	1	900
Physician	1	1,320
Florist	1	1,020*
Bookkeeper	1	1,920
Chaplain	1	300
Waitress	1	480*
Mechanical Director	1	2,240
Laundry Helper	1	660*
Barber	1	900*
Cook	1	840*
Total	28	$32,400
State Veterans' Commission		
Chief	1	$ 2,400
Junior Relief Investigators ($1,380)	3	4,140
Head Clerk-Stenographer	1	1,380
Junior Stenographer-Clerks ($1,020)	3	3,060
Typist-Clerks ($1,020)	3	3,060
File Clerk	1	1,020
Assistant Record Clerk	1	1,020
Total	13	$16,080
Grand Total	131	$202,205

* And Maintenance.

E. FINANCES

The expenditures of the Department of Military Affairs for the 1937-39 biennium and the estimated expenditures for the 1939-41 biennium are set forth in Table XIV-F.

As will be seen from this summary, the largest item of expenditure of the Department is for the relief of Pennsylvania's Veterans. The maintenance of the State's units of the National Guard is the second largest item, the third is the expenditure for the State Armories, and the fourth that for the maintenance of the Soldiers' and Sailors' Home at Erie.

TABLE XIV-F

DEPARTMENT OF MILITARY AFFAIRS
SUMMARY OF EXPENDITURES
1937-39 AND 1939-41 BIENNIUMS

Purpose	Biennium 1937-39	Biennium 1939-41 Estimated
Salary, Adjutant General	$20,000.00	$20,000.00
Salary Division Commander	16,000.00	534.00†
Administration	97,525.88	117,107.00
Arsenal	118,882.39	91,240.00
Reservation	172,958.53	191,892.00
Division Headquarters	41,562.34	40,394.00
War Records	202.50	.....
National Guard	735,902.52	807,833.00
Armory Board	520,035.12	728,657.00
Dedication in Europe	1,500.00	.....
State Veterans' Commission:		
Relief	848,119.82	890,000.00‡
Expenses	37,593.06	.....
Education of Orphans	36,235.10	22,000.00
Soldiers' and Sailors' Home	227,804.24	202,000.00
Land Purchases and Improvements	79,044.39	28,645.00
Military Reservation	.....	18,540.11
Purchase and Erection of Armories	10,012.78	3,621.21
G.A.R. Celebration	.....	2,699.55
Total	$2,963,378.67	$3,165,162.87

† Functions consolidated with those of Adjutant General.
‡ Relief and Expenses.

FOOTNOTES

[1] Administrative Code, Section 1401.
[2] 1937, P. L. 1865, Sections 427 and 2503.
[3] Act of July 12, 1935 (P. L. 695).
[4] 1939, P. L. 250, Section 14.
[5] U. S. Constitution, Article I, Section 8, Clause 16.
[6] 1939, P. L. 116.
[7] Act of June 3, 1885 (P. L. 62).

CHAPTER XV

DEPARTMENT OF MINES

The Department of Mines was created in 1903.[1] It succeeded the Bureau of Mines which had existed in the Department of Internal Affairs since 1897.

A. FUNCTION

The Department is charged with the enforcement and execution of the anthracite and bituminous coal mining laws of the Commonwealth. It functions to promote safety in coal mining and to improve the general welfare of the industry and its workers.

The Department of Mines has no specific jurisdiction over "bootleg" coal mining, possessing only the power to close such mines when there is a robbery of the barrier pillar separating such mines from any other mines. Also, the Department has no jurisdiction over any other type of mining except coal mining.

B. POWERS AND DUTIES

To carry out the above functions the Department of Mines possesses the powers and duties to:[2]

[1] Footnotes on page 6980.

1. Enforce the coal mining laws of the Commonwealth.
2. Investigate all serious mine accidents and deaths.
3. Periodically inspect all coal mines and collieries.
4. Supervise the examination and certification of applicants for the position of:

   Mine Foreman
   Assistant Mine Foreman
   Fire bosses, electricians, shot firers, and mining machine runners in bituminous mines
   Miners in bituminous mines
5. Instruct mine workers and operators in safety principles.
6. Compile statistics on coal production, shipping, mine accidents, etc.
7. Collect reports from mine operators.
8. Issue reports and bulletins on accidents, production, working days, etc.
9. Supervise research for new uses and markets for anthracite and bituminous coal.[8]

C. ORGANIZATION AND OPERATIONS

As indicated by Chart XV-1 on page 6975, to perform these functions the Department of Mines is organized upon the following sectional basis:

1. Secretary of Mines

The Secretary of Mines is the chief officer of the Department. In addition, as is discussed later, he serves as Chairman of two Mine Inspectors' Examining Boards and possesses certain powers with regard to the various other examining boards. He is an ex-officio member of the Board of Trustees of Pennsylvania State College.

2. Administrative Section

The administrative section, located in Harrisburg, performs routine administrative duties. It handles all correspondence, maintains files, receives and collects reports, prepares statistical compilations and reports, keeps the Department's accounts, dispenses information to the public, and performs other related headquarters' duties.

The Administrative Section maintains a file of every mine in the State, and whether the mine is working, idle, or abandoned, and when each mine was inspected. This section receives and files all inspectors' reports and keeps a check on each inspector's daily activities.

a. Publications.

The administrative section prepares and distributes separate annual reports for the anthracite and bituminous regions. These reports contain production, shipping, employe, accident and other related statistics for every mine under the jurisdiction of the Department. These reports, which were formerly printed but now are mimeographed by the administrative section, are distributed to interested persons throughout the State and Nation.

In addition, this section issues a number of monthly statistical bulletins containing production, accident and working condition figures. Many of these reports are summarized quarterly. It also compiles monthly reports on all fatal accidents, in which reports the accidents are described and then analyzed to indicate what steps should have been taken to prevent them. These reports are an integral part of the Department's safety program. As with all the Department's publications, separate reports are issued for the anthracite and bituminous regions.

The Department also prepares and publishes, whenever necessary, handbooks of the laws governing the mining of anthracite and bituminous coal.

3. Mine Inspectors

The major portion of the Department's work is performed by mine inspectors. These inspectors are in charge of specified districts. The law divides the anthracite field into eight inspection districts, and stipulates the number of inspectors in each district. This stipulation provides for 25 inspectors.

The law specifies that there shall be 25 districts in the bituminous field, each with an inspector. The Secretary of Mines, with the permission of the Governor, has the authority to redistrict the field and add to the number of inspectors; however, the number of districts cannot exceed thirty. The following table indicates the number of districts and mines in each field as of December 31, 1938 and 1939, and August 31, 1940.

TABLE XV-A

ANTHRACITE INSPECTION DISTRICTS AND THE NUMBER OF MINES IN EACH DISTRICT
(As of Dec. 31, 1938 and 1939, and Aug. 31, 1940)

No. of Districts	District Number	Number of Mines 1940	1939	1938
1	1	63	65	62
2	2	53	48	64
3	3	9	9	10
4	4	19	21	25
5	5	49	33	33
6	6	41	49	45
7	7	54	54	53
8	8	35	30	29
9	9	27	24	24
10	10	66	61	59
11	11	19	19	20
12	12	30	31	28
13	13	20	22	19
14	14	44	44	45
15	15	4	57	57
16	16	18	28	35
17	17	14	14	17
18	18	18	17	14
19	19	14	11	11
20	20	10	7	8
21	21	12	12	14
22	22	13	20	18
23	23	24	16	17
24	24	14	11	18
25	25	17	5	8
Total		687	708	733

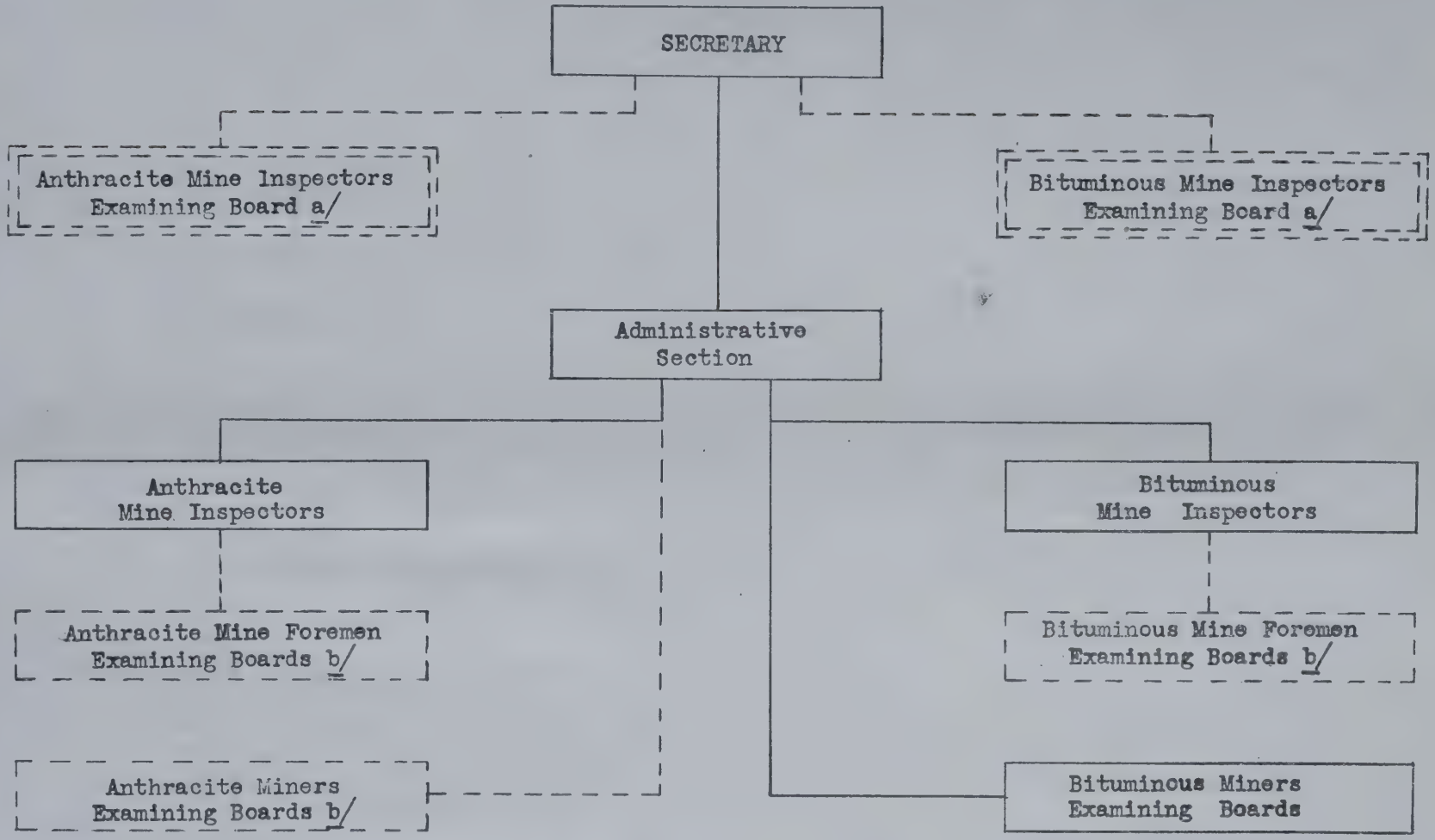
TABLE XV-B

BITUMINOUS INSPECTION DISTRICTS AND THE NUMBER OF MINES IN EACH DISTRICT
(As of Dec. 31, 1938 and 1939, and Aug. 31, 1940)

No. of Districts	District Number	Number of Mines 1940	1939	1938
1	1	22	23	26
2	3	98	115	100
3	4	140	170	110

CHART XV-1

ORGANIZATION OF THE DEPARTMENT OF MINES


SECRETARY
Anthracite Mine Inspectors Examining Board a/
Bituminous Mine Inspectors Examining Board a/
Administrative Section
Anthracite Mine Inspectors
Bituminous Mine Inspectors
Anthracite Mine Foremen Examining Boards b/
Bituminous Mine Foremen Examining Boards b/
Anthracite Miners Examining Boards b/
Bituminous Miners Examining Boards

a/ Departmental Administrative Board in Department of Public Instruction

b/ Appointed by County Courts

No. of Districts	District Number	Number of Mines 1940	1939	1938
4	5	36	50	45
5	6	48	49	49
6	8	89	98	96
7	9	24	34	29
8	10	17	40	40
9	11	54	42	41
10	12	40	30	30
11	13	21	11	20
12	14	86	83	83
13	15	54	94	94
14	16	14	25	25
15	17	44	52	51
16	18	62	71	178
17	19	27	30	80
18	20	57	59	63
19	21	....	....	15
20	22	46	46	41
21	23	37	31	59
22	24	68	74	72
23	25	25	28	32
24	26	21	41	42
25	29	19	23	17
26	30	28	63	63
	Total	1,177	1,382	1,501

The mine inspectors are required to inspect coal mines and obtain compliance with the mining laws. In the anthracite field, inspections of each mine must be made not less than once every three months, and in the bituminous field not less than once every four months. The inspectors check to see that all necessary precautions are being taken and that all required safety measures are being observed. This encompasses inspecting the surface machinery and equipment, checking shoring and timbering, examining entrances, shafts, levels and working places, inspecting ventilation and pumping conditions and equipment, examining the transportation system, etc. The inspectors must also examine the company's books to see that they are properly kept. After each such inspection of the mine, the inspector is required by law to post at the entrance of the mine a summary statement of the conditions found.

Where an anthracite inspector discovers a violation of the law, he orders the condition corrected and may also institute injunction proceedings in the county court to prohibit the illegal working of the mine. In such cases, notice of the intention to apply for the injunction must be given to the owner or operator. When an anthracite inspector discovers any dangerous condition which is not covered by law, he gives notice in writing of the condition. However, the owner, operator or superintendent has the right to demand that a board of arbitration, composed of an appointee of the inspector, an appointee of the owner, and a third person appointed by both, hear the charges and make an award.

When a bituminous inspector discovers a dangerous condition, however, he must notify the Secretary of Mines, who orders two other inspectors to investigate the condition. If they agree that the condition is dangerous, the superintendent is notified to correct the condition. If this is not done the inspectors ask the County Court of Common Pleas for an injunction to enjoin the working of the mine. The court hears and determines the case. If the inspector feels that any delay may endanger miners' lives he has the right to temporarily withdraw the miners from the mine until proceedings are completed.

If any operator, owner or superintendent is dissatisfied with any decision of a bituminous mine inspector he may appeal to the Secretary of Mines, who directs two or more inspectors to investigate. If all inspectors concur, their decision is final except that the owner may appeal to the County Court of Quarter Sessions.

The investigational function of the inspectors also extends to accidents. The inspectors investigate every fatal and serious mine accident in their district. They also attend every coroner's inquest of deaths occurring in and around collieries and mines. In the event of a catastrophe, such as a fire or cave-in, it is the duty of the inspectors to take a lead in plans for the rescue, relief and recovery of both life and property.

Inspectors attend company safety meetings, and stress safety in all their contacts.

In addition to these duties the inspectors serve as ex-officio members and chairmen of the Mine Foremen's Examining Boards in their districts.

4. Mine Foremen's Examining Boards

The laws[4] require that before a man may serve as a foreman or assistant foreman in any Pennsylvania coal mine he must pass an examination and receive a certificate of qualification. The agencies for so examining prospective foremen and assistant foremen are the Mine Foremen's Examining Boards. There are two groups of such boards: (1) The Anthracite Mine Foremen's Examining Boards and (2) the Bituminous Mine Foremen's Examining Boards. While the the Anthracite Boards certify only for the positions of foreman and assistant foreman, the Bituminous Boards certify for the positions of foreman, 1st and 2nd grades, assistant foreman, 1st and 2nd grades, fire boss, mine electrician, shot firer, and mining machine runner.

It is the function of the Boards to examine and certify applicants for these positions. The Boards inquire into the character and qualifications of the applicants and certify the successful persons to the Secretary of Mines, who issues certificates of qualification to them.

a. Anthracite Mine Foremen's Examining Boards

There is an Anthracite Mine Foremen's Examining Board for every inspection district in the anthracite field. Meetings may be held at any time and the Boards may make their own rules for the conduct of examinations. The law requires the Boards to certify their actions to the Secretary of the Department of Mines.

b. Bituminous Mine Foremen's Examining Boards

The Bituminous Mine Foremen's Examining Boards are appointed on petition of district inspectors. The Secretary of Mines selects a committee which prepares the examination to be given by all the Bituminous Boards. The Secretary also designates the Board before which each applicant shall appear.

As is explained later, when these Boards meet they also review and ratify the certification of bituminous miners by the mine inspectors.

The following table indicates the volume of work of the Boards for the past several years.

TABLE XV-C

ANTHRACITE AND BITUMINOUS MINE FOREMEN'S EXAMINATIONS, 1937-1940

Year	Region	Number of Boards	Number of Applicants	Number of Granted Certificates	Number of Unsuccessful Applicants
1937	Anthracite	None	None	None	None
	Bituminous	9	1,216	419	797
1938	Anthracite	6	208	186	22
	Bituminous	15	2,103	790	1,313
1939	Anthracite	5	169	141	28
	Bituminous	10	2,846	1,233	1,613
1940	Anthracite	5	153	141	12
	Bituminous	10	2,276	822	1,454

5. Miners' Examining Boards

Just as with the foremen, miners must also pass an examination and receive a certificate of qualification before they may work in Pennsylvania mines. Also as with the Foremen Examining Boards, there are two groups of Miners' Examining Boards: (1) The Bituminous Boards and (2) The Anthracite Boards.

a. Bituminous Miners' Examining Boards [5]

The Bituminous Miners' Examining Boards are under the direct supervision and control of the Department of Mines. The Secretary of Mines is authorized to appoint as many Bituminous Miners' Examining Boards, not exceeding five, as he deems necessary. Under a 1939 statute,[6] when the Secretary believes that there is a sufficient number of bituminous miners certified he is empowered to suspend the activity of the Bituminous Miners' Examining Boards and direct that additional miners be examined and certified, under rules and regulations prescribed by him, by the district Mine Foremen Examining Board. (Previous to the passage of this statute, the Bituminous Miners' Examining Boards were required to meet at least once every three months, even though after the first rush of certification there were few miners to examine.)

The Secretary of Mines has interpreted this discretionary power to be of such a character as to permit him to designate the mine inspectors to examine applicants for miners' certificates. Accordingly, the mine inspectors now examine the applicants at any convenient time or place. At their regular meetings twice each year, the Bituminous Mine Foremen's Examining Boards review and approve the certificates issued by the inspectors.

In the first eight months of 1940 approximately 6,850 bituminous miners were so certified. Since the passage of the 1937 statute requiring such licensing approximately 136,500 bituminous miners have been examined and certified.

b. Anthracite Miners' Examining Boards

While the Anthracite Miners' Examining Boards exist for the same purpose as the Bituminous Boards of similar name, they occupy a different status than the Bituminous Boards. The Anthracite Boards are not under the supervision and control of the Department of Mines, but are appointed by the courts of the county in which they sit. The reason for the independent status of the Anthracite Boards appears to be historical. The Act establishing them was passed in 1897[7] and has not been materially changed, while the Act establishing the Bituminous Boards was passed in 1937.

The law specifies that there be one Miners' Examining Board in each inspection District. These Boards are required to meet every month. In addition to examining miners, these boards are required to keep a registration book of all qualified miners in their districts.

The number of miners examined annually by each of these Anthracite Miners' Examining Boards has steadily declined. However, the number varies with the particular Board—some Boards examine as few as sixty applicants each year, while other Boards examine over five hundred.

6. Mine Inspectors' Examining Boards

There are two additional boards which, while under the fiscal control of the Department of Public Instruction, are integrally tied up with the work of the Department of Mines. The law providing for the mining inspectors requires that they take an examination to qualify for their positions. The examination and certification of successful applicants is performed by the Mine Inspectors' Examining Boards, of which there is one for Anthracite Inspectors known as the Anthracite Mine Inspectors' Examining Board,[8] and one for the Bituminous Inspectors known as the Bituminous Mine Inspectors' Examining Board.[9]

The function of these Boards is to prepare the examination, formulate the rules under which the examination will be conducted, and grade the examinations when completed. Before examining candidates the Boards must review them to determine if they possess the required qualifications. Successful applicants are certified by the Boards to the Governor and the Secretary of Mines. The examinations are given every four years, at the call of the Governor, or earlier if there are less than three qualified persons left on the list.

The Bituminous examinations are not allowed to exceed forty days. The number of days for the anthracite examinations is regulated by the Secretary of Mines. The records of these Boards are filed with the Department of Public Instruction.

The volume of work of these Boards is indicated by Table XV-D.

TABLE XV-D

ANTHRACITE AND BITUMINOUS MINE INSPECTORS' EXAMINATIONS, 1935-1940

Year	Region	Number of Applicants	Number Granted Certificates
1935	Anthracite	106	60
1936	.....	...	..
1937	Bituminous	102	16
1938	Anthracite	60	26
1939	.....	...	..
1940	.....	...	..

D. PERSONNEL

The organization delineated above for the Department of Mines is staffed in the following manner:

1. Secretary of Mines

The Secretary of Mines is appointed by the Governor, by and with the consent of the Senate, for a term of four years and until his successor is appointed and qualified. He receives a salary of $10,000 per annum, as established in the Administrative Code.[10]

2. Administrative Section

The administrative section is under the control of the Deputy Secretary of Mines. As of June 1, 1940, the section was staffed with the following employes:

TABLE XV-E

PERSONNEL EMPLOYED IN ADMINISTRATIVE SECTION AND ANNUAL SALARY COSTS JUNE 1, 1940

Personnel Title	Number Employed	Annual Salary Costs
Deputy Secretary	1	$6,600
Principal Clerk	1	1,860
Advanced Corresponding Secretary	1	1,860
Senior Statistical Clerk	1	1,860
Senior Statistical Clerk	1	1,500
Senior Statistical Clerks ($1,380)	2	2,760
Advanced Statistical Clerks ($1,620)	2	3,240
Senior Stenographer-Secretary	1	1,620
Stenographer-Secretary	1	1,400
Stenographer-Secretary	1	1,380
Accident Clerk	1	1,140
Total Annual Salaries	13	$25,220

3. Mine Inspectors

As has been previously explained, mine inspectors must successfully pass an examination and be certified by the Inspectors' Examining Boards in order to be eligible for appointment as inspectors.

Before an applicant may take an examination for mining inspector he must possess certain qualifications and experience.[11] If applying for the position of Anthracite Inspector he must be between the ages of 30 and 55, while Bituminous Inspectors must be not less than 30 or more than 50 years of age. All candidates for inspector must be citizens of Pennsylvania, of good health, and of temperate habits. Anthracite applicants must have had at least ten years practical experience in the Commonwealth anthracite mines. While bituminous applicants must have had at least ten years practical experience in bituminous mines, only five of these years need be in the Commonwealth fields. Applicants must also possess a knowledge of mine chemistry, electricity and engineering, as well as a working knowledge of first aid.

The examinations are in writing and a grade of 90% is required for passing. Allowance is given for experience in the anthracite examinations but this allowance cannot exceed 25%. A portion of the bituminous examination is oral.

The certificates issued to successful examinees remain in effect for four years. Appointments are made by the Governor from the certified eligible list. If an anthracite examinee is appointed as an inspector and serves in that capacity for four years, his certificate becomes permanent. Bituminous inspectors' certificates become permanent after the inspectors have been appointed and have passed two examinations, and remain permanent only while the inspector holds office. If an inspector resigns his office he may not be reappointed without taking another examination. Inspectors have an unlimited term of office upon their certificates becoming permanent, unless the inspector becomes physically disabled or convicted of malfeasance in office. Inspectors may not be employed or interested in the operations of any mines. Inspectors may be removed from office upon the petition of fifteen or more miners or operators, or of the Secretary of Mines, to the Court of Common Pleas wherein the inspector's district is located, setting forth that the inspector holds office illegally, or is neglectful, incompetent or unable to perform his duties or is guilty of malfeasance. The court then tries and investigates the charges and, if it finds them to be true, declares the office vacant and so certifies the same to the Governor, who may appoint a new inspector from the eligible list.

Each inspector is assigned to a designated district. It is intended that the size of the district and the number of mines therein be such as to permit the inspector to perform the required inspections, investigations, examinations, and other related work. The inspectors are considered as based within the district. Anthracite inspectors are required by law to reside within their districts. However, inspectors receive traveling expenses within the district—five cents a mile if traveling by automobile and actual fare if traveling by train. They are reimbursed for the actual cost of meals and hotel accommodations when traveling on duty outside their district. The districts are of such size that the maximum trip over bituminous districts is about fifty miles, and about twenty miles in the anthracite districts. Inspectors also receive $10.00 per month for the rent of offices in which to conduct examinations and hearings. Inspectors frequently use their homes for offices.

The salary of the mining inspectors is established by law[10] at $4,800 per annum. As of June 1, 1940, there were 23 anthracite inspectors and 25 bituminous inspectors in the employ of the Department producing annual salary expenditures of $230,400.

In addition to the mining inspectors, the Department also employs one electrical inspector at $2,550 per annum, which salary is paid out of the administrative appropriation.

4. Mine Foremen's Examining Boards

The personnel of the Mine Foremen's Examining Boards is dependent upon whether the boards are in the bituminous or anthracite field.

a. Anthracite Mine Foremen's Examining Boards

The Anthracite Mine Foremen's Examining Boards consist of the district mine inspectors, two miners and an owner, operator or superintendent. The latter three are appointed by the Common Pleas Court of the county for a term of one year. They receive from the Commonwealth $6.00 for each day of service, not exceeding ten days per year, plus traveling expenses to and from the place of meeting.

b. Bituminous Mine Foremen's Examining Boards

The Bituminous Mine Foremen's Examining Boards consist of a mine inspector as an ex-officio member and the chairman, a miner and a superintendent or operator, all of whom must possess certain qualifications. These

members are appointed by the Court of Common Pleas of the county in which the board will sit, upon the petition of the mine inspector for the district.

Board members receive $6.00 for each day actually engaged, not exceeding 15 days in all, plus five cents a mile for each mile necessarily traveled between their homes and the place of the meeting.

5. Miners' Examining Boards

As previously explained, the Bituminous Miners' Examining Boards possess a different status than the same boards in the anthracite field. This produces a difference in their personnel.

a. Bituminous Miners' Examining Boards

It was noted that the Secretary of Mines has utilized his discretionary power and suspended the activities of the Bituminous Miners' Examining Boards. However, when in action, the boards, of which the Secretary can appoint no more than five, are composed of three members appointed by the Secretary of Mines. Each member must be a practical, experienced miner with at least ten years experience in the bituminous mines of the State.

Under the original statute each member received $10 for each day employed. However, the 1939 statute which permitted the Secretary of Mines to suspend the activities of the Boards when there was an ample supply of miners also reduced the compensation of the members to $6.00 per day.

The Boards organize themselves, choosing a chairman and secretary. All books and records of the Board are kept under the supervision of the Department of Mines.

With the adoption of the policy of having the bituminous miners examined by the mining inspectors, there are no Bituminous Miners' Examining Boards.

b. Anthracite Miners' Examining Boards

The members of the Anthracite Miners' Examining Boards are appointed for a term of two years by the Court of Common Pleas of the county in which they sit. These boards consist of nine members, each of whom must possess at least five years practical experience in mining.

The members receive $3.00 for each day served, plus all necessary expenses. This compensation is not paid by the State but out of the fees charged to applicants.

6. Mine Inspectors' Examining Boards

The Mine Inspectors' Examining Boards, as previously noted, are an organizational section of the Department of Public Instruction. These Boards are made up of seven persons—The Secretary of Mines, the Superintendent of Public Instruction in an ex-officio capacity, two engineers and three miners. The latter five are appointed by the Governor every four years for four-year terms. The two engineers must have had at least five years experience in the anthracite or bituminous mines of Pennsylvania, depending upon which Board they are appointed to. The three miners on the Anthracite Mine Inspectors' Examining Board must have had at least five years practical experience in Pennsylvania's anthracite mines, while the three miners on the Bituminous Board must have passed an examination for mine inspector or foreman in bituminous mines generating explosive gas, in addition to having five years practical experience in Pennsylvania's bituminous mines. All members of both Boards must be over thirty years of age.

The Secretary of Mines serves as Chairman of the Boards. The Boards elect a secretary who need not be a member of the Board.

The members of the Boards receive $15 for each day employed. For serving on these Boards, the Secretary of mines receives such compensation as is set by the Board with the approval of the Superintendent of Public Instruction. The Secretary of Mines has the right to determine the number of days for which the members may be compensated.

Neither of these boards has met since 1938.

In Table XV-F, is shown the regular personnel of the Department of Mines on June 1, 1940. The tabulation does not show personnel of the various examining boards, since for two boards the examiners are appointed only for the duration of the examinations. With respect to the Mine Inspectors' Examining Boards, all personnel is charged against the Department of Public Instruction.

TABLE XV-F

SUMMARY OF REGULAR DEPARTMENTAL EMPLOYES, JUNE 1, 1940

Section	Numer of Employes	Total Annual Salaries
Secretary of Mines	1	$ 10,000
Administrative Section	13	25,220
Mine Inspectors	49*	232,950
Total	63	$268,170

* Includes one Electrical Inspector @ $2,550.

E. FINANCES

The receipts and disbursements of the organizational sections of the Department of Mines are as follows:

1. Secretary of Mines

The Secretary receives a salary of $10,000 a year. In the 1937-1939 biennium, expenditures for this purpose totaled $16,699, the difference between this and the stipulated salary being due to a vacancy in the office for a brief period. For the biennium 1939-1941, $20,000 has been appropriated. While not an expenditure of the Department, the Secretary has some supervisory authority over the use of the $50,000 appropriated to the School of Mineral Industries of the Pennsylvania State College.

2. Administrative Section

The expenditures of the administrative section are for salaries, wages, material, supplies, printing, equipment, etc. In the biennium 1937-1939 the expenditures of this section totald $72,108. An appropriation of $80,000 for this sction was made for 1939-1941. However, this was reduced to $72,000 by the Special Session of 1940.

3. Mine Inspectors

As has been previously noted, the law provides that mine inspectors receive a compensation of $4,800 per year, plus certain necessary expenses. In the biennium of 1937-1939 these items totaled $524,299. Over 85% of the amount was for salaries. The sum of $520,000 was appropriated for 1939-1941.

No fees are charged for inspections.

4. Foremen's Examining Boards

In the 1937-1939 biennium the expense of the Foremen's Examining Board aggregated $9,968.56. This covered the per diem compensation of the members, plus clerical and other expenses of the Boards. For the 1939-1941 biennium there was an original appropriation of $10,000, which was reduced to $8,000 by the Special Session of 1940.

All applicants for the examinations are charged a fee of $2.00 and all successful examinees must pay an additional fee of $3.00. Table XV-G shows that fees amounting to $29,538 were collected by these Boards for the two fiscal years 1937-1939, of which $28,542 was collected by the Bituminous Board.

TABLE XV-G

FEES RECEIVED BY MINE FOREMEN'S EXAMINING BOARDS DURING 1937-1939 BIENNIUM

Source of Fees	Amount
Anthracite Foremen's Examinnig Boards	
Fees for Foremen's Examinations	$ 996
Bituminous Foremen's Examining Boards	
Fees for Foremen's Examinations	16,516
Fees for Shot Firers' Examinations	4,628
Fees for Machine Runners' Examinations .	7,398
Total	$29,538

Thus, in the 1937-1939 biennium, the receipts of the Foremen's Examining Boards exceeded the expenditures by approximately $19,500.

It is estimated in the 1939-1941 budget that foremen's examination fees will amount to $8,600. and that $10,000 will be received from examination and certification fees for bituminous shot firers and machine runners.

5. Miners' Examining Boards

The only group of the Miners' Examining Boards that affect the finances of the Department of Mines is the Bituminous Miners' Examining Boards. In the Anthracite Boards the compensations of the board members are paid out of the fees collected. However, the Bituminous Boards are under the financial control of the Department.

a. Anthracite Miners' Examining Boards

While the Anthracite Miners' Examining Boards do not affect the finances of the Department of Mines, their finances are interesting. Most of these Boards do not collect sufficient fees to cover all their expenses. For the 1940 fiscal year one Board received $397 in fees but incurred expenses of $636, creating a deficit of $289. Another Board's expenses exceeded receipts by $149. Out of five Boards for which information was available only one collected sufficient to meet all obligations.

b. Bituminous Miners' Examining Boards

In 1937-1939, the first biennium for which they were in existence, the Bituminous Miners' Examining Boards cost $56,527.95, of which wages and traveling expenses amounted to approximately $39,000. These Boards charge a fee of $1.00 upon all applicants, plus an additional fee of $1.00 upon all examinees who pass. During the 1937-1939 period these fees aggregated $132,124.00. Thus, the revenue of the Boards exceeded the expenditures by approximately $75,000.

However, this was an unusual condition, due to the fact that it was the first time that examinations were given and there was a great rush to be certified. In the future the expense of the Bituminous Miners' Examining Boards will be considerably lower due in part to a lower volume of work, and also due to the fact that under the authority of the 1939 amendment the Secretary of Mines has suspended the activity of these Boards because there appears to be an ample supply of miners, and has transferred the examination of miners to the Mining Inspectors. For this reason there was an appropriation of only $5,000 for this purpose for the biennium 1939-1941, in order to pay boards that met prior to the amendment. However, it was estimated that $15,000 will be received over the period from fees for such examinations.

6. Mine Inspectors' Examining Boards

These Boards are under the fiscal control of the Department of Public Instruction, all costs being borne by that Department and all fees collected by it.

Financial Summary

All these expenditures for the biennium 1937-1939 total $679,602, during which period the Department earned $16,473, producing a net cost of $517,129. It was originally estimated that in the 1939-1941 biennium the Department of Mines would spend $635,000 and receive $33,600 for a net cost of $601,400. However, the 1940 Special Session reduced the appropriations to $625,000, which, if receipts remain the same as originally estimated, will produce a net cost of $591,400.

FOOTNOTES

[1] 1903, P. L. 180.
[2] The general anthracite law now in effect is 1891, P. L. 176 and its subsequent amendments. The general bituminous law now in effect is 1911, P. L. 756 and its subsequent amendments.
[3] 1939, P. L. 1111.
[4] Anthracite 1903, P. L. 180, 1923, P. L. 456 and amendments. Bituminous 1923, P. L. 481, 1937, P. L. 2479 and amendments.
[5] 1937, P. L. 551.
[6] 1939, P. L. 867.
[7] 1897, P. L. 287.
[8] 1937, P. L. 2461.
[9] 1911, P. L. 756 and amendments.
[10] Administrative Code, Section 209.
[11] Administrative Code, Section 438.

CHAPTER XVI

DEPARTMENT OF PROPERTY AND SUPPLIES

A. FUNCTION

The Department of Property and Supplies was created under the provisions of the Administrative Code of 1923 to succeed the Department of Public Grounds and Buildings and the Department of Public Printing and Binding. Prior to 1914, the Board of Public Grounds and Buildings exercised most of the present functions of the Department. In 1923, the powers and duties of that Board were placed in the newly created Department although the Board was retained, under Administrative Code, for certain formal duties. In 1929, the Administrative Code enlarged the powers of this Department so that in addition to taking over the powers of the former Department of Grounds and Buildings, it became the general purchasing agent for all the departments, boards, commissions

and institutions of the State Government. The Secretary of the Department is appointed by the Governor and receives a salary of $10,000 a year.

B. POWERS AND DUTIES

The consolidation of the former Board of Public Grounds and Buildings and the Department of Public Printing and Binding has placed within the Department of Property and Supplies the functions that previously existed under those two agencies. The Department is also concerned with various memorial and statuary commissions. Its most important function is to act as the purchasing agency for all the departments, boards and commissions of the Commonwealth, except in cases of fuel and perishable food stuffs, and to make awards on contracts for all needed supplies. Secondly, it is charged with the supervision of the construction work of the several departments, boards, commissions, and institutions in the Commonwealth and in this respect sees to the alterations of and additions to existing buildings. For this purpose, it has the right of eminent domain, and approves plans and specifications, as well as bonds for the completion and proper performance of construction contracts, and may appoint architects.

The Department is responsible for the maintenance and operation of all automobiles owned by the Commonwealth, except those of the Department of Highways, which maintains and operates its own automobiles after they are purchased by the Department of Property and Supplies. All State officials and employes who, by law, must give a surety bond for the proper performance of their functions, must secure these bonds through the Department. The Department is the sole agency for the contracting of liability insurance of any nature for the State automobiles as well as for all buildings and property of the Commonwealth. However, it should be noted that the State Treasurer may secure the necessary bonds for securities held in that Department, that the Banking Department is responsible for obtaining bonds for closed banks and closed building and loan associations, and that the Insurance Department may secure its own bonds from insurance companies in process of liquidation.

Another important function is that with regard to the editing, printing and binding of all publications of the Commonwealth. In this regard, the Department acts as purchasing agent for all printing used in the legislative and other agencies of the State Government and awards contracts in connection therewith. Not only does it edit all publications, but copyrights the same in the name of the Commonwealth, and conducts the sale of the publications, collecting and transmitting the receipts therefrom to the Department of Revenue. The Department also acts as the agent for the other Departments, boards and commissions in negotiating leases for all space for occupancy by State offices in the various counties of the Commonwealth. It leases such offices from outside agencies or from the General State Authority, and rents to individuals, firms or corporations, such real estate owned by the Commonwealth as is not being used in connection with the work of any agency of the Government. The Department of Property and Supplies is the chief Department wherein rights of way and other easements may be granted over State property. The Department formulates and establishes all standards and specifications for articles, materials, supplies, furnishings and any other equipment which it purchases or for which it enters into contract.

The Department of Property and Supplies provides the custodial care and maintenance of the Capitol group of buildings, including the Publications Building and the Executive Mansion, the State Garage and certain monuments throughout the State. Personal property belonging to the Commonwealth, such as furniture, rugs, documents, and waste paper, which have become unserviceable, are sold by the Department in conformity with the law. An important function of the Department concerns the acquisitions and sale of real estate to and from the Commonwealth. Except for the special powers held by the Department of Forests and Waters, the Highway Department, and the Fish and Game Commissions, no land may be purchased in the name of the Commonwealth, nor may State land be sold except through the Department of Property and Supplies. It is the agency of the Government which conducts such sales or purchases, although the approval of the Governor and Attorney General as well as authorization for such sale or purchase by an act of the Legislature is also required. The custody of real estate devised to the Commonwealth is in the Department of Property and Supplies.[1]

C. ORGANIZATION AND OPERATIONS

The Board of Commissioners of Public Grounds and Buildings and the State Art Commission constitute the only detached administrative agencies within the Department. Apart from these the organization of the Department, as is shown in Chart XVI-1, comprises six bureaus or offices each with numerous divisions and sections.

The Deputy Secretary is responsible for the administration and coordination of the work of the Department, and represents the Secretary in matters of department policy and personnel, and in the maintenance of all departmental activities.

1. Executive Office

This office was organized to decide all policies pertaining to the Department's activities and to insure direct supervision of all personnel and services of the various bureaus and divisions of the Department. The chief divisions within this office are those pertaining to automobiles, accounting and the handling of real estate and insurance. In the performance of its functions, the Board of Commissioners of Public Grounds and Buildings cooperates with the Executive Office. This is done through a secretary of the Board who is an employe of this Division of the Department. The comptroller is in direct charge of the work of the Executive Office.

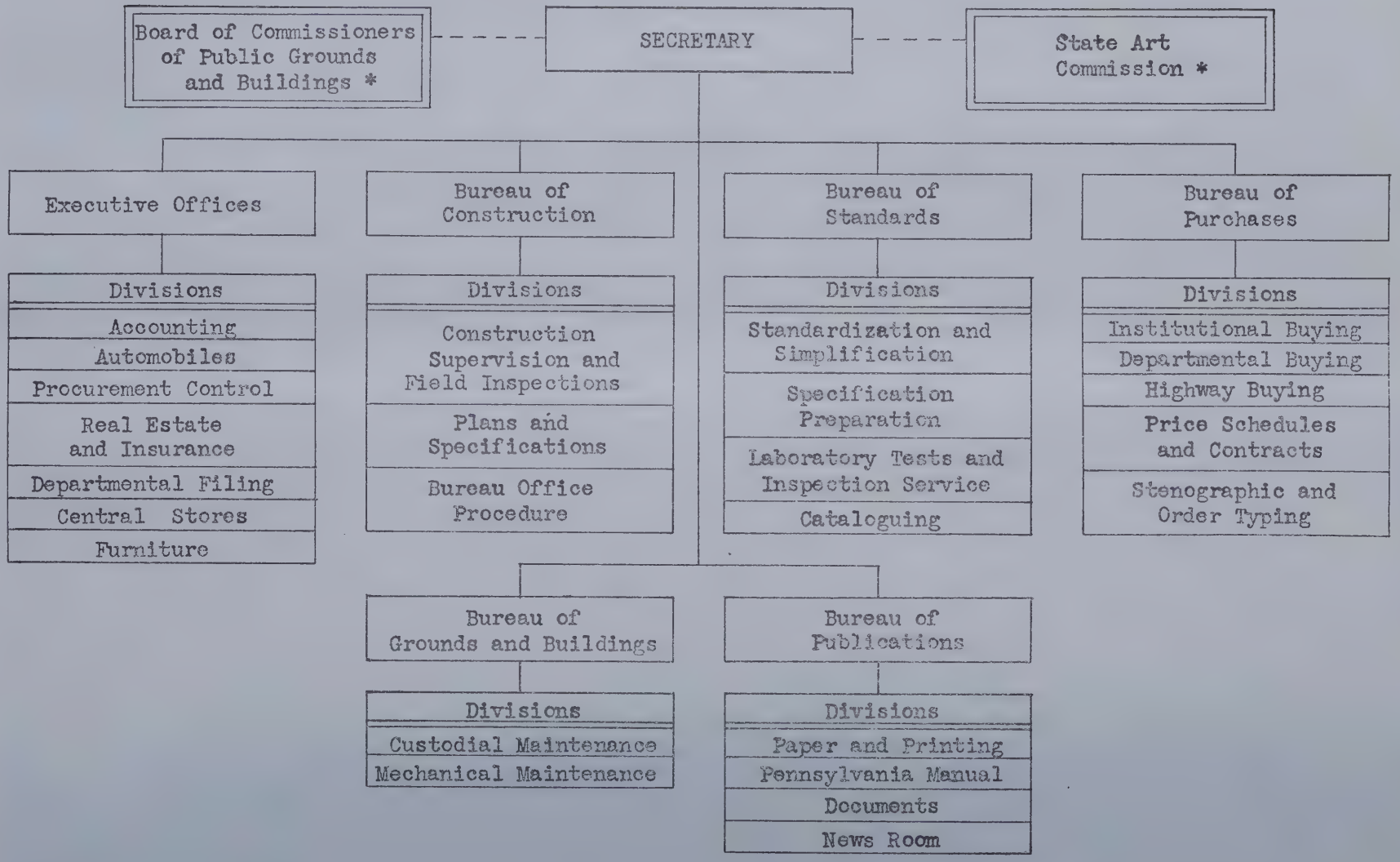
a. Division of Accounting

This was formerly a separate bureau within the Department. Its primary function is the direction, supervision and control of the preparation of the Departmental budget, and the recording of the appropriations made to the Department and the necessary disbursements therefrom. This work is performed through an Appropriation Control and Revenue Section. The Division collects and pays to the Department of Revenue all monies received from the disposal of unserviceable property, from the sale of all published documents of the Commonwealth, including advanced sheets of pamphlet laws, from the

[1] Footnotes on page 6994.

CHART XVI-1

ORGANIZATION OF THE DEPARTMENT OF PROPERTY AND SUPPLIES



* Departmental Administrative Board or Commission.

rentals for the use of automobiles in the custody of the Department, and from rentals of leased Commonwealth property. The Department now allocates to the various departments, boards and commissions the costs incurred by the Department in the purchase of equipment, materials and supplies for those agencies, where these agencies operate under special funds. The same procedure with regard to allocations also applies in the case of costs incurred for those agencies for water, light, heat, power, telephone and other services utilized and consumed by them. The Department is reimbursed for these costs from the special operating funds paid by the State Treasury into the general fund.[2]

A Payroll and Budget Section prepares the payroll for the large number of employes within the Department, while a Personnel Section is concerned chiefly with problems regarding the employment of most of the laborers in the Bureau of Grounds and Buildings. The invoices of contractors employed by the Department for construction of buildings or the repair of existing ones must be approved by the Executive Office. All other invoices and contracts entered into by the Department require examination, auditing and approval through an Invoice, Audit and Approval Section. In all those cases where bids are required and bonds must be filed, in accordance with the provisions of the law, this Section is required to investigate all matters pertaining thereto and to register its approval or disapproval. Bonds and certified checks are returned to unsuccessful bidders, while the records of the checks and bonds of successful bidders are retained by the Department.

b. Division of Automobiles

The duties of the Automobiles Division are provided for in the Administrative Code, which requires the Department of Property and Supplies to assume responsibility for the maintenance and operation of all automobiles owned by the Commonwealth, except those in use by the Department of Highways which maintains the automobiles purchased for it by the Department of Property and Supplies as purchasing agent.[3] The Division is required to contract for the making of all repairs, for oil, gasoline, tires and repair parts used in the operation of these cars. The Division assigns all automobiles to the various departments, boards, commissions and institutions for full time daily use, and maintains a sufficient number of automobiles which may be assigned for use by the various State agencies requiring them for part time periods. Such automobiles, with or without chauffeurs, are furnished to the agency upon requisition by the proper authority. A State officer or employe may use his own automobile, for which he is reimbursed in accordance with the fees and rules established by the Executive Board. The present rate established by the Board for these private cars is 3¼ cents per mile.

The types and number of automobiles purchased by the Department, and the use of these automobiles by State officers and employes is subject to the approval and rules of the Executive Board. During the last biennium the Division controlled the operation of approximately 1800 passenger cars and 625 trucks. Of this number the passenger cars were classified in several different groups. The lowest group consisted of the lowest price cars such as the Ford, Plymouth and Chevrolet, and the higher classifications included more expensive automobiles in each group. The automobiles assigned for permanent use to the Departments were, as a rule, in the lowest price group. These usually went to health officers and nurses in the Department of Health, inspectors in Forests and Waters, fish and game wardens, motor police, et cetera. The higher the rank of a State Official, the better the car assigned whether for temporary or permanent use.

TABLE XVI-A

COMPARISON OF COMMONWEALTH OWNED PASSENGER CARS AND TRUCKS
JUNE 1, 1933 to JUNE 1, 1940

Date	Passenger Cars	Trucks
June 1, 1933	845	432
June 1, 1935	926	593
June 1, 1937	1273	552
June 1, 1939	1830	620
June 1, 1940	1794	635

Regular monthly reports must be filed with the Department containing detailed information of the places to and from which each automobile was operated, the mileage traveled, the amount of oil and gasoline purchased, the names of employes of the agency operating each automobile and of the employes for whom the automobiles were operated. Exceptions are made in the case of the Department of the Auditor General, the Treasury Department, or the Pennsylvania Motor Police regarding the places to and from which the cars have traveled, or the names of the persons by or for whom the automobile was operated. Otherwise, whether the cars are permanently assigned to the Departments or not, this Division has centralized supervision. The Division keeps a complete record of those cars assigned from time to time to the various departments. The assignments as of June 1, 1940 are summarized in the following table:

TABLE XVI-B

AUTOMOTIVE EQUIPMENT ASSIGNED TO STATE DEPARTMENTS
JUNE 1, 1940

Governor's Office	
Passenger Cars	2
Lieutenant Governor	
Passenger Car	1
Auditor General	
Passenger Cars	43
Treasury Department	
Passenger Cars	6
Commerce Department	
Passenger Car	1
Department of State	
Passenger Car	1
Department of Agriculture	
Passenger Cars	115
Trucks	20
Department of Banking	
Passenger Car	1
Forests and Waters	
Passenger Cars	51
Trucks	117
Tractors	48
Motorcycles	29
Trailers	22
Boats	3
Department of Health	
Passenger Cars	285
Trucks	14
Trailers	2
Health-Institutions	
Passenger Cars	16
Trucks	34
Tractors	4
Department of Insurance	
Passenger Cars	2
Department of Internal Affairs	
Passenger Car	1
Department of Justice	
Passenger Cars	29
State Workmen's Insurance Fund	
Passenger Car	1
Department of Labor & Industry	
Passenger Cars	67
Liquor Control Board	
Passenger Cars	206
Trucks	54
Bicycles	2
Military Affairs	
Passenger Cars	14
Trucks	38
Tractors	10
Motorcycles	12
Trailers	6
Department of Mines	
Passenger Car	1
Property & Supplies—per Assigned	
Passenger Cars	5
Trucks	3

Property & Supplies	
Tem. Fleet	
Passenger Cars	109
Trucks	6
Public Assistance	
Passenger Cars	29
Trucks	2
Public Instruction	
Passenger Car	1
Public Instruction—Institutions	
Passenger Cars	5
Trucks	21
Busses	2
Tractors	5
Public Utility Commission	
Passenger Cars	19
Truck	1
Department of Revenue	
Passenger Cars	11
Trucks	32
Tractors	3
Aeroplanes	6
Boat	1
Pennsylvania Motor Police	
Passenger Cars	674
Trucks	16
Trailer	1
Motorcycles	85
Department of Welfare	
Passenger Car	1
Welfare—Institutions	
Passenger Cars	76
Trucks	159
Ambulances	8
Tractors	73
Motorcycles	36
Trailers	15
Welfare—Prison Labor Div.	
Passenger Cars	6
Trucks	5
Tractors	4
Trailer	1
Fish Commission	
Passenger Cars	2
Trucks	57
Tractors	9
Trailers	6
Boat	1
Game Commission	
Passenger Cars	13
Trucks	56
Tractors	7
Graders	2
Trailers	7
Boats	2

SUMMARY OF AUTOMOTIVE ASSIGNMENTS
BY TYPE
JUNE 1, 1940

Grand Total Passenger Cars	1,794
Grand Total Trucks	635
Grand Total Ambulances	8
Grand Total Busses	2
Grand Total Tractors	163
Grand Total Motorcycles	162
Grand Total Graders	2
Grand Total Trailers	60
Grand Total Boats	7
Grand Total Aeroplanes	6
Grand Total Bicycles	2
Total	2,841

As already noted, the Department of Property and Supplies contracts for all oil and gasoline, tires, repair parts, and repairs. The Department of Highways, however, and most of the State institutions maintain their own automobiles, although under contracts approved by the Department. The expenditures for this maintenance and repair work are allocated among the different departments and agencies. In the case of those cars permanently assigned, the respective agency is responsible for its complete operation and maintenance. In the case of those temporarily assigned upon request, the Department, board or commission making the request is liable for the particular costs involved in proportion to the mileage for which the cars are used.

The Division has caused to be executed approximately five hundred contracts throughout the Commonwealth providing for the repairing of State-owned automobiles. These contracts are not let out by bids, but are entered into between the Department and the particular shops throughout the Commonwealth at different points where it is thought most advisable for these shops to be. A rigid scrutiny of the prices charged by these shops is maintained. A schedule, or standard set of prices is more or less followed and the approval by the Division of all repair work is usually required. In the case of minor repairs, this approval is not regularly enforced. In cases of emergency, repairs may be undertaken, but very often a prior consent of the Division is required. The Highway Department makes its own repairs at its various storage sheds throughout the Commonwealth and maintains a central garage for storage and repair purposes in Harrisburg. The State Institutions store and repair their cars at their own storage sheds. The State Motor Police also maintain their own garages and repair shops. Minor repairs are made through the Division's mechanics, while major repairs and maintenance, including washing of the cars, are contracted out to individuals.

(1) The Mechanical Inspection Division

The Mechanical Inspection Division is concerned chiefly with the regular inspection of State-owned automobiles, while a section is also concerned with the question of garages and servicing and maintenance problems. The Statistical Records Section compiles the regular reports received from the various users of automobiles and draws up tables indicating the mileage traveled and costs involved.

c. Division of Real Estate and Insurance

The leases entered into by the Department for the accommodation of the various departments, boards and commissions are handled through this Division. The Department acts as a negotiating agent and the approval of the Executive Board and the Board of Commissioners of Public Grounds and Buildings is required before any branch offices may be established outside of Harrisburg. With the approval of the Governor, contracts are also entered into with the General State Authority to lease, as lessee, any of the projects undertaken by the Authority for a term of not exceeding 30 years. When the Department acts as lessor to an individual firm or corporation of any of the unused properties, the lease may not be for a longer term than one year and so on from year to year. Any lands necessary for the proper exercise of functions by a department, board or commission are leased through this Division.

In general, each agency pays for its own rentals in accordance with the rate negotiated by the Department. This is invariably true in the case of those offices not in government buildings and outside of Harrisburg. With regard to the use of any Capitol buildings, those agencies which operate on special funds are assessed in accordance with the space they occupy at the rate of about 20c per square foot. This is considerably less than the average rate of about $2.00 a square foot which is the usual charge in Harrisburg. However, the lesser amount is not based in the cost of the building, or the ground, but on the operating expense which the State incurs in maintaining a particular agency in one of its buildings.

The Department of Property and Supplies is responsible for those rentals which have to be paid to the General State Authority. For this purpose, the appropriation in the last budget totaled $7,687,000, of which $588,000 went for rentals to buildings at the Pennsylvania State College. This represents an appropriation increase of $5,000,000 over the previous biennium and is explained by the fact that most of the buildings that had been under construction have now been completed and are occupied.

A problem which confronted the Department for a number of years was the lack of inspectional supervision in the leasing of office space and other accommodations for the various agencies in the Government. Under former regulations, the Department was chiefly concerned with the negotiations of the leases and took no official stand

on the question of inspecting any of the locations and accommodations which were being contemplated for rental. To alleviate this situation, the Division has taken on several regional inspectors who are now engaged, under the supervision of a central real estate expert, in the inspection of all sites before any leases are signed for use by the Government. This work includes also the making of any surveys of available accommodations, even though there may be no immediate necessity for such space. The surveys also include the relocation of present leased holdings for the purpose of effecting economies. This is a proper function of the Division, since the duty of contracting the leases necessarily includes the inspection of the contemplated lease sites, to determine their availability for the agency in question

The power to purchase land, either by sale or condemnation, is within this Division. As already noted, the Department has the general authority to purchase any land desired by the Commonwealth so long as such purchase has been approved by the Governor, authorized by the Legislature and appropriation provided therefore. With regard to the sale of land, the Department also acts as general vendor for the Commonwealth, although here also an act of legislature must give the proper authorization. Exceptions to these rules with respect to purchase and sale of land, are those powers vested in the Department of Forests and Waters, and the Highway Department and Game Commission to acquire and sell land for their own purposes. Otherwise, the Department of Property and Supplies either conveys or obtains property in the name of the Commonwealth "at prices or such price as may be agreed upon." Sometimes the specific act of the Legislature provides for approval by some other department with respect to the terms and conditions of the sale or purchase and the price. The Act of 1933, placing within the custody of the Department all real estate devised to the Commonwealth, provides that the Department may dispose of such real esate "upon such terms and conditions, at either public or private sale, as the Secretary . . . may deem advisable and the Department of Justice may approve . . .". There is thus no general law with respect to the purchase and sale of real estate for and by the Commonwealth.

The Bureau of Land Records in the Department of Internal Affairs is the depository of all title papers and other documents with regard to land owned by the Commonwealth. This Bureau also has the authority to acquire and sell any land in the Commonwealth which is found not to be owned by any private person or companies. Thus, the function of acquiring and selling land for and by the Commonwealth is divided between the Departments of Property and Supplies, Internal Affairs, Forests and Waters, Highways and the Game Commission.

The Division of Real Estate and Insurance also secures bonds in the case of all State officers and employes who are required by statute to give surety bonds for the faithfur performance of their official duties. The approval of the Attorney General is necessary before the procurement of these bonds. As previously mentioned, several of the departments may acquire their own bonds, although these are not usually in the nature of surety and fidelity bonds. The annual payments of the Commonwealth for surety bonds amount to approximately $52,000. In Table XVI-J, page 6994 is shown such premiums by departments. Although the Administrative Code provides that the Commonwealth may establish its own indemnity fund, no real progress in this direction has as yet been achieved.

This Division also procures liability insurance covering vehicles owned by the Commonwealth and operated by State Officers, employes and enlisted men of the Pennsylvania National Guard. It also obtains fire insurance on State buildings and any other kind of insurance lawful for the Commonwealth. The Department of Property and Supplies pays for this insurance out of its appropriation, except in the case of officers, employes or property operating under special funds, or where the general fund appropriation for a particular agency provides for such payments.

d. Procurement Control Division

This Division in general enforces the administration policy governing the standardization or purchasing schedules established by the Department and also enforces centralized purchasing regulations. All requisitions, for purchases, from the various departments, boards, and commissions are received in this Division and analyzed to determine their adherence to the standards, specifications and procedures required for such purposes. Sometimes they are returned to the Department, board or commission inquiring why such an article or commodity is required. The requisition is also analyzed to determine whether it falls under any of the Department's schedules and contracts, and if so, the requisition is numbered, priced and sent to the Bureau of Purchases for ordering. This Division thus acts as a control or clearing house for the receipt of all requisitions.

e. Departmental Filing, Mimeographing and Multilithing.

Files of all departmental correspondence including purchase information, construction data, et cetera are maintained in this Division, which is also responsible for the care of all matters transmitted to it for filing. A central mimeographing section is responsible for departmental mimeographing and addressographing while the multilithing processes are operated under a separate section.

f. Storerooms

A central storeroom is maintained for the receipt and distribution to appropriate departments, boards and commissions of all stationery, office supplies, and other materials and equipment purchased. Stock control and inventories of these supplies and equipment, including furniture, are carried on by the Division.

g. Division of Furniture Inventory Control.

This Division maintains a perpetual inventory of all furniture and fixtures located in the various Commonwealth offices in the Capitol Group of buildings, including the Publications Building. It places identification marks on all new furniture and equipment purchased and makes a record of the same. It makes periodic audits by physically checking the furniture and equipment against the records and makes a report of this audit to the heads of the various departments.

2. Bureau of Construction

This Bureau is under the supervision of a chief engineer, and comprises three divisions; the Division of Construction Supervision and Field Inspections; the Division of Plans

and Specifications; and the Division of Bureau Office Procedure.

The erection, construction, and the contracting for such erection and construction of any new buildings, or of any alteration or additions to existing buildings of the Commonwealth which involve an expenditure of more than $4,000 comes directly under this Bureau. Where another department, board or commission may be authorized to make any constructions or alterations, this is still under the complete supervision and responsibility of the Department of Property and Supplies, acting through this Bureau. The work also includes the erection and supervision of the erection of all monuments belonging to the Commonwealth. In addition, upon the approval of the Governor, this Bureau rebuilds, restores or replaces property damaged or destroyed; prepares, or causes to have prepared, plans and specifications, has contracts executed and supervises the erection, construction or replacement of property damaged by fire or other casualties. The cost of such material furnished and work and labor performed is paid for from the State Insurance Fund.

In conjunction with its powers of construction, the Bureau, through the Executive Office, advises on the purchase or condemnation of land essential to its buildings program. Since the creation of the General State Authority, the Administrative Code provides that the Department of Property and Supplies may grant, assign and convey, with or without consideration, to the Authority any lands or buildings or both, now or hereafter to be acquired by the Commonwealth for the purpose of having the Authority erect and construct thereon any office building for the use of the Commonwealth. In certain instances, these properties may be leased to the Authority for a term not exceeding 99 years.[4]

As a result of the conveying to the General State Authority of certain properties owned by the Commonwealth, buildings were erected upon the properties by the Authority which, when finally completed, were leased to the Commonwealth for use by the State Teacher's Colleges and by other State Institutions and Departments for their additional activities.

Since the General State Authority has nearly completed its building program, the Department of Property and Supplies must now take over the construction of such additional buildings, and also any additions to existing buildings as may be hereafter required.

Through the Bureau of Construction, the Department of Property and Supplies enforces all contracts and maintains a continual supervision over the progress of the work, certifying to the materials furnished and the work or labor performed. It arranges for prompt payments to the contractors, and enforces the maintenance of fair and equitable wages provided in the contract and also enforces the use of materials made by Pennsylvania manufacturers, so far as possible.

a. Division of Construction Supervision and Field Inspection

In the performance of these various functions, the Department employs and fixes the compensation for such capable superintendents of construction, engineers, or inspectors as may be necessary to properly supervise the repairing, altering, or improving of State buildings. Such supervision and inspection work is carried out whether the work is done by departmental employes, by the employes, patients or inmates of State institutions, by outside contractors under Department supervision, or independently of the Department. In 1937 this Division assumed the supervision of the operation of all mechanical and electrical equipment used in connection with State buildings.

b. Division of Plans and Specifications

This Division of the Bureau is concerned with the drawing up of plans and specifications for any new buildings and for alterations or additions to existing buildings. At least once every two fiscal years, a survey is made by the Department of all buildings, equipment, land and improvements connected with each State institution. A report is prepared on the basis of this survey indicating the needs for repairs, improvements and alterations, and is filed with the Governor as well as used by the Departments concerned as a guide in formulating their budgetary requests for appropriations for the maintenance, repairs and improvements to the buildings, lands and equipment of these institutions.

The plans and specifications previously mentioned are subject to the approval not only of the Department of Property and Supplies but of the particular department, board or commission using or intending to use the building being erected or constructed or to which an alteration or addition is being made. This approval is necessary in order to attain uniform and proper floor layouts, natural light, artificial illumination, ventilation or such other equipment necessary or peculiar to the building. As in the case of the survey of State institutions, the plans and specifications containing also estimates of the costs of any erections, alterations or additions, must be prepared prior to the meeting of the General Assembly.

The procedure in the preparation of plans and specifications, and in anticipation of requests for appropriations based upon these is outlined in detail in the Administrative Code.[5] Briefly, it is provided that when a particular department, board or commission desires any construction work, or when the Department of Property and Supplies itself decides that such work is necessary, an architect is appointed to prepare plans and specifications under a contract approved by the particular agency desiring the work. The plans are then prepared under the direction of the particular agency except that in every case the exterior design of the building must be approved by the State Art Commission. The plan and specifications require the approval by the Departments of Property and Supplies, Labor and Industry, and Health, to the extent to which those departments respectively have jurisdiction to require the submission to them for approval of certain features of the building. Upon completion and approval of the plans and specifications, the Department advertises for proposals, as in the case of the erection alteration or enlargement of buildings for which the General Assembly has appropriated money, except that the advertisement and invitation to bidders shall state that the Department may reject any bids and that the contract will not be awarded prior to May 31 of the year in which the General Assembly shall meet.

(1) Procedure in Construction work

When the General Assembly shall have appropriated

money to the Department of Property and Supplies, or to any other Department for the erection of buildings, alterations or additions to existing buildings where the work is to be done by outside firms but not independent of the Department, the Administrative Code has provided a definite procedure.[6] The Department of Property and Supplies on the basis of the appropriation selects an architect to draw up plans and specifications along lines indicated in the previous paragraphs. Upon completion of these plans and their approval by all necessary State agencies, the Department shall invite proposals, by advertisements inserted at least three times, in not less than 6 or more than 12 newspapers of large general circulation in different parts of the Commonwealth. These proposals must be accompanied by certified or bank checks and shall be publicly opened and tabulated at the time and place specified. The Department then awards the contracts to the lowest, responsible, qualified bidder although it may reject any or all bids or parts of bids. In order for a bid to be accepted, the bidder must be qualified in accordance with a questionnaire calling upon the bidder to furnish information relative to his financial status, experience, equipment and integrity. The successful bidder must also deliver to the Commonwealth at the time of executing the contract, a surety bond having as surety, a surety company authorized to transact business in the Commonwealth. These bonds protect the State against defective or inferior materials or workmanship and for the proper performance of the contract and provide that the contractor will promptly pay for all material furnished and labor supplied or performed in the offices of the Auditor General, the State Treasurer and the department, board or commission for which the work is to be done.

2. Division of Bureau Office Procedure

This Division is chiefly concerned with the drawing up of the various contractor's contracts, blueprinting, minimum wage enforcement and all the stenographic work entailed in the letting of bids, their acceptance and the drawing of contracts. Among the more important advantages to the Commonwealth and benefits to the institutions resulting from the work of this Bureau, the following may be mentioned: Reduction of construction costs to the Commonwealth, closer inspection to see that the State actually gets what it pays for, uniform raising of the standards of State buildings, savings in advertising, and the taking of the responsibility for looking after construction work away from departments and agencies that are not equipped to handle it properly.

3. Bureau of Purchases

For the conduct of its functions, this Bureau, under its director is organized into 5 separate divisions. One division is concerned with purchases and contracts for State institutions only. A separate division is concerned with purchases and contracts for the Highway Department, and a Division of Departmental Buying serves for the remainder of the departments, boards or commissions. This arrangement results in greater efficiency and speed in awarding contracts for institutional and highway purposes which are of a more specialized nature than those for the other departments, boards or commissions and prevents the bogging down of institutional and Highway programs.

In this Bureau there is also provided a Division of Price Schedules and Contracts which handles the procedure with respect to the awarding of contracts and the adherence to specifications and price schedules. A stenographic and order typing section is chiefly concerned with the vast amount of clerical work involved in handling the State's annual purchases of supplies and equipment.

The purchases made and the contracts drawn by the Department are generally for stationery, paper, printing, binding, ruling, lithographing, engraving, envelopes and other printing and binding supplies; for fuel, telephone, heat and light, furniture, furnishings, repairs, improvements; for automobiles and automobile equipment and repairs; for rentals of branch offices, et cetera. A system of object classification is uniformly used for all purposes connected with budgeting for supplies and equipment, and their requisition and purchase.

a. Division of Institutional, Departmental and Highway Buying

Since the work of these three divisions is similar in character, differing only in detail the following discussion of the functions and procedures of this Bureau will be devoted to the general buying powers and methods of the Department which apply alike to each of its three purchasing divisions.

It must first be understood that the purchasing practices of the State Government have undergone a considerable alteration during the past five years. In the report of the Joint Legislative Committee on Finances, 1933,[7] it was recommended that a system of centralized contracting be substituted for the then existing system of centralized purchasing. This recommendation, therefore, included the establishment of a system of uniform standards and specifications, and the practice of ordering and purchasing under contracts previously made by the Department in accordance with the needs and with the cooperation of the various governmental agencies. Today, centralized contracting is a fact and has replaced centralized purchasing. The advantage of this change lies in the fact that those departments requiring perishable food stuffs for use in State institutions may make such purchases directly and where any such department is able, after competitive bidding, to purchase any article for a lower price, f.o.b. the institution, than the price at which such articles can be furnished by the Department, the purchase may be made directly. The Department of Property and Supplies may also authorize any other board or commission to make direct purchases in the field, not exceeding a specified amount. In all cases, any purchases made by either this Department or any other department must conform to the specifications contained in the effective supplies contracts with the Department, unless the Board of Commissioners of Public Grounds and Buildings shall have specifically authorized a departure therefrom. This allows for greater efficiency and flexibility in making purchases for State institutions and other agencies, where the amount involved is so small that the adherence to the procedure of the Department would not only prove expensive but create unnecessary delays.

Prior to 1937, it was the practice as well as the law

for the Legislature to appropriate to the Department of Property and Supplies funds of sufficient amount to cover any purchases or contracts for purchases which the Department would have to enter into for the various departments, boards and commissions during the coming biennium. After each appropriation, the Governor reallocated to the several departments, boards and commissions, such portions of the appropriation as fairly represented the needs of those agencies for the biennium. Beginning in 1933, a special fund agency was assessed according to purchases and expenses incurred on its behalf by the Department. Since 1935, the State Health Institutions have received appropriations to cover their purchases and expenses so that the Department of Property and Supplies is no longer responsible for the expenditures under these appropriations. Under an Act passed in 1939, it was provided that the Department of Property and Supplies should no longer receive the above appropriations to cover purchases by the various governmental agencies. Rather, it was provided that each department, board and commission should receive for itself an appropriation to cover purchases and contracts which must be made for it by the Department. The appropriation for motor supplies and equipment, however, is solely within the control of this Department. Only the Legislature and the Judiciary have their appropriations for purchases of supplies as well as contracts for printing handled entirely within the Department of Property and Supplies.

The work of purchasing in this Bureau is conducted chiefly by buyers, each with an assistant. Each buyer is usually a specialist in purchasing particular articles. It is interesting to note the method of purchasing automobiles since this is somewhat different from the usual procedure. State automobiles are not purchased according to specification, but according to make. The Department makes a survey of all agencies of the State Government with regard to their needs of automobiles for the coming biennium. Any department which requests the purchase of an automobile and desires to trade in an old car, may not have this approved until an Inspector from the Bureau of Purchases has inspected the automobile and decided that it would be too expensive to make the necessary repairs. Some automobiles have been driven as much as 70,000 to 90,000 miles before being traded in. Dealers in the particular class of cars to be purchased, or traded in, are contacted and invited to submit their bids.

b. Division of Price Schedules and Contracts

The Administrative Code provides in detail the method of awarding contracts for stationery, paper, fuel, repairs, furnishings and supplies.[8] It specifies, that after the various departments, boards and commissions make their requests to the Department of Property and Supplies for articles which they need, that Department will consolidate and classify the article so requested preparing regular periodical schedules thereof. These schedules are used to show plans and specifications and contain information indicating those items upon which bids must be received. The schedules also contain the qualities of the articles requested. The Department shall, not less than 6 weeks prior to the termination of the schedule contracts now existing, or that may be made in the future, advertise the opening of bids for the annual, semi-annual or quarterly schedules. The bids must be sealed and delivered in duplicate, accompanied by a properly certified or bank check. On a day fixed after the opening of bids, contracts are to be awarded to the lowest responsible bidder on each of the items of the several classifications of the schedules. The Department may reject any or all bids. Successful bidders must file a bond, conditioned for the faithful performance of the terms of the contract. Whenever any contract for the furnishing of materials or use of labor in the construction or maintenance of highways exceeds $500.00, the Department shall require the contractor to furnish an additional bond, conditioned for the payment of materials or labor. All contracts awarded are made severally unless first approved by the Governor, the Auditor General and the State Treasurer.

Under this mandate, the enforcement of all supply contracts is under the direct control and supervision of the Department and is handled by the Division of Price Schedules and Contracts of the Bureau of Purchases. Provisions are also made for the rejection of articles not found to be up to the standard required, and proper penalties are provided in such cases. As already indicated storerooms are provided for the safekeeping of articles purchased. In the case where requests are made for articles the want of which was not anticipated at the time of making the schedules, the Department may invite proposals from at least two responsible bidders or, where the article costs less than $50.00, may make such purchase in the open market.

4. Bureau of Standards

The purpose of the Bureau of Standards is to formulate and establish standards and specifications for all articles, materials and supplies purchased and used by all departments, boards, commissions and institutions of the Commonwealth. The Bureau also prepares a catalogue to be used by the requisitioning officers in requisitioning the materials to be used by their Department.

The Bureau operates uder a Director and includes four divisions, the Division of Standardization and Simplification; the Division of Specification Preparation; the Division of Cataloging; and the Division of Laboratory Tests and Inspection Service.

a. The Division of Standardization and Simplification

This Division is concerned primarily with drawing up of standards in cooperation with the various branches of the State Government without whose approval no standard or specification can be effective.

When such standards and specifications are to be drawn up, the Department of Property and Supplies calls in the various departments, boards and commissions. The manufacturers and producers of the articles and supplies are also brought in to confer with the purchasing agents and other governmental heads. The specifications as finally determined represent an attempt to harmonize or reconcile the ideas of these two groups, by adjusting the requirements of the departments and institutions to the practical considerations of modern manufacturing. This procedure assures good and suitable products, with specifications which permit competition among the reputable manufacturers in the field.

b. The Division of Specification Preparation

This Division prepares from the standards arrived at by the above process of consultation between State departments or agencies and manufacturers, such specifications as will satisfy the State's requirements while conforming to the necessities of manufacturing.

The Division of Cataloging sets such schedules, standards and specifications in catalogue form to be used by manufacturers. Since the adoption of centralized contracting the development of a complete series of standards and specifications for all the commodities and services required by the State's departments and institutions has been found to be vitally necessary.

c. The Division of Laboratory Tests and Inspection Service

This Division is assigned the duty of inspecting all materials and supplies purchased under the Department's specifications. The manufacturer, when he ships the material, furnishes it in accordance with the specification that he agreed to follow. Samples are taken and sent to a laboratory in this Division for testing, and if found not to meet the standards set forth in the specifications. they are rejected, and in some instances, the manufacturer is surcharged if he fails to replace any substandard material. Such rejections have been rather numerous, thus indicating the extent to which the Commonwealth has done in enforcing its standards. At present, these inspection laboratories exist in various parts of the State, and in several departments. For example, besides a laboratory in the Department of Property and Supplies, there is one in the Department of Highways to test highway materials and products; there is a laboratory for the Department of Health and also one in the Bureau of Animal Industry of the Department of Agriculture, as well as laboratory services in Philadelphia to test food products.

5. Bureau of Publications

The duties performed by the Bureau of Publications are in accordance with the provisions of the Administrative Code,[9] namely editing for publication all reports, bulletins and other publications of departments, boards and commissions. It contracts for the furnishing of printing used in the General Assembly, the Judiciary, and in the Executive and Administrative departments and agencies. It compiles and edits the Pennsylvania Manual, formerly known as Smull's Legislative Hand Book; publishes the advance sheets of the pamphlet laws; classifies printing and binding; advertises for and awards contracts; copyrights publications of the Commonwealth; accumulates for sale all waste paper, documents and other materials no longer required; prepares orders for printing on receipt of signed requisitions; distributes all documents of and for all departments, boards and commissions upon request, including packing, mailing and shipping the same. It controls the sale of all documents, since the law requires that all departmental publications costing more than 5c must be sold at the cost of publication.[10] Finally, it acts as agent in the placing of printing orders required by all State institutions.

The Department no longer receives an appropriation which is reallocated to the other departments, boards, or commissions to cover printing costs. Instead, each of the administrative agencies receives its own appropriation which it expends on the basis of the contract drawn for it through the Bureau of Publications. However, the Department is responsible for contracts covering Legislative and Judicial printing, and the printing of the Capitol News Clip Sheet as well as the Pennsylvania State Manual. The Bureau of Publications is operated independently of the Bureau of Purchases because of the specialized knowledge required in the printing business, and because the production of publications and forms cannot strictly be classified as purchases. The Bureau is under a Director and is organized into three divisions, that of Paper and Printing, that of the Pennsylvania Manual and that of Documents It also employs a News Room Correspondent.

a. The Division of Paper and Printing

This Division of the Bureau prepares and executes contracts for the printing, binding, lithographing, cuts, plates, dies, supplies and materials incident thereto, which contracts are given to the lowest responsible bidder below the maximum price, subject to the approval of the Governor, Auditor General and State Treasurer. For contracts, the Bureau is required to prepare specifications according to Federal Government standards. This makes possible a great saving below the commercial rate charged for individual small printing jobs. The Bureau carefully follows and checks the printing and binding and gives supervision to the work as it progresses through the printing shop in order to ensure that the printing and binding contracts and the specifications are adhered to by the contractors.

The Administrative Code sets up certain regulations and procedures with regard to the awarding of contracts for printing and binding. Contracts must first of all be for terms of not less than one nor more than four years. The different types of printing and binding are divided into classes on the basis of established specifications and schedules drawn by the Bureau. At least two months prior to the termination of any contract then existing, the Department advertises for proposals covering public printing and binding, which proposal must be accompanied by a certified bank check in such amount as determined by the Department. These proposals are then opened publicly and the lowest responsible bidder below the maximum price fixed in the schedule shall be awarded the contract.

Successful contractors must present evidence to the Department satisfying it that they have sufficient machinery and equipment properly and promptly to perform and execute any orders given to them under the proposed contract. No printing and binding may be performed by any contractor for any State agency unless and until authorized in writing by the Department. The rates of compensation for such printing and binding shall be according to such schedules sent out in the specifications furnished by the Department and incorporated in the contract, and if the contractor performs work in violation thereof, the Department may refuse to accept the work, or if it shall accept it, it shall fix a reasonable price therefor. Every contract must include provisions for the delivering of all printing, binding and other work done by the contractor. Emergency contracts may be awarded from time to time through competitive bids without advertising.

The President Pro Tempore of the Senate and Speaker of the House. together with the Department determine the size and character of the various publications to be printed for the use of the General Assembly. These Legislative publications include advanced sheets of the laws, bills, calendars, journals, pamphlet laws, committee reports and publications and the Pennsylvania Manual

b. The Division on the Pennsylvania Manual

The work of writing and editing the Pennsylvania Manual entails a large volume of detailed work in the collection and compilation of statistics and other material. The editing is an item of vital importance. This volume is published biennially and the quantity published must be fixed by the Department. Copies published for public sale are disposed of at $1.00 per volume.

c. The Division of Documents

This Division attends to the storing, distribution, and sale of the various State publications. The publication of the advanced sheets of the pamphlet laws requires the arduous work of transmitting one copy thereof by mail, to each Department, board and commission of the State Government, to each prothonotary, to each law judge of the Court, and to every county and public library of this Commonwealth and to each member of the General Assembly. Such copies are sent free, as provided by law. Members of the general public desiring these documents are supplied them upon the payment, to the Department, of the sum of $5.00 for each session of the Legislature. In addition, the Division of Documents has the job during Legislative sessions, of seeing that the printed journals and bills are furnished promptly to the General Assembly with the least possible delay.

Publications are sold to the public at a price to cover the cost of publication, except documents published for the Governor and the General Assembly, or where the costs are less than 5 cents per copy in which case they are distributed without charge. All monies collected by the Department through such sales or through any other sales, including the sale of waste material and waste paper are paid into the General Fund of the State Treasury.

d. News Room Correspondent

The Bureau of Publications employs a News Room Correspondent whose duty it is to edit a weekly clip sheet, the Capitol News, containing reports of the activities of the Departments of the State Government, and also items of public interest gathered by them in the course of their activities. This publication is issued for the use of newspapers and periodicals and for the information of the people of the Commonwealth.

6. Bureau of Grounds and Buildings

The duties performed by this Bureau include the control, supervision and maintenance of the State Capitol Buildings, as well as the Executive mansion, the State Garage, and the Publications Building. The heating, lighting and servicing of these buildings is under the Bureau's care as well as the supervisions of all repairs, alterations and improvements, and the policing and cleaning of both buildings and grounds, as provided for in the Administrative Code.[11]

The Bureau of Grounds and Buildings has the additional responsibility of operating the Forum, or auditorium, connected with the Education Building in the Capitol Group. The Director of the Bureau executes all leases for the renting of this Auditorium, subject to the approval of the Comptroller and the Executive Office of the Department.

Under its direction, the Bureau maintains two divisions, namely, Mechanical Maintenance and Custodial Maintenance.

a. The Division of Mechanical Maintenance

The work of this Division is concerned with the mechanical upkeep of the Capitol Buildings. This work is performed by carpenters, electricians, mechanics, upholsterers, painters, plumbers, et cetera. A problem that confronted the Bureau of Grounds and Buildings was the lack of standardized care in the maintenance of the buildings. Although a centralized responsibility would appear to be the proper and desirable thing, in practice it did not work out so well as expected. Maintenance and service operations were constantly delayed because of the inability of one man to conduct all the work. This system consequently was changed and at present there is a superintendent for each building, operating under standard rules and regulations for all the buildings.

In addition to mechanical repair and up-keep this Division is also responsible for providing light, power, water and heat to the buildings of the Capitol Group and to the Executive Mansion, the Publications Building, and the State Garage. In the year ending May 30, 1940, the total cost of such services was $138,176.72.

b. The Division of Custodial Maintenance

This Division employs such police officers as are necessary to preserve order in the Capitol grounds and buildings, and such other employes as are needed for the cleaning, care and preservation of the Capitol grounds and buildings and the furnishings therein, and for operating the mechanical plants for these buildings, and for service at the Executive Mansion. Its employes also include guides to conduct parties of visitors about the Capitol Building.

The work of this Division includes the cleaning of 1,164,225 square feet of floor space in the Capitol and 8 other buildings of the Government group in Harrisburg. This immense daily task, performed by 164 janitors and assistants is itemized in Table XVI-C.

7. Board of Commissioners of Public Grounds and Buildings

Prior to 1914 this Board acted as the Department of Property and Supplies for the Commonwealth under the supervision of a Superintendent. The Administrative Code in 1923, took away most of the powers and duties of this Board and placed them in the new Department of Property and Supplies. The Board, however, was retained and was given certain formal duties for which it is still responsible. At present it is a departmental administrative board within the Department and consists of the Governor, the Auditor General and the State Treasurer, none of whom serve upon it actually but only through deputized secretaries. These officers, however, exercise in person those powers with regard to the approval of contracts entrusted to their Board in the Penn-

sylvania Constitution. The Secretary of Property and Supplies is not a member of the Board, although an employe within the Department acts as its Secretary. The Board has rarely met within the last several years, and its various functions have been entirely performed by the employe who serves as Secretary. He prepares the minutes for the Board and various matters that require signature and approval, and presents them to the Auditor General, the State Treasurer and the Governor.

TABLE XVI-C

CLEANING MAINTENANCE BY DEPARTMENT OF PROPERTY AND SUPPLIES AS OF SEPTEMBER 1, 1940

Name of Building	Sq. Ft. of Floor Space Cleaned by Prop. and Supp.	Janitors	Floor Ladies Matrons Janitresses
Capitol	328,161	16	25
North Office	89,387	8	12
South Office	152,076	6	22
Education—Forum	18,541	2	..
Education—Other Space	203,717	7	20
Finance	230,335	5	21
Museum	51,315	2	1
Temporary No. 1	21,816	..	2
Publication	53,116	3	3
Executive Mansion	15,761	1	..
Assignments not directly associated with above floor space:			
Paper Baling	.....	2	..
Truck Driving	.....	2	..
Craft Quarters	.....	1	..
Supervising	.....	1	2
Total	1,164,225	56	108

The chief powers and duties of the Board are to assign rooms in the State Capitol to the Governor, the General Assembly, and the officers and committees thereof, the Supreme and Superior Courts and the judges and officers thereof, and so far as possible, to the several administrative departments, boards and commissions of the State Government. It approves the proposed leases negotiated by the Department for branch offices, rooms and accommodations outside the Capitol city, and assigns such offices. Finally, it approves proposed purchases by the Department of articles not contained in the purchasing schedules, standards and specifications of the Department.

8. State Art Commission

This is a departmental administrative commission and consists of five citizens of the Commonwealth appointed by the Governor. It has the power to examine, approve or disapprove the exterior design and proposed location of all public monuments, buildings and other structures as well as private structures proposed to be erected on State or municipally owned land, anywhere in the Commonwealth, other than first and second class cities. It supervises the erection and construction of certain memorials throughout the Commonwealth. The Commission has been in existence since 1919 and, instead of merely approving or disapproving the designs submitted to it, has acted as a consulting body, offering constructive criticism in the form of pencil studies and the like, whenever it seemed advisable to do so. The suggestions offered have been given with the idea of reducing costs and in most instances, in addition to improved appearance, have effected savings not only to the counties, boroughs or municipalities involved, but to the Commonwealth as well. During the past eight years, the quality of architectural designs submitted to the Commission has greatly improved, due probably in large measure to the efforts of the Commission. In general, the architectural profession has come to recognize the value of the service to the public bodies of the Commonwealth as well as the benefit to the profession resulting from this unbiased criticism of designs submitted to it.

D. PERSONNEL

Perhaps no department of the State Government requires a greater variety of services and skills for its conduct than that of Property and Supplies. This is necessarily true because of the diverse nature of its responsibilities in the purchase of the large quantity of specialized supplies and materials necessary for the conduct of the State Government, and in the maintenance of quality in the materials and economy in their cost. When in addition to this function it must also supervise the construction of Commonwealth buildings, purchase and sell real estate, maintain the Capitol grounds and buildings, and conduct a considerable publishing business for the various departments, and at all points in these undertakings set standards and devise specifications to protect the interests of the State, it is clear that a fairly large number of employes with special skills and knowledge are necessary for its operation.

Of the 571 employes on the Department's payroll as of June 1, 1940, there were 93 in the Executive Bureau, including the Secretary, the Deptuy Secretary and the Secretary to the Board of Grounds and Buildings, the Divisions of Accounting, of Real Estate and Insurance, of Procurement Control, of Automobiles and various Service Units. Thirty-two are employed in the bureau of Construction, 13 in the Bureau of Standards, 31 in the Bureau of Publications, 65 in the Bureau of Purchases, 335 in the Bureau of Grounds and Buildings, and 2 on the State Art Commission.

Employment and compensation in the various Bureaus and their sub-divisions are listed in the following schedule:

TABLE XVI-D

NUMBER OF EMPLOYES AND THEIR ANNUAL SALARIES AS OF JUNE 1, 1940, DETAILED BY FUNCTIONS

Bureau and Division	Number of Employes	Annual Salaries
EXECUTIVE BUREAU		
Secretary, Deputy—Secretary to Board of Grounds and Buildings	10	$ 28,280
Division of Accounting		
Comptroller	3	$ 7,400
Personnel	2	2,280
Bookkeeping	11	17,800

Bureau and Division	Number of Employes	Annual Salaries
Invoice Approval	2	2,520
Vouchering, Typing	2	2,700
Telephone Accounting	1	1,020
Total	21	$ 33,720
Division of Real Estate and Insurance	7	$18,240
Division Procurement Control	5	$8,760
Service Units		
Stock Control	3	$ 4,380
Storerooms	5	6,360
Multilith	2	3,000
Mimeographing	4	4,560
Filing	6	6,720
Furniture Inventory	2	2,520
Mail Room	5	5,520
Total	27	$33,060
Division of Automobiles		
Supervision and Clerical	12	$17,580
Garage and Chauffeurs	11	15,120
Total	23	$32,700
Total—Executive Office	93	$154,760
BUREAU OF CONSTRUCTION		
Supervision and Assistants	4	$15,200
Plans and Specifications	5	11,940
Stenographic	12	13,200
Field Construction	9	21,420
Blue Printing	1	1,380
Contract	1	2,400
Total	32	$65,540
BUREAU OF STANDARDS		
Administrative	1	$ 1,380
Division of Standards	4	4,380
Technical Division	6	13,860
Division Test and Inspection Service	2	3,000
Total	13	$22,620
BUREAU OF PUBLICATIONS		
Supervision and Contract	15	$23,180
Pennsylvania Manual	1	2,700
Documents—Record Control	4	4,920
Documents — Supervising — Receiving — Shipping	10	11,520
Total	30	$42,320
News Room Custodian	1	$3,300
BUREAU OF PURCHASES		
Director and Assistants	3	$ 6,540
Buyers, Asst., and Pricing Sect. (Except Hwy.)	27	40,560
Schedules and Contracts	3	4,740
Information and Reception	2	2,220
Central Routing Section	4	4,080
Purchase Order Writing	6	6,120
Total	45	$64,260
Highway Purchasing Section	20	24,120
Total—Purchases	65	$88,380
BUREAU OF GROUNDS AND BUILDINGS		
Office and Buildings Supts	11	$23,040
Electricians	7	10,200
Elevator Mechanics	4	6,240
Hardwood Floor Mechanics	4	5,580
Plumbers	3	4,620
Metal Furniture Mechanics	2	2,280
Clocksmith	1	1,140
Locksmith	1	1,620
Typewriter Mechanics	2	2,820
Janitors and Janitresses	155	129,972
Capitol Policemen	44	51,480
Guides	7	8,160
Elevator Operators	44	45,120
Carpenters	8	10,860
Painters	6	8,280
Marble Mechanics	2	2,760
Sub-Station Operators	7	8,640
Upholsterers	3	3,540
Gardeners	11	12,420
Steamfitters	6	8,820
Mansion	7	8,760
Total	335	$356,352
STATE ART COMMISSION	2	$ 5,700
Grand Total	571	$738,972

E. FINANCES

Because of the nature of its functions a distinction must necessarily be drawn between the operating appropriations and expenditures of the Department and its total expenditures as agent for other departments, boards or commissions of the Commonwealth.

Thus, it will be seen from Tables XVI-E and F, which lists its expenditures, for the 1937-39 biennium, that while the expenditures under the Department's operating appropriations totalled $2,739,325.98, the expenditures for Legislative printing, and for Legislative and Judicial supplies and equipment which are under the Department's charge totalled $804,352.81, while expenditures for other purposes, of which the largest items were contracted building and construction, real estate rental and land purchase, totalled $3,009,032.57. As shown in Table XVI-F, a large part of the construction undertaken during the 1937-39 biennium was for the purpose of eliminating fire hazards in State institutions, for which purpose $1,291,326.83 of this total was expended, while rentals paid to the General State Authority accounted for $370,467.51, and the construction of the Liquor Board Building for $1,217,289.30.

In the following tables are summarized the Department's expenditures by object classification and by function.

TABLE XVI-E

DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES FROM APPROPRIATIONS BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Department Operating Expenditures	Allocation for Legislative Printing General Expense General Assembly and Judicial	Expenditures for Other Purposes	Total
Salaries	$1,507,018.34	$.....	$42,763.04	$1,549,781.38
Wages	44,000.47	.....	37,112.01	81,112.48
Fees	2,863.46	.....	133,255.89	136,119.35
Printing, Binding and Stationery	35,292.24	719,223.70	41,783.59	796,299.53
Food and Forage	170.05	228.20	.....	398.25
Materials and Supplies	102,256.41	18,194.07	15,123.00	135,573.48
Traveling Expense	20,780.54	.....	4,066.71	24,847.25
Automobile Supplies and Repairs	86,943.83	.....	24.38	86,968.21
Freight, Express and Cartage	4,979.97	744.98	499.58	6,224.53
Postage	33,544.32	4,800.00	3,232.35	41,576.67
Telephone and Telegraph	84,056.11	17,361.01	.....	101,417.12
Advertising	8,189.67	.....	5,813.00	14,002.67
Light, Heat, Power and Water	259,329.04	.....	68.68	259,397.72
Contracted Repairs	20,073.90	3,048.03	45.63	23,167.56
Rent of Real Estate	11,948.50	.....	370,467.51	382,416.01
Rent of Equipment	7,890.10	.....	.....	7,890.10
Bond and Insurance	80,345.92	.....	93.70	80,439.62
Other Service and Expense	15,507.34	762.09	38.50	16,307.93
Motor Vehicles	243,027.46	.....	.....	243,027.46
Equipment and Machinery	29,285.71	20,590.21	12,940.20	62,816.12
Land	.....	.....	164,006.55	164,006.55
Contracted Building and Construction	134,918.95	.....	2,156,698.25	2,291,617.20
Subsidies, Grants-Bounties	.....	.....	21,000.00	21,000.00
Inventory	.....	19,400.52	.....	19,400.52
Purchasing Fund	6,903.65	.....	.....	6,903.65
Total	$2,739,325.98	$804,352.81	$3,009,032.57	$6,552,711.36

TABLE XVI-F
DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES BY BUDGET CLASSIFICATION
1937-39 BIENNIUM

Budget Classification	Department Operating Expenditures	Allocation for Legislative Printing General Expense General Assembly and Judicial	Expenditures for Other Purposes	Total
Salary of Secretary	$15,361.01	$.....	$.....	$15,361.01
Salaries and General Expenses	1,752,591.06	.....	.....	1,752,591.06
Heat, Light, Power—Capitol Bldgs.	526,544.39	.....	.....	**526,544.39**
Bonds and Insurance	59,663.71	.....	.....	59,663.71
Motor Supplies and Equipment	325,166.96	.....	.....	325,166.96
Salaries and General Expenses Highway Pur. Sec.	59,998.85	.....	.....	59,998.85
Supplies and Equipment Leg. and Jud.	.....	250,000.00	.....	250,000.00
Supplies and Equipment Leg. and Jud.	.....	250,000.00	.....	250,000.00
Supplies and Equipment Leg. and Jud. (Deficiency)	.....	304,352.81	.....	304,352.81
Purchasing Fund	.....	.....	15,000.00	15,000.00
Convention Reports	.....	.....	8,367.89	8,367.89
Capitol News and Penna. Manual	.....	.....	37,352.05	37,352.05
Harrisburg Fire Companies	.....	.....	5,000.00	5,000.00
Cresson Fire Company	.....	.....	1,000.00	1,000.00
Daniel Boone Homestead	.....	.....	6,211.00	6,211.00
Ephrata Cloisters Park	.....	.....	200.00	200.00
Kutztown State Teachers College	.....	.....	7,500.00	7,500.00
Edinboro State Teachers College	.....	.....	8,000.00	8,000.00
California State Teachers College	.....	.....	13,171.90	13,171.90
Sewage—E. Stroudsburg S. T. College	.....	.....	24,797.38	24,797.38
Surveys—Capitol Park Extension	.....	.....	3,348.71	3,348.71
Eliminating Institutional Fire Hazards	.....	.....	1,291,326.83	1,291,326.83
General State Authority Rentals	.....	.....	370,467.51	370,467.51
Construction of Liquor Bldg.—State Stores Fund	.....	.....	794,086.41	794,086.41
Receipts for Liquor Board-Bldg.—General Fund	.....	.....	423,202.89	423,202.89
Total	$2,739,325.98	$804,352.81	$3,009,032.57	$6,552,711.36

TABLE XVI-G

DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES BY FUNCTION
1937-39 BIENNIUM

Function	Amount
OPERATING	
Executive Bureau	$63,482.33
Accounting Division	80,313.66
Service Sections	112,232.83
Automobile Division	169,446.26
Art Commission	15,297.61
Bureau of Construction	164,160.15
Bureau of Grounds and Buildings	1,217,884.50
Bureau of Standards	79,367.56
Bureau of Purchases	242,628.03
Bureau of Publications	120,838.19
Total	$2,265,651.12
CAPITAL	
Executive Bureau	$2,753.45
Accounting Division	758.74
Service Selections	2,841.22
Automobile Division	41,367.72
Art Commission	.....
Bureau of Construction	1,915.72
Bureau of Grounds and Buildings	142,386.78
Bureau of Standards	9,498.59
Bureau of Purchases	2,810.26
Bureau of Publications	1,887.82
Total	$206,220.30
Operating Other Departments	$57,604.57
Capital Other Departments	201,788.16
Inventory	8,061.83
Grand Total	$2,739,325.98

TABLE XVI-H

DEPARTMENT OF PROPERTY AND SUPPLIES
APPROPRIATIONS FOR OPERATING PURPOSES
BY OBJECT CLASSIFICATION
1939-41 BIENNIUM

Object	Amount
Salaries	$1,451,749.00
Wages	23,660.00
Fees	1,000.00
Printing, Binding, Stationery	30,283.00
Food and Forage	280.00
Materials and Supplies	23,455.00
Traveling Expenses	15,409.00
Motor Vehicle Supplies and Repairs	3,507.00
Freight, Express and Cartage	3,879.00
Postage	33,565.00
Telephone and Telegraph	93,276.00
Newspaper Advertising and Notices	5,685.00
Light, Heat, Power, Water, Sewage and Fuel	4,000.00
Contracted Repairs	3,947.00
Rent of Real Estate	12,103.00
Rent of Equipment	9,618.00
Insurance, Surety and Fidelity Bonds	21,000.00
Equipment and Machinery	9,278.00
Other Maintenance Service and Expenses	9,306.00
Reserve	30,000.00
Total	$1,785,000.00

TABLE XVI-J

DEPARTMENT OF PROPERTY AND SUPPLIES
ANNUAL PREMIUM PAYMENTS FOR BONDING
STATE EMPLOYES NUMBER OF POSITIONS
BONDED AND AMOUNTS CLASSIFIED
BY DEPARTMENTS

Fund and Department	Number Positions Bonded	Amount of Bonds	Annual Premium
GENERAL FUND			
Agriculture	52	$103,000	$419.00
Auditor General	3	33,000	103.00
Banking	17	300,000	1,054.50
Commerce	1	20,000	70.00
Forests and Waters	40	88,000	345.00
Governor's Office	1	5,000	17.50
Health	26	132,000	472.50
House of Representatives	4	26,000	91,00
Insurance	7	75,000	262.50
Internal Affairs	3	32,500	113.75
Justice	3	23,000	82.00
Labor and Industry	53	84,000	366.00
Leg. Reference Bureau	1	10,000	35.00
Military Affairs	13	114,000	372.50
Milk Control Commission	5	13,000	50.00
Mines	2	20,000	70.00
Motor Police	29	139,000	486.50
National Guard	....	.....	.....
Property and Supplies	17	71,500	263.75
Public Assistance	495	784,000	3,314.50
Public Instruction	149	549,500	1,960.75
Public Utility Commission	15	118,000	433.75
Revenue	334	944,000	3,455.75
Senate	6	24,000	85.50
State	6	41,000	143.50
Treasury	58	2,559,000	6,273.75
Welfare	123	375,000	1,933.50
Sub Total	1,463	$6,683,500	$22,275.50
SPECIAL FUND			
Fish Commission	43	$75,000	$321.00
Game Commission	182	244,000	1,127.50
Highway	15	84,500	304.75
Liquor Control Board	2,931	8,594,000	25,721.00
Revenue—Liquid Fuels	73	187,500	656.25
Revenue—Motor Vehicles	116	333,000	1,274.50
Workmen's Ins. Fund	140	168,000	799.00
Sub Total	3,500	$9,686,000	$30,204.00
FEDERAL FUNDS			
Labor and Industry	212	$379,999	$1,145.00
Grand Total	5,175	$16,749,499	$53,624.50

FOOTNOTES

[1] 1933, P. L. 1000.
[2] 1933, P. L. 1468—Administrative Code, 1929, Section 2417.
[3] Administrative Code, 1929. Section 515 and 2407.
[4] 1937, P. L. 1865—Administrative Code, Section 508 (e).
[5] Administrative Code, 1929. Section 2411.
[6] Administrative Code, Section 2408.
[7] A Survey of the Government of Pennsylvania pp. 616-618.
[8] Administrative Code, Section 2409.
[9] Administrative Code, 1929. Section 2403 and 2410.
[10] This does not apply to publications of the Governor, or of the General Assembly.
[11] Administrative Code, Section 2402-A.

CHAPTER XVII

DEPARTMENT OF PUBLIC ASSISTANCE

After the passage of the Federal Social Security Act, on January 9, 1935, it immediately became evident that an entirely new relief program would have to be inaugurated for Pennsylvania. Just what new legislation it would be necessary to enact before the State would be in position to benefit from the provisions of the Social Security Act became a matter of primary importance. Because of this fact the Governor appointed, in December of 1935, a committee composed of 24 members drawn from the ranks of labor, business, government, publishing, welfare work, and the professions. This committee, known as the "Pennsylvania Committee on Public Assistance and Relief," and frequently referred to as the "Goodrich Committee," was charged with making a comprehensive study of assistance and relief problems in Pennsylvania, what these problems had been, how they had been met in the past, and what the current problems were in order that recommendations might be made to cover future procedures, especially in relation to the new Social Security Act.

After receipt of the Goodrich Committee report, the Legislature in 1937 created the Department of Public Assistance[1] and passed the "Public Assistance Law,"[2] which provided for a centralized system of administration and distribution of assistance and relief.

A. FUNCTION

The chief function of the Department of Public Assistance is, as its name indicates, to distribute relief to various groups, eligible to receive same, as specified in the "Public Assistance Law," and in such manner and to such extent as the law authorizes.

In performing this important and far-reaching function, the Department now does, as a centralized agency, work formerly done separately by 67 Mothers' Assistance Fund Boards under the Department of Welfare (blind pensions, aid to the aged, and aid to dependent children), the Emergency Relief Boards (general unemployment relief,) and the State's 425 poor districts (general outdoor relief).

B. POWERS AND DUTIES

The "Public Assistance Law," referred to above, imposes wide powers and duties on the Department of Public Assistance, and its affiliated boards, bureaus, and divisions. Included are the following:

1. General
   a. To allocate to the several assistance programs, funds with which to provide assistance, and, as may be needed from time to time, to keep reasonable emergency funds in the hands of local boards, which funds shall be used by the executive director for the furnishing of assistance in emergency cases;
   b. To establish, with the approval of the State Board of Public Assistance, rules, regulations and standards, consistent with law, as to eligibility for assistance and as to its nature and extent;
   c. To supervise local boards, and to establish for such boards, rules, regulations and standards, consistent with law;
   d. To cooperate with other agencies, including any agency of the United States or of another state, in all matters concerning this Act, and particularly in projects for child welfare, for the relief of persons in areas of special need, and for the care of transient and homeless persons, and to make such reports, in such form and containing such information, as the Social Security Board of the United States Government, or any other agency of the United States may, from time to time, require, and to comply with such provisions as such board or agency may, from time to time, find necessary to insure the correctness and verification of such reports;
   e. To receive and to supervise the disbursement of funds, provided by the Federal Government or, from any other source, for use in this Commonwealth, for assistance:
   f. To gather and study current information and to report, at least annually to the Governor, as to the nature and need of assistance, of each local board, and as to the work of each local board, and to cause such reports to be published for the information of the public;
   g. To report, at least annually to the Governor, as to the cost of living in the various counties, as related to the standards of assistance and the amounts expended for assistance, and to cause such reports to be published for the information of the public;
   h. To collect and report to the Governor, and to cause to be published for the information of the public, information as to the work of the Department;
   i. To direct and supervise the liquidation of the affairs of the Boards of Trustees of the Mothers' Assistance Fund, the Boards of Trustees of Pension Fund for the Blind, and the State Emergency Relief Board;
   j. Whenever the Department deems it necessary and advisable, to purchase credit reports and other services on a fee basis for the purpose of supplementing the investigation of eligibility for assistance;
   k. To recommend to the Governor that any person employed by the Department be suspended, or removed from service. Upon receipt of such recommendation, the Governor shall have the power to suspend or remove such employe if he deems the same to be to the best interests of the public service.

2. The State Board of Assistance
   a. To approve or disapprove and adopt rules, regulations, and standards, consistent with law, recommended by the Department of Public Assistance and local boards, as to eligibility for assistance and as to its nature and extent. To establish for the Department and local boards, rules and regulations concerning the administration of this Act as provided by law.
   b. To study the work of the Department of Public Assistance and, from time to time, to recommend to the Governor changes in administrative policy or in the law.
   c. To take any other action authorized or required by law.

3. County Boards of Assistance
   a. To appoint, transfer, lay off, suspend, and remove its employes.
   b. To appoint and remove an Executive Director.
   c. To conform to the rules, regulations, and standards established by the Department, as to accounting, forms, records and reports.

[1] Footnotes on page 7004.

d. To submit assistance and administrative budgets to the Department as a basis for allocation of funds.

e. To hear and determine appeals from actions affecting rights of applicants for assistance.

f. To supervise administration of and promote any other information related to assistance which is committed to the Board by a political subdivision with the State Board's approval.

g. To receive and send contributions from any source for purposes related to assistance.

h. To make recommendations to the Department as to rules, regulations, and standards of eligibility for assistance.

i. To study reports and interpret policies.

j. To establish policies and practices as to amounts of assistance granted in individual cases within State regulations.

k. To appoint community committees to supply information on eligibility, recommend local policies and stimulate employment.

l. To encourage employables to accept full time positions or part time employment.

m. To appoint Labor Review Committees to pass on eligibility of applicants or recipients who refuse offers of employment.

n. To employ services of commercial credit rating agencies to determine eligibility.

o. To make available to the public, names, etc., of those on relief roles.

4. Employment Board

a. To prepare and conduct examinations for employment, which shall be practical in their character, and, so far as may be possible, shall relate to those matters directly bearing on and which will fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed, but no applicant shall be required to have had any scholastic education or special training or experience. In written examinations, the identity of each applicant shall be unknown to the examiners.

b. To grade each person taking an examination by a method of rating published as part of the announcement of the test, except that, in the final rating of all applicants, persons who were engaged in the military or naval service of the United States during any war in which the United States was engaged, and who have an honorable discharge from such service, shall receive in addition to all other ratings an additional five per centum, and any such person who shall have been disabled by wounds or in any other manner while engaged in such service (so long as he is able to perform the work of the employment for which he is examined), shall be rated an additional five per centum over and above the five per centum hereinbefore set forth, and in either case, the total per centum mark or grade thus obtained shall determine the standing of any such persons on any list of eligibles.

c. The qualifications shall be such as will best promote the most efficient administration of public assistance, and shall provide that persons applying for positions in the offices designated by the secretary as central administrative offices (which shall include all those having jurisdiction through-out the State) shall be citizens of the United States, and shall have been legal residents of Pennsylvania for a period of not less than one year before making application, and persons applying for positions in district offices (which shall include all those whose jurisdiction is limited to a particular district) shall be citizen of Pennsylvania for a period of not less than on year and in the district in which such office located for a period of not less than six month before making application.

d. The Secretary of Public Assistance and loc boards shall have power to appoint provisiona employes for the purpose of carrying on th work of the Department of Public Assistance an of local boards, until such time as appointee have been qualified by examination, and hav been appointed under the provisions of thi Act; but such provisional appointments shall n be continued in employment after March firs one thousand nine hundred and thirty-eight, un less theretofore qualified by examination con ducted by the employment board, as herein pro vided. Thereafter employes, except special ex aminers appointed by the Employment Boar shall be appointed from a list of eligibles wh have passed the required examinations. Such lis shall be used and the names on them shall b placed in an order fixed by the rules of the Em ployment Board; Provided, however, that no nam shall remain on such list longer than two year In an emergency, if there is no such list, an em ployer may, with the approval of the Employ ment Board, nominate a person for noncompeti tive examination, and may appoint him provision ally if he passes the required examination. Afte the first day of June, one thousand nine hun dred and thirty-eight, no such provisional ap pointment or successive appointment (in th aggregate) shall be valid for more than ninet days.

e. Probation. Every employe shall be on probatio for a period of not less than three nor more tha six months, as fixed by the rules and regulation of the Employment Board. During this perio the employer may terminate the employment fo just cause.

f. Transfers. A transfer to a new class of employ ment having the same or a higher maximu salary shall be made only after examination as in the case of an original appointment.

g. Suspensions. An employer may for just caus suspend an employe without pay for period totalling not more than thirty days in a calenda year. Written reasons for every suspension shal be promptly sent to the Employment Board, an shall become part of its public records.

h. Demotion and Removal. An employer may de mote or remove an employe for just cause onl after giving him written reasons for such actions and an opportunity to file a written answer. Bot of such writings shall be promptly reported to th Employment Board, and shall be part of its pub lic records. Such employes may appeal to th reviewing board under the rules and regulation established jointly by the State Board of Publi Assistance and the Employment Board.

i. Political Activity. An employe shall be re moved if he shall during his employment—

(1) Be a member of a political committee or a officer of a political organization;

(2) Solicit, or receive a contribution for poli tical purposes;

(3) Injure or benefit an employe or one who ap plies for or receives assistance, or threate or promise to do so because of making o withholding a contribution for political pur poses because of any past or future vote, o because of taking or refraining from takin any political action;

j. No employer shall demand from any employe before or at the time of appointment any resignation or agreement to resign.

k. No employe shall receive any compensation until the Employment Board shall certify that it is for lawful employment.

l. Improper Discrimination. Race or religion or political or labor union affiliation shall not be a qualification of an applicant, nor a just cause for reduction in compensation, suspension, layoff, demotion or removal.

m. Rules. The Employment Board shall make rules and regulations, not inconsistent herewith, to carry this section into affect

5. Joint Actions by Department and Employment Board

The Department of Public Assistance and the Employment Board shall jointly have the following powers and duties—

a. To classify employment positions according to to the duty involved and the qualifications required.

b. To fix maximum and minimum salaries for each class of employment.

c. To establish qualifications for applicants for any class of employment.

d. To make and promulgate rules and regulations establishing the procedure to be followed by an employer in demoting or removing an employe.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart XVIII-1, page 6998, the chief executive officer of the Department of Public Assistance is the Secretary, who is appointed by the Governor, with the consent of the Senate, for a term of four years. He receives an annual salary, set by statute, of $10,000. As administrative head of the Department, the Secretary is responsible for the supervision of State and local administration of the public assistance program. For the expenditure of Federal funds in connection with the special categories of assistance, he is responsible to the Federal Social Security Board.

Directly responsible to the Secretary of Public Assistance for the administration of the 3 bureaus and 3 staff divisions of the Department is the Deputy Secretary, who, in the absence of the Secretary, exercises all the powers and performs all the duties vested in and imposed upon the Secretary.

The Secretary of Public Assistance, the Deputy Secretary, and one secretary to the Secretary are expected from the merit system provisions of the statute governing the Department. The Deputy is exempt under a ruling by the Attorney General.

For administrative purposes, the Department is organized into 3 bureaus and 4 staff or service divisions in the administrative office. Besides these administrative units, there are two departmental administrative boards, the State Board of Public Assistance and the Employment Board. In addition, there are 67 county boards of assistance, one for each county.

1. Administrative Office

This office includes the staffs of the Secretary and the Deputy Secretary, and is responsible for the general administrative work of the Department. Functions pertaining to personnel, office maintenance and supplies, methods and systems, and public relations come under the direct supervision of the Secretary, through his Deputy.

a. Personnel Division

The Personnel Division performs all administrative work connected with the personnel system, with the exception of recruitment, examination, selection and placement, which functions are performed by the Employment Board. The Personnel Division maintains all personnel records pertaining to vacations, leaves, etc.

b. Office Maintenance and Supply Division

The chief of this Division is in charge of all office supplies, equipment, and office furniture. He works directly with Property and Supplies in all purchases for the Department of Public Assistance. He is charged with keeping an inventory of everything belonging to the Department throughout the State.

c. Methods and Systems Division

The head of this Division is the procedure analyst. He is charged with writing and setting up the procedure for the Department, and the forms for all printing. This Division also issues the Visitors' Manual and the Handbook of Procedure.

d. Public Relations Division

This Division consists of a staff officer whose work is closely tied in with the Secretary's office. He is responsible for all public reports of the Department, news releases, press contacts, correspondence explaining the assistance program, and consultations with county boards on community relations.

2. State Board of Public Assistance

The State Board of Public Assistance, a departmental administrative board, consists of the Auditor General, the State Treasurer, and seven other citizens appointed by the Governor for terms of six years. No member may serve consecutively for more than two terms.

The members elect a chairman, from among the appointed members, and a secretary, who need not be a member of the Board. The Board is required by statute to hold at least 6 regular meetings each year.

The principal duty of the Board is "to approve or disapprove and adopt rules, regulations, and standards ..... as to eligibility for assistance and as to its nature and extent." It is also empowered to study the operation of the Department and make recommendations to the Governor regarding changes in administrative policy or in the Law.

3. Employment Board

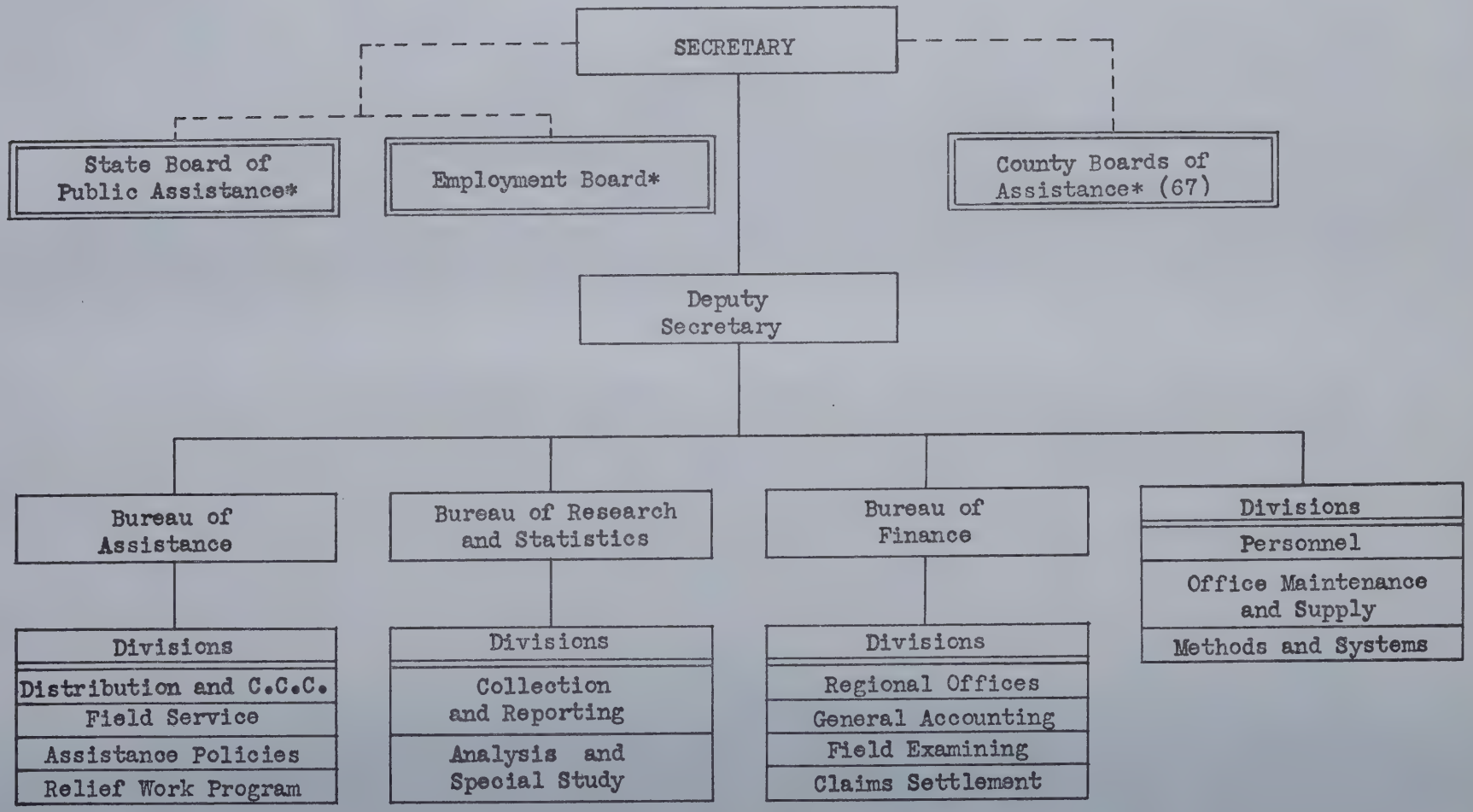
The Employment Board is comprised of three members appointed by the Governor for four-year terms. They may hold no other public position to which a salary is attached, and they receive actual expenses and a per diem compensation, not exceeding $25.00 per day, fixed by the Executive Board and approved by the Governor.

The Employment Board is jointly responsible with the Department of Public Assistance for the classification of positions, fixing of salary schedules, and the establishment of rules governing demotion and removal procedure.

The Board is itself responsible for preparing, conduct-

CHART XVII-1

ORGANIZATION OF THE DEPARTMENT OF PUBLIC ASSISTANCE



* Departmental Administrative Board.

ing, and grading examinations, and certifying lists of persons eligible for employment by the Department and the county boards.

4. County Boards of Assistance

Much of the responsibility for administration of the public assistance program lies with the local Boards of Assistance, which are, in name and fact, administrative boards.

In Philadelphia and Allegheny Counties, the Boards are composed of eleven members each, and in all other counties of seven members each. Members are appointed by the Governor for terms of three years. They serve without compensation but are reimbursed for necessary expenses. The Public Assistance Law[3] requires that no member may hold office in any political party and that "not all of the members of a board shall belong to the same political party."

Each Board elects from among its members a chairman and a secretary.

5. Bureau of Assistance

The Bureau of Assistance is directly responsible to the Deputy for the actual operation of the public assistance program. It is this Division which administers the machinery for providing the required public aid to those in need.

a. Types of Assistance Administered[4]

(1) General Assistance

General Assistance frequently referred to as "direct relief" is the general type of assistance available to persons whose needs arise from unemployment or other causes, and who are not eligible for old age assistance, aid to dependent children or blind pension. General Assistance is provided for in the form of weekly cash grants entirely from State funds.

(2) Aid to Dependent Children

Grants, here, are on a needs basis only, and are restricted to individuals or families lacking means to support themselves and without responsible relatives able to support them. A dependent child is defined as any needy child under the age of 16, or under the age of 18 if regularly attending school, who has been deprived of parental support or care and is living with a parent, grandparent, step-parent, brother, sister, step-brother, step-sister, uncle, or aunt in a place of residence maintained by one or more of such relatives.[5]

Under the terms of the Federal Social Security Act, as amended, the Federal Government bears half the cost of administering the aid to dependent children program.

(3) Old Age Assistance

Old Age Assistance is also granted on a needs basis and is restricted like general assistance, to individuals lacking means to support themselves, and without relatives able to support them. Through 1937, the counties paid part of the administrative costs of old age assistance. The Federal Government shares these grants on a 50-50 basis with the State. The age limit for applicants eligible under this program was reduced from 70 years to 65 years, beginning January 1, 1940.[6]

(4) Pensions for the Blind

This is the only pension authorized by the Public Assistance Law. Payments are fixed at $30 monthly for all blind persons meeting certain statutory requirements. Personal resources up to $1,200 annual income (including pension) and $5,000 in property were permitted, and relatives are not held liable for support. Because payments are not based on individual need, Federal participation was withdrawn, effective January 1, 1938.[7]

(5) Burial Assistance

Under specific circumstances the State Department of Public Assistance compensates burial directors up to $100 for the burial of recipients of any type of assistance or blind pensions where no other source of payment exists.

(6) Medical Care

Under Act 10 of 1938,[8] the Department of Public Assistance was authorized to provide necessary medical service to persons on assistance rolls.

To supplement the experience gained through the medical assistance program administered by the State Emergency Relief Board during 1934-35, an experimental program was put into effect September 15, 1938, and the data gained from the program was used to establish a long range plan.

The present Medical Program provides for free selection of practitioner by patient and includes medical and nursing service, dental extractions necessary for health, and prescribed drugs. A maximum degree of control has been vested in volunteer County Healing Arts Assistance Committees, representing all services included in the program. These committees are, in turn, subject to the supervision of a State Healing Arts Assistance Committee.

By agreement, doctors' bills are limited to $1.00 for office visits and $2.00 for home visits, with an allowance for mileage in rural areas. Prescription charges are limited, and may be made only in accordance with a fixed schedule. Nursing service is paid at the rate of 95c a visit, and visits after the first must be authorized by a physician. All bills rendered by practitioners are subject to approval by the Local Healing Arts Assistance Committee, which also has the responsibility of pro-rating doctors' and nurses' bills downward whenever, in any month, the sum allocated for medical care by the Department for that month is insufficient to meet the aggregate amount of bills submitted. Medical care allocations to the various committees each month are based on the number of assistance recipients in the county.

(7) Milk

The Public Assistance Law was amended in 1939 to provide that the local boards must issue milk orders as a part of assistance grants if there are children in the family or if the reports of the investigators indicate that adults require milk for their physical welfare.[9]

Beginning with September, 1939, milk orders have been included in grants issued to families receiving aid to dependent children, and to families receiving general assistance which include children under 16. In occasional instances, milk orders have been issued to older assist-

ance recipients when milk is required for reasons of health.

b. Organization

(1) Division of Commodities Distribution and Civilian Conservation Corps Enrollment

The Department of Public Assistance cooperates with the Federal Surplus Marketing Administration as State agent for the distribution to assistance recipients of food stuffs purchased by the Corporation from crop surpluses. Assistance families receive coupons entitling them to whatever commodities are available at designated distribution points. In accordance with Federal regulations, surplus commodities are distributed, in addition to, not in substitution for, authorized assistance grants. In certain areas of the State, where the Federal Food Stamp Plan has been instituted, physical distribution of commodities has been replaced by the system of selling stamps which entitle recipients to purchase certain specified commodities at designated retail stores.

The Department serves as State agent for the selection of unemployed youths eligible for enrollment in the Civilian Conservation Corps. The Executive Director of the County Assistance Board acts as local agent and receives applications. Civilian Conservation Corps enrollees, who must be between the ages of 17 and 23½ are required to allot part of their monthly pay to their dependents, and preference is given youths who are members of public assistance families.

Forty-nine C.C.C. camps were scheduled for operation in Pennsylvania during the period October 1, 1939 to March 31, 1940. A maximum of approximately 9,800 enrollees were scheduled for this period.

The Department has no fiscal responsibility for this program.

(2) The Field Service Division

The field representatives, as the authorized agents for the Department, have the duty of working with the county assistance organizations in striving to achieve the best possible results with the funds and resources available. They are responsible for studying and reporting on the work of local administration and the problems encountered, and for acting in a liaison capacity between the State office and the county organizations.

In addition to discharging the duty of general supervision and coordination on behalf of the Department, the field representatives are in a position to aid county boards and executive directors in important State policies, making available the experience of other counties, and making recommendations for seeking advisory service regarding administration procedure.

The work of the field representatives includes conferences with the Board chairmen and periodic meetings with the Boards, as well as regular contacts and consultations with the Executive Directors and with employes in charge of particular divisions of the local offices.

This Division includes a staff training section.

(3) Division of Assistance Policies

This Division, as the name implies, sets up the policies, under the Law, for the Department. This Division and the Bureau of Methods and Systems, together with the State Board of Assistance and the executives of the other bureaus and divisions, must work in close harmony at all times.

(4) Division of Relief Work Program

Under the Relief Work Act of 1939,[10] (The Pierson Act), employables on general assistance rolls are required to perform work assigned to them by the County Boards of Assistance. Those who refuse to comply with such orders without giving adequate reason, are denied assistance.

The County Boards make available to political subdivisions, State Institutions, the State Highway Department, charitable organizations, and State and Federal Employment Offices, names of employable persons classified by occupation. The work performed by such relief recipients is for the care, maintenance, improvement, and policying of highways, streets, buildings, grounds, parks, and streams, of the agencies mentioned. The employables are not required to report for work at a distance greater than one mile from their domicile, except that the cost of transportation be provided by the agencies. The number of hours assigned to any employable shall be equal to the number of hours that such employable would work if he received identical compensation for private employment at prevailing rates of pay in the locality. All work projects contemplated under this program are not in substitution of existing, or sponsored, projects under the Federal Works Program.

In addition to assigning General Assistance recipients to work projects, the Relief Work Program provides for the guidance and referral of assistance recipients wishing to enroll in State or Federal vocational training programs and courses provided by Act 389, approved June 28, 1939.

Following passage of the Pierson Work Act, the State Board of Public Assistance adopted the following regulations:

(a) No project shall be approved for assignment of relief recipients to replace workers involved in a labor dispute.

(b) In assignments of relief recipients to work projects, no discrimination shall be made because of race, creed, or membership in any club or organization.

(c) Sponsors shall carry workmen's compensation for all Relief Work Program workers on their respective projects.

Sponsors are further required to provide supervision and necessary materials and supplies, and are required to provide items subject to unusual wear and tear as part of the equipment.

The Act further provides that a private employer may ask the County Board of Assistance to refer suitable persons for employment openings. Such employment is, of course, compensated by the employer and is in exactly the same category as any other private employment, which might be obtained by an assistance recipient. The Act further provides that employable persons who fail to accept or continue at private employment, without reason deemed sufficient by the County Board of Assistance, are ineligible for assistance.

Since August, 1939, there has been a steady rise in the volume of relief work activity. This rise has been reflected in the number of employables working on Relief Work Program projects, the amount of assistance worked

for, and in the number of projects in operation. The administrative costs during October 1940 were about $26,000, and the average number of relief workers on projects approximately 22,000 persons, making an average cost of administration per R.W.P. worker of $1.25. These costs do not represent the full administrative costs of conducting the Relief Work Program, as the cost of investigating eligibility, issuing checks, and other overall operating costs are now included in the regular cost of administration of the public assistance program. Table XVII-A, below, summarizes the first year of operation of the Relief Work Program.

(5) Resources Investigation Division

This Division at State headquarters is concerned with the searching of the records of the Bureau of Vital Statistics for dates of birth, and with the Social Security Board at Washington when such information cannot be found at Harrisburg. This Section works with County Boards in the developing of special local investigating units that contact employers and financial institutions to check payrolls and bank accounts against relief files.

(6) W.P.A. Certification

This Bureau also supervises the activity of county offices in the certification of names of employables to the Works Progress Administration. By a formal agreement between the two organizations, W.P.A. standards for certification are recognized in general to be the same as the standards of eligibility for general assistance. It is the responsibility of the County Boards to certify all members of general assistance cases who are immediately available for employment, with certain exceptions, such as those needed in the home, aliens, housewives, those known to be physically or mentally incapable of securing or holding employment, etc.

TABLE XVII-A

DEPARTMENT OF PUBLIC ASSISTANCE

SUMMARY OF RELIEF WORK PROGRAM

AUGUST 1939 TO JULY 1940

Month	Average Number of Projects in Operation	Average General Assist Case Load	Average No. of Cases with a Worker on R. W. P.		Average Number Workers Per Project	Total Man Hours Worked	Amount General Assistance Granted			Average Hourly Work Rate	Cost of Administration
							Amount Worked For On Relief Work Program				
			Number	% of Col. (2)			Total	Amount	% of Col. (7)		
1939	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
August	133	273,000	1,612	0.6	12.1	$ 117,067	$9,220,851	$ 52,380	0.6	0.45c	$46,000
September	658	273,100	8,261	3.0	12.6	567,724	8,805,482	267,378	3.0	0.47	40,000
October	1,031	253,100	12,355	4.7	12.0	804,267	7,620,330	395,929	5.2	0.49	37,675
November	1,197	218,800	15,502	7.1	13.0	998,960	6,656,110	507,720	7.6	0.51	36,450
December	1,221	205,700	16,601	8.1	13.6	1,053,707	6,301,236	537,047	8.5	0.51	36,885
1940											
January	1,225	200,100	17,068	8.5	13.9	1,097,169	6,195,495	558,981	9.0	0.51	36,993
February	1,339	200,800	20,574	10.2	15.3	1,273,788	6,024,032	648,919	10.8	0.51	33,719
March	1,433	201,100	22,931	11.4	1.60	1,513,154	6,331,101	768,366	12.1	0.51	33,000
April	1,545	195,100	23,226	11.9	15.0	1,453,996	5,840,309	742,105	12.7	0.51	36,020
May	1,568	176,800	23,586	13.3	15.0	1,605,454	5,655,644	825,241	14.6	0.51	36,711
June	1,577	165,000	25,674	15.6	16.3	1,598,286	4,672,960	818,496	17.5	0.51	35,071
July	1,590	166,800	26,843	16.1	16.9	1,753,299	4,959,077	898,622	18.1	0.51	33,000

6. Bureau of Research and Statistics

The Bureau of Research and Statistics collects, analyzes, and publishes statistical information on the administrative operations of the Department and County Boards; conducts special research; and prepares special administrative studies, statistical bulletins, and reports for the United States Social Security Board.

For administrative purposes, the Bureau is organized into a collection and reporting section and a special studies and analysis unit.

7. Bureau of Finance

The Bureau of Finance, in charge of the Comptroller of the Department, is responsible for assistance check-writing, general accounting, field examination, and claims settlement.

It is well here to explain the fiscal relationship with the Department of Public Assistance of the Department of the State Treasurer and the Auditor General.

The State Treasurer makes all disbursements of Public Assistance Funds. Allocation is made from appropriations for public assistance to reimburse the State Treasurer for administrative expenditures incurred in connection with the disbursement of assistance checks. Direct charges to the Department of Public Assistance by the State Treasurer began July 1, 1937. Prior to that time the SERB issued checks directly, and the cost of issuing checks for the Special Assistance Program was borne by the State Treasurer.

Under the State Fiscal Code, the Department of the Auditor General has the authority to audit and approve or disapprove all expenditures from State funds. This function involves periodical examination of the records and documents in support of assistance grants, salary payments, and other administrative expenses. Funds to defray costs incurred by the Auditor General for audit of departmental accounts are allocated out of Public Assistance appropriations. The direct charges to the Department of Public Assistance by the Auditor General began July 1, 1937. Prior to that time the cost was borne by the Auditor General.

a. Regional Offices

The work of the Department is conducted through the headquarters office in Harrisburg and four regional financial offices located in Philadelphia, Pittsburgh, Harrisburg, and Scranton.

These offices are responsible for the processing of relief authorization notices, the writing of assistance checks and the maintenance of necessary accounting and case records.

The State Treasurer and the Auditor General have representatives in all regional offices to act as their agents in performing their particular work.

b. General Accounting Division

This Division has charge of the clerical work and actual accounting and auditing of all accounts for the Department. It also sends men into the local area offices for the purposes of auditing their accounts.

c. Field Examining Division

The Field Examining Staff deals with Social Security Board exceptions taken with respect to individual grants. They cooperate with the counties in clearing of necessary verification of eligibility points which have been questioned. It is their duty to examine the mechanism by which restitutions are collected in claim settlements units; to examine county board accounts to verify emergency grants; to examine and keep control of supplies; to check FSCC stamps; to check warehouse systems, truck charges, and facilities; and to handle special requests for investigations by county, State, or claim settlement units.

d. Claims Settlement Division

At present, there are five State offices for claims settlement located in Philadelphia, Harrisburg, Pittsburgh, Erie, and Wilkes-Barre.

This Division receives notice of over-payment from any place in the organization, and arranges for an interview with the relief recipient who is the subject of the claim. If a claim is established, the Department uses a weekly follow-up system to see that the money is sent to the accounting department, from which it is then sent to Revenue. If, however, the recipient refuses to make voluntary repayments, regular restitution proceedings are instituted.

This Division is also responsible for all investigation, collection, and legal work connected with restitutions and reimbursements. Repayment of money under the Public Assistance laws is required under two circumstances: (1) restitution of money received for which the recipient was ineligible; and (2) reimbursement from property owned while receiving assistance. In addition to claims against property, legally enforceable claims are created whenever an individual accepts public assistance for which he is ineligible at the time of receiving it. Restitution in such cases is accomplished either by voluntary settlement or by prosecution.

D. PERSONNEL

All employes in the Department of Public Assistance, excepting the Secretary and his Deputy are selected on a civil service basis according to rules and regulations prescribed by the Employment Board for the Department. The Secretary, who is appointed by the Governor, with the advice and consent of two-thirds of the members of the Senate, at an annual salary of $10,000, is delegated with the duty to administer and carry out the provisions of the Public Assistance Law, and to supervise local assistance boards.

The county boards, like the State Department are subject to the rules and regulations adopted by the Employment Board in establishing a merit system of employment under the Law. The Public Assistance Law designated the power of the county boards with respect to personnel as follows:

"To appoint, transfer, lay-off, suspend and remove an Executive Director and other employes, which employes shall, on behalf of the Board and under the supervision of the Executivee Director, provide assistance in the territory under its jurisdiction in accordance with the Law."

In keeping with the spirit and intent of the merit principle in public administration, it is the Boards constant aim to secure and retain the ablest in personnel available. The Department in conjunction with the Employment Board is drawing plans for a system of service ratings for employes of various grades which will be of help to county boards in arriving at decisions as to promotions, demotions, lay-offs and removals.

Full authority exists in the Law for county boards to take appropriate action in dismissing incompetent, negligent or inefficient employes, whenever such action is justified by the facts. However, the preservation of public confidence and of staff morale requires valid reasons for decisions effecting personnel, based on a comparison with predetermined standards.

The Executive Director of County Boards of Public Assistance, because of his over-all knowledge, may be looked upon to make recommendations as to appointments, changes in classification, and release of employes, but each decision affecting personnel must be considered and authorized by the County Board.

The Law and the regulations of the Employment Board provide for the appointment by the County Board of a special, local Reviewing Board to hear and determine appeals by employes from orders of demotion or removal.

On June 1, 1940 the number of employes operating under the Commonwealth's Public Assistance program totaled 8,193 receiving annual salaries aggregating $11,254,224. Table XVII-B, presents a summary distribution of these employes according to their location in the State or County divisions of the Department's set-up.

TABLE XVII-B

DEPARTMENT OF PUBLIC ASSISTANCE
SUMMARY OF EMPLOYES AND ANNUAL SALARIES
PAID JUNE 1, 1940

Location	Number of Employes	Annual Salaries
Employment Board	138	$213.444
Department of Assistance	985	1,346,976
County Asistance Boards	7,060	9,693,804
Total	8,183	$11,254,224

On December 31, 1940, the number of employes had decreased to 7,094 or a reduction of 13.3%. This drop is

personnel occurred chiefly in the county assistance boards which had 6,050 employes on December 31, 1940, or 1,010 less than on June 1, 1940. During this same period, the case load of the Department for all types of assistance, decreased 24,786, or from 323,566 on June 1, 1940 to 298,780 on December 31, 1940.

1. Relationship Between Personnel and Case Load

Since assistance is administered on a case basis rather than a person basis, (the case being the administrative unit), the study of relationship between personnel and public assistance must take into consideration the number of applications plus active assistance cases.

The data set forth in Table XVII-C, includes in so far as available, the period covered by the SERB for direct and work relief only, since special assistance at that time was administered by the Department of Welfare and data for the number of employes in the Department of Welfare engaged in the administration of assistance is not available. The data for the Department of Public Assistance period includes general assistance, old age assistance, aid to dependent children, and pensions for the blind.

Although SERB began work in September, 1932, it was not until June, 1933, that data became available. Application figures are not available prior to May, 1934.

Applications and active cases are given equal weight, despite the fact that investigation of new applications requires more factors than does the reinvestigation of an active case.

When the SERB was taken over by the Department of Public Assistance in July, 1937, the personnel was also taken over and completed the year, so that the average number of employes for 1937 is on a comparable basis with the other years.

TABLE XVII-C

DEPARTMENT OF PUBLIC ASSISTANCE

Average Number of Cases and Applications Per Employe Per Month
Yearly Averages: 1934-1940

Year	Average Number of Cases [a]	Average Number of Employes [b]	Average Number Cases Per Employe	Average Number of Applications Received Per Month [c]	Average Number of Applications Received Per Employe	Average Number Cases and Applications Received Per Employe
1934	339,344	4,871	69.7	[d]	[d]	[d]
1935	414,158	9,512	43.5	60,999	6.4	49.9
1936	169,991	5,644	30.1	43,400	7.7	37.8
1937	151,452	3,664	41.3	35,686	9.7	51.0
1938	320,866	6,750	47.5	49,502	8.8	56.3
1939	369,176	7,547	48.9	56,095	7.4	56.3
1940	318,784	6,797	46.9	47,096	6.9	53.8

[a] Figures for 1934-1937 represent the average number of cases on SERB rolls (direct or work relief); figures for 1938-1940 represent the average number of cases on DPA rolls (GA, OAA, ADC, BP).

[b] Figures for 1934-1937 represent the average number of employes on the SERB County and Regional staffs, excluding Works Division employes; figures for 1938-1940 represent the average number of employes on the DPA County and Regional staffs, excluding RWP employes.

[c] Data are not available to show applications on a strictly comparable basis throughout the entire period. The figures for 1935-1938 represent formal applications, and do not include requests which were withdrawn as a result of preliminary interviews. Figures for 1939-1940 represent requests for assistance.

[d] Not available.

E. FINANCES

During the eight-year period 1932 to 1939, inclusive, the Commonwealth of Pennsylvania and the Federal Government expended an aggregate of approximately $924,545,000 in the distribution of relief to residents of the State. As is shown in Table XVII-D, $379,339,000 of this amount was paid for by Federal funds, $532,502,000 by the State and $12,704,000 by the 67 counties in the Commonwealth.

TABLE XVII-D

DEPARTMENT OF PUBLIC ASSISTANCE

EXPENDITURES FOR RELIEF PURPOSES IN PENNSYLVANIA FROM 1932 TO 1939

Source of Funds	Expended	Per Cent of Total
Federal	$379,339,000	41.0
State	532,502,000	57.6
Counties	12,704,000	1.4
Total	$924,545,000	100.00

In addition, the Federal Government spent in the State, for W.P.A. during the above period a total of $736,185,000. Hence, aggregate relief expenditures in Pennsylvania have totaled $1,660,730,000 during the above eight-year period.

Table XVIII-E, page 7004, presents the above expenditures in detail by source of funds for each year and shows the purposes for which monies were expended during each year.

Of the total yearly expenditures during 1939 of $144,641,000, the State contributed $130,440,000, or 90.2%. The Federal contribution to Old Age Assistance, amounting to $10,158,000, was allocated on a 50-50 basis with the State funds. The Federal contribution to Aid to dependent Children of $3,053,000 was about 30% of the actual State payments, and the Federal contribution to administration was $955,000 as against the State's $12,285,000.

Pensions to the blind of $4,432,000 and expenditures for general assistance amounting to $91,646,000 are paid from State funds exclusively, the two items together taking 69.5% of the total expenditures for public assistance and 73.7% of the State appropriation for the public assistance program.

While the figures for the three categories in 1939 remained fairly constant at around $3,000,000 a month, the variable is expenditures for general assistance, which reached a high of $9,220,851 for August and a low of $6,301,236 for December.

The year 1932 saw the creation of the SERB by the Woodward Act. It also marked the low in State expenditures for public assistance. From September, 1932, to November, 1933, the State distributed food orders for direct relief by local boards. The first Talbot Act appropriated $10,000,000 to the Department of Welfare for aid to political subdivisions for direct relief. There were some work projects but no available records have been kept. This was followed by the second Talbot Act which appropriated $12,000,000 to SERB for direct and work relief and was allocated to the counties. Financing was through or by the Emergency Relief Sales Tax Act, which levied 1% on gross income from sales, and was in effect from September 1, 1932 to February 28, 1933.

The following Pennsylvania State-wide program for

TABLE XVII-E

EXPENDITURES FOR PUBLIC ASSISTANCE BY TYPES AND BY YEARS, FEDERAL—STATE—COUNTY, 1932 TO 1939, INCLUSIVE

(000 Omitted)

Source of Funds by Years	General Assistance	Work Relief	Aid to Dependent Children	Old Age Assistance	Pensions to Blind	Other Programs [a]	Administration	Totals
1932—TOTAL	$ 11,447	.....	$ 1,191	.....	.....	$ 1,269	$ 368	$ 14,275
Federal	7,646	.....	.....	.....	.....	869	155	8,670
State	3,801	.....	595	.....	.....	400	148	4,944
County	.....	.....	596	.....	.....	.....	65	661
1933—TOTAL	74,794	.....	3,494	.....	.....	6,565	3,604	88,457
Federal	44,318	.....	.....	.....	.....	3,974	1,857	50,149
State	30,476	.....	1,747	.....	.....	2,591	1,557	36,371
County	.....	.....	1,747	.....	.....	.....	190	1,937
1934—TOTAL	91,984	19,546	3,363	663	660	14,498	10,147	140,861
Federal	70,386	15,825	.....	.....	.....	11,484	7,676	105,371
State	21,598	3,721	1,681	663	660	3,014	2,252	33,589
County	.....	.....	1,682	.....	.....	.....	219	1,901
1935—TOTAL	149,409	23,718	3,478	9,125	1,380	13,102	18,701	218,913
Federal	119,448	19,697	.....	.....	.....	10,749	14,121	164,015
State	29,961	4,021	1,739	9,125	1,380	2,353	3,935	52,514
County	.....	.....	1,739	.....	.....	.....	645	2,384
1936—TOTAL	63,444	.....	3,647	11,704	2,947	1,474	9,993	93,209
Federal	.....	.....	496	3,352	1,407	50	29	5,596
State	63,444	.....	1,575	8,352	1,540	1,424	8,947	85,282
County	.....	.....	1,576	.....	.....	.....	755	2,331
1937—TOTAL	57,813	.....	6,091	22,640	3,749	842	8,363	99,498
Federal	.....	.....	2,031	11,320	1,874	39	884	16,148
State	57,813	.....	2,030	11,320	1,875	803	6,019	79,860
County	.....	.....	2,030	.....	.....	.....	1,460	3,490
1938—TOTAL	75,979	.....	7,270	23,477	4,178	2,336	11,451	124,691
Federal	.....	.....	2,387	11,739	.....	63	1,000	15,189
State	75,979	.....	4,883	11,738	4,178	2,273	10,451	109,502
County	.....	.....	.....	.....	.....	.....	.....	.....
1939—TOTAL	91,646	.....	10,841	20,317	4,432	4,165	13,240	144,641
Federal	.....	.....	3,053	10,158	.....	35	955	14,201
State	91,646	.....	7,788	10,159	4,432	4,130	12,285	130,440
County	.....	.....	.....	.....	.....	.....	.....	.....
Total	$616,516	$43,264	$39,375	$87,926	$17,346	$44,251	$75,867	$924,545

[a] Includes non-relief earnings and materials and equipment for SERB.

unemployment relief went into operation September 1, 1932, under the SERB:

1. Relief on the basis of actual need.
2. No relief to those who refused work.
3. Funds for food orders and some work relief (Highway Department).
4. Local boards were directly responsible for organizing the work.

The Federally sponsored CWA operated from November, 1933, to March, 1934, to which was freely assigned those from general assistance and others to absorb the relief and non-relief unemployed. This was not a work relief program. The purpose was to provide real employment, at prevailing rate of pay. All work relief was suspended during this period.

From April, 1934, to August, 1935, the State operated a work relief program under the FERA and the SERB until the WPA came into existence and assumed all work relief and left direct relief to the State.

Federal direct relief reached a high in 1935 of $164,015,000 and dropped to $5,596,000 in 1936. This accounts for the tremendous jump in State expenditures in 1936 to over $85,000,000 with only one-half the case load of 1935.

The following year, 1937, showed a slight decrease in cases and grants, followed by an increase in 1938 and the record high in 1939 of State expenditures for public assistance of $130,440,000 due to the drastic curtailment of WPA.

FOOTNOTES

[1] 1937, P. L. 2003, Section 3, Article XXV-A, 2502-A.
[2] 1937, P. L. 399.
[3] 1937, P. L. 2051.
[4] See Public Assistance Law—1937, P. L. 2051 as amended by 1938 P. L. 31; 1939, P. L. 1089; 1939, P. L. 1091; and Act No. 8, 1940.
[5] 1937, P. L. 2051, as amended by 1939, P. L. 1091 and Act No. 8, 1940, Section 9 (a).
[6] 1937, P. L. 2051, Section 9 (b).
[7] 1937, P. L. 2051, Section 9 (c).
[8] 1938, P. L. 31.
[9] 1939, P. L. 1089.
[10] 1939, P. L. 1184.

CHAPTER XVIII

DEPARTMENT OF PUBLIC INSTRUCTION

A. FUNCTION

The Department of Public Instruction was created to carry out the constitutional provisions that "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public schools wherein all the children of the Commonwealth above the age of six may be educated . . ."[1] It administers the school laws and assists the school district of the State in conducting their educational programs; examines and licenses the practitioners of sixteen different professions and occupations; and supervises fourteen State Teachers Colleges and various State-owned schools which are a part of the public school system.

[1] Footnotes on page 7017.

The Department is headed by a Superintendent of Public Instruction, a constitutional officer,[2] who is appointed by the Governor for a term of four years, by and with the consent of the Senate. His statutory salary is $12,000 per annum.[3] He is president and chief executive officer of the State Council of Education;[4] a member and chairman of the Public School Employes' Retirement Board;[5] a member of the Pennsylvania Historical Commission;[6] and a member of thirteen professional examining boards.[7]

B. POWERS AND DUTIES

The Department of Public Instruction administers the school laws, manages the State Library and State Museum, conducts civil service examinations for the Pennsylvania Liquor Control Board, and supervises the work of the various boards and commissions assigned to it.

More specifically, it is vested with powers and duties as follows:[8]

1. To administer the laws of the Commonwealth with regard to the establishment, maintenance, and conduct of public schools.
2. To prepare forms with suitable instructions for conducting the various proceedings and details for the system in a uniform and efficient manner.
3. To prepare and furnish to proper persons suitable blanks and all other papers required by law.
4. To give advice, explanations, etc., relative to the school laws, and all other matters calculated to promote the cause of education.
5. To classify the high schools of the State.
6. To issue all commissions to superintendents and assistant superintendents of schools in this Commonwealth.
7. To prescribe minimum courses of study for the public schools.
8. To prepare and furnish to boards of school directors sample forms for keeping and reporting school accounts, sample bonds for various needs and any other forms required by law.
9. To endorse and make valid for teaching in Pennsylvania any permanent or life teacher's certificate from any other State.
10. To condemn, as unfit for use, any school building, school site or outbuilding, in the Commonwealth, on account of unsanitary or other improper conditions.
11. To administer the laws relating to vocational, industrial, agricultural and household arts education.
12. To investigate the need for, aid in establishment of, supervise, inspect and approve for reimbursement by the State, schools, departments and courses for vocational and practical education, and continuation schools, when a part of the school system.
13. To pay for the education of deaf and blind children, in schools which afford vocational training for such children, and supervise the education of State pupils in such schools.
14. To determine, value, standardize and regulate the preliminary education of those to be admitted to the practice of medicine, dentistry and pharmacy in the Commonwealth.
15. To hold examinations to determine the fitness of applicants unable to furnish satisfactory certificates, and to issue certificates to those found proficient.
16. To establish reciprocity with other States as to preliminary education and professional licenses.
17. To determine and publish a standard high school course and to publish, from time to time, a list of elementary and secondary schools of the State which conform to the official standard.
18. To keep the records of all the professional examining boards, established in the department.
19. To issue all certificates and other official documents of the various professional examining boards in the department.
20. To assist any professional examining board in the department and cooperate in the determination and establishment of standards of professional education.
21. To set up the organization for examination, licensing or registration, whenever the General Assembly shall condition the right to practice any profession or to work at any trade or occupation upon such examination, licensing, or registration.
22. To direct and control the State Library and Museum, including a law library.
23. To edit the Pennsylvania Archives.
24. To preserve all public records throughout the Commonwealth, especially those of the State Government of historical value.
25. To examine into the condition of the records, books, maps, documents, etc., kept, filed or recorded in the offices of boroughs, cities, and counties of the State.
26. To cause all laws relating to public records to be enforced.
27. To furnish to applicants, certificates relating to, or copies of public records on payment of the prescribed fee.
28. To give advice and counsel to free libraries of the State, and to communities wishing to establish such libraries.
29. To supervise and inspect free libraries and to establish and maintain a system of traveling libraries.
30. To preserve objects illustrating the flora and fauna of the State, and its minerology, geology, arts, history and education.
31. To examine all motion pictures to be exhibited in Pennsylvania and to approve or disapprove such pictures.

The State Council of Education and the various boards and commissions of the Department of Public Instruction have vested in them the following powers and duties:

1. To report and recommend to the Governor, and the General Assembly, legislation needed to make the schools more useful and efficient.
2. To equalize, through special appropriations, or otherwise, the educational advantages of the different parts of the Commonwealth.
3. To inspect and require reports of schools and institutions wholly or partly supported by the State and not supervised by the public school authorities.
4. To encourage and promote such vocational and practical education as the needs of the Commonwealth require.
5. To prescribe rules and regulations for sanitary equipment and school house construction and to take action deemed necessary or expedient to promote the physical and moral welfare of the children in the public schools.
6. To investigate and make recommendations pertaining to the work of any school of design, school of industrial arts or other educational institutions receiving a State appropriation.
7. To change the name of any State Normal School to State Teachers' College, and to designate the certificates and degrees conferred.
8. To determine and promulgate standards for certificates to teach in the elementary and secondary schools which conform to the official standards of the Department.
9. To administer the Public School Employes' Retirement System.

10. To mark with proper monuments, tablets, or markers, places or buildings within this Commonwealth where historical events have transpired; and places outside the Commonwealth having to do with its history.
11. To undertake the preservation or restoration of ancient or historical public buildings, military works, or monuments, connected with the history of Pennsylvania.
12. To arrange for publication or republication of matters of historical or archaeological interest.
13. To conduct investigations upon historical or archaeological matters.
14. To assume the preservation, care and maintenance of historical buildings, grounds, monuments or antiquities, committed to its custody by the General Assembly.
15. To accept for the Commonwealth, gifts, or bequests of relics, or other articles of historical interest, or gifts or bequests for the endowment of its work.
16. To approve or disapprove the design and proposed location of all historical monuments, buildings, etc., and to cooperate in the care or restoration of historic sites, battlefields, and their historical undertakings, maintained or executed in whole or part at the expense of the State.
17. To accept and take title, in the name of the Commonwealth, to the sites of historical markers.
18. To examine any record within the control of any agency of the Commonwealth for the purpose of historical research.
19. To examine or cause to be examined or excavated, the sites and areas of former aboriginal or American Indian occupation within the Commonwealth, to acquire archaeological collections for the State Museum and prepare a list of such sites, report upon their specific archaeological culture and prepare such information for publication.

The Boards of Trustees of State Institutions within the Department of Public Instruction are vested with the following powers and duties:

1. Subject to approval of the Governor, to elect a president, principal, etc., to administer the institution and, if deemed advisable, a business manager.
2. On nomination of the administrative officer, to appoint officers and employes and fix their salaries.
3. To make by-laws, rules and regulations for the management of the institution, subject to the approval of the Superintendent of Public Instruction.

C. ORGANIZATION AND OPERATIONS

The present organization of the Department, shown in the chart on the following page, was approved by the Executive Board on August 19, 1936, providing for the following:

State Council of Education
Bureau of Administration and Finance
Teacher Education and Certification
Bureau of Instruction
State Library and Museum
Bureau of Professional Licensing
Boards of Trustees, State Teachers' Colleges
Boards of Presidents, State Teachers' Colleges
Public School Employes' Retirement Board
Pennsylvania Historical Commission
Pennsylvania State Board of Censors
Professional Examining Boards

1. State Council of Education

The State Council of Education[4] consists of the Superintendent of Public Instruction, who shall be president and chief executive officer thereof, and nine other members. All appointments are for terms of six years. The Council is authorized to elect a secretary who need not be a member of the Council.

For the purpose of administration of Federal aid, the State Council of Education has been designated[9] as the State Board of Vocational Education. The members serve without pay, but receive reimbursement of expenses incurred in attending meetings.

The State Council controls and manages the State School Fund; approves consolidated schools; provides for the special education of handicapped childen; establishes regulations in accordance with which all teachers' certificates, other than those specifically provided for in the Administrative Code, are issued; approves the creation of new school districts of the fourth class; approves the reopening of one-room schools that have an average daily attendance of ten or more pupils; prescribes the standards in accordance with which the degree-granting power is conferred upon universities and colleges; approves additional school subjects; prescribes regulations for the award of State scholarships; determines true valuations of school districts; recommends new legislation to the Governor and the General Assembly; provides plans and specifications for school buildings and prescribes rules and regulations for the sanitary equipment and inspection of such buildings. In connection with the work of supervision, reports may be required of schools and institutions wholly or partly supported by the State. The School Code provisions especially emphasize the powers of the Council over the various types of vocational education.

Table XVIII-A shows the appropriation and enrollment of the four universities of the Commonwealth which receives State aid:

TABLE XVIII-A

APPROPRIATIONS AND ENROLLMENTS OF THE FOUR STATE-AIDED UNIVERSITIES

Institution	Appropriated 1939-1941	No. Full Time Students 1939-1940*	Appropriation Per Student 1939-1940
Pennsylvania State College	$4,460,000	7,187	$310.28
University of Pennsylvania	1,485,000	15,970	46.49
University of Pittsburgh	1,238,000	8,447	73.28
Temple University	900,000	6,975	64.52

* This does not include part-time students.

Each of these institutions must give three scholarships annually to each Senator, who awards them under the regulations of the State Council of Education. The value of the scholarships in relation to tuition charges is as follows:

a. Tuition Charges

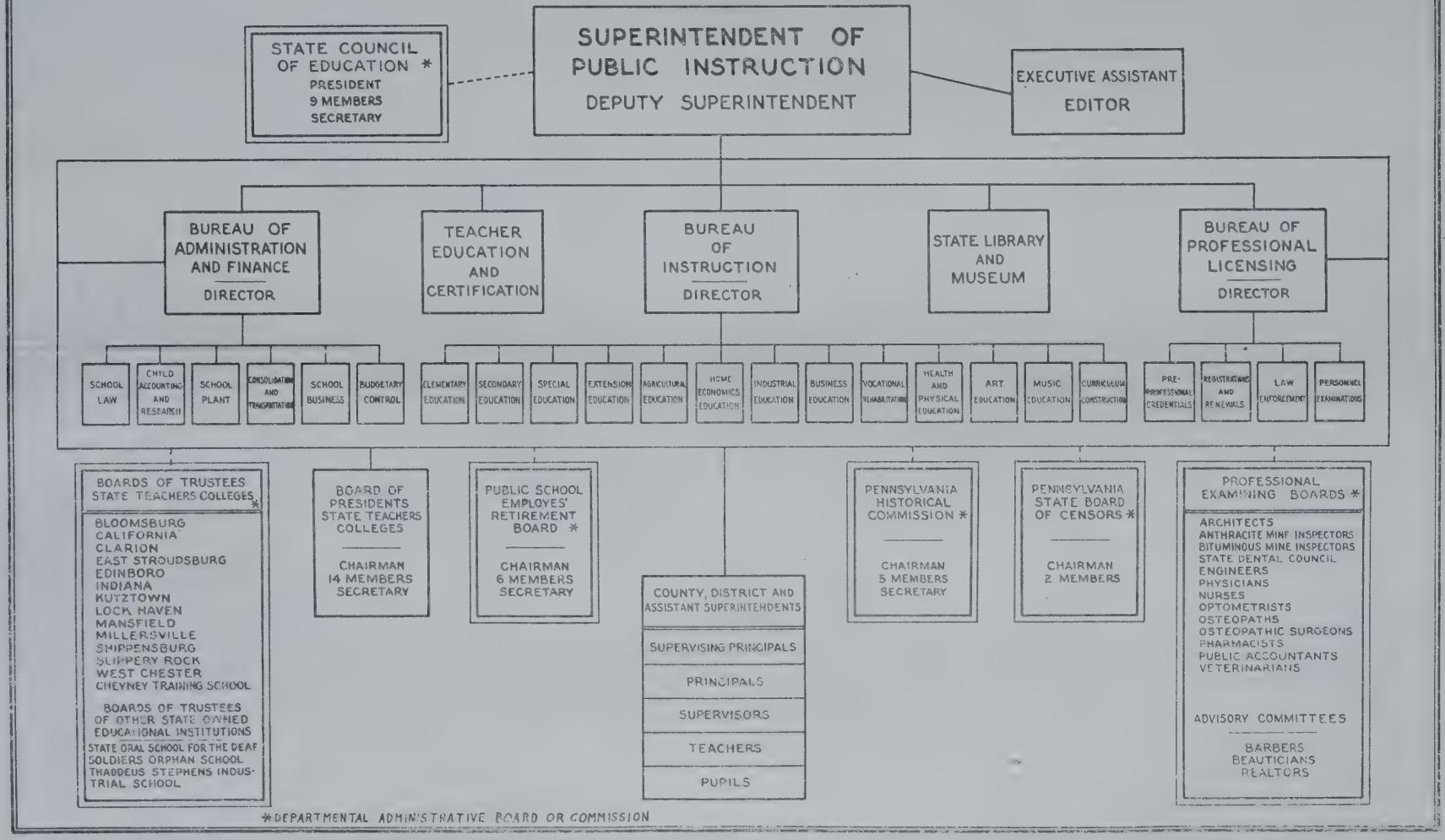
University of Pittsburgh: Annual tuition in all schools except Medicine and Dentistry is charged at the rate of $10 for each semester credit, with an additional charge for laboratory and other fees, total ranging from $300 to $350. The basic tuition charge in the Schools of Medicine and Dentistry is $250, with laboratory charges of $235 in the School of Medicine and $150 in the School of Dentistry.

Pennsylvania State College: The basic fixed charges are $139.50 per student, including incidental fee of $100 but excluding course fees ranging from $6.25 to $38. Students, non-resident of Pennsylvania, pay an additional non-resident fee of $150.

Temple University: Tuition fees are as follows: School of Medicine, $375; School of Chiropody, $280; School of

CHART XVIII-1

ORGANIZATION CHART OF THE DEPARTMENT OF PUBLIC INSTRUCTION



*DEPARTMENTAL ADMINISTRATIVE BOARD OR COMMISSION

Dentistry, $250; School of Pharmacy, $235; School of Dental Hygiene, $200; School of Commerce, $200; School of Law (day), $185; School of Law (evening), $150; College of Liberal Arts and Sciences, $200; Teachers College, $200; University High School, $75.

University of Pennsylvania: The tuition charge is $400 in all schools, except the following: Music, $300; Medicine, $500; Graduate School of Medicine, first year, $800; Veterinary, $225; Graduate School, $325. Other principal fees including Matriculation Fee, $5; General Fee, $20; Deposit to cover breakage, etc., ranging from $5 to $25.

b. Senatorial Scholarship Values

University of Pittsburgh: The value of a senatorial scholarship is the $250 basic tuition charge, applied to all schools in the University.

Pennsylvania State College: Credit of $100 is applied against the incidental fee.

Temple University: The value of a scholarship is as follows: School of Medicine, $200; School of Chiropody, $200; School of Dentistry, $200; School of Pharmacy, $185; School of Dental Hygiene, $150; School of Commerce, $200; School of Law (day), $185; School of Law (evening), $150; College of Liberal Arts and Sciences, $200; Teachers College, $200; University High School, $75.

University of Pennsylvania: Credit is given for full amount of tuition charges, except in the Graduate School of Medicine, where scholarships are awarded only in rare instances, and in the School of Dentistry, which is managed by the Board of Trustees of the Evans Institute.

In determining the true valuation of school districts, the Council often encounters tremendous variations between the poorer and the wealthier districts. The ability to pay in the wealthier districts is thus many times that of the poorer, yet the same laws apply to the latter, and the observance of the same or similar standards is expected. Table XVIII-B shows a distrbution of school districts according to the true valuation per teacher for the 1939-41 biennium:

TABLE XVIII-B

DISTRIBUTION OF SCHOOL DISTRICTS ACCORDING TO TRUE VALUATION PER TEACHER FOR 1939-41*

True Valuation Per Teacher	School Districts
Over $100,000	751
More than $50,000 but not more than $100,000	865
More than $25,000 but not more than $50,000	780
$25,000 and less	154
Data not available	3
Total	2,553

* Based on Computations of October, 1938.

2. Executive Office

The Executive Office is charged with general administration of the affairs of the Department, coordinating the work of the various divisions and exercising direct supervision in all personnel matters. Its Publications Division edits courses of study and other publications of the Department and prepares material for publication in the Pennsylvania Education Bulletin.

3. Bureau of Administration and Finance

The Bureau of Administration and Finance is responsible for all financial and budgetary matters of the Department, its boards and commissions, and all subsidies to the school districts. It consists of divisions of School Law, Child Accounting and Research, School Plant (including institutions in school districts), Consolidation and Transportation, School Business, and Budgetary Control. The legal authorization for the performance of these several duties is found in the provisions of the Administrative Code and the School Code.

The Division of School Law has charge of legal relations and legal services of the Department. The Child Accounting Division administers the school attendance law, the child labor law as it relates to school children, and assists in the preparation of special studies and reports. Table XVIII-C and Table XVIII-D show the improvement in attendance and increase in enrollment for various periods.

TABLE XVIII-C

NET ENROLLMENT, PERCENT OF ATTENDANCE, DAYS OF ABSENCE AND DAYS OF ABSENCE PER PUPIL ENROLLED IN PENNSYLVANIA PUBLIC SCHOOLS FOR VARIOUS YEARS

School Year	Net Enrollment	Percent of Attendance	Total Days of Absence	Days of Absence Per Pupil Enrolled
1918-1919	1,583,187	86.0	.....	...
1923-1924	1,802,505	92.7	22,725,198	12.6
1928-1929	1,897,128	92.8	22,434,933	11.8
1933-1934	1,994,022	93.9	20,499,115	10.2
1938-1939	1,886,833	94.4	18,011,013	9.5

Decrease in total days of absence 1923-1924 to 1928-1929 .. 1.2 percent
Decrease in total days of absence 1923-1924 to 1933-1934 .. 9.7 percent
Decrease in total days of absence 1923-1924 to 1938-1939 ..20.7 percent

TABLE XVIII-D

PERCENT OF CHILDREN ACCORDING TO AGE GROUPS ENROLLED IN PUBLIC SCHOOLS OF PENNSYLVANIA SCHOOL YEARS 1927-28 AND 1937-38*

Age Group	Per Cent in School 1927-28	1937-38
6-7 years inclusive	72.1	81.7
8-13 years inclusive	84.2	86.2
14-15 years inclusive	75.0	84.6
16-17 years inclusive	....	68.3

* Excluding enrollment in special classes and private schools.

Table XVIII-E shows a comparison of the compulsory school attendance and work permit ages in the various States:

TABLE XVIII-E

COMPULSORY SCHOOL ATTENDANCE AND WORK PERMIT AGES, BY STATES[1]

State	Compulsory Attendance Age	State	Compulsory Attendance Age
Alabama	7-16	Kentucky	7-16
Arizona	8-16	Louisiana	7-14
Arkansas	7-16	Maine	7-17
California	8-16	Maryland	7-16
Colorado	8-16	Massachusetts	7-16
Connecticut	7-16	Michigan	7-16
Delaware	7-17	Minnesota	8-16
Florida	7-16	Mississippi	7-17
Georgia	8-14	Missouri	7-16
Idaho	8-18	Montana	8-16
Illinois	7-16	Nebraska	7-16
Indiana	7-16	Nevada	7-18
Iowa	7-16	New Hampshire	8-16
Kansas	7-16	New Jersey	7-16

State	Compulsory Attendance Age	State	Compulsory Attendance Age
New Mexico	6-16	South Dakota	8-17
New York	7-16	Tennessee	7-16
North Carolina	7-14	Texas	7-16
North Dakota	7-17	Utah	8-18
Ohio	6-18	Vermont	8-16
Oregon	7-16	Virginia	7-15
Oklahoma	7-18	Washington	8-16
Pennsylvania [2]	8-17	West Virginia	7-16
Rhode Island	7-16	Wisconsin	7-16
South Carolina	7-16	Wyoming	7-17

[1] Information in this table was corrected as of January 1, 1940, by the United States Office of Education.

[2] Children admitted to the lowest grade in the elementary school prior to age of eight years are under the compulsory attendance requirement thereafter. Pupils are exempt from compulsory attendance as follows:

a. Anyone who holds a certificate of graduation from a regularly accredited senior high school.

b. Anyone who is legally employed.

c. Anyone who has been legally excused from attendance on account of physical or mental reasons.

The School Plant Division renders assistance to school districts and to the institutions within the Department in the formulation and development of school building programs, approves building plans, and aids in the standardization of school building construction. The Division of Consolidation and Transportation is concerned with the merging of small, inefficient local districts into larger units of school administration, the relocation of elementary and secondary attendance areas, and the consolidation of small schools within those areas. Such a program necessarily results in a constantly increasing demand for better transportation service. The development of such services is one of the major functions and responsibilities of this Division.

The cities, boroughs, and townships as well as one incorporated town, constitute the local units of school administration in Pennsylvania. These several civil units are divided into four classes of school districts, according to population, as shown in Table XVIII-F:

TABLE XVIII-F

Types and Number of School Districts in Pennsylvania During 1931 and 1940

Type of District	Population Range	Number 1931	Number 1940
First Class	Over 500,000	2	2
Second Class	30,000 to 500,000	20	20
Third Class	5,000 to 30,000	262	258
Fourth Class	Less than 5,000	2,300	2,269
Total number of districts		2,584	2,549

It has generally been conceded that the first and second class school districts and certain of the third class districts are sufficiently large units to give an efficient and economical school administration, offering complete first class educational facilities for all of the people within their limits. It is also conceded that the fourth class districts and some of the third class districts are too small in geographical area and too much limited in population and wealth to offer complete first class educational facilities for all the people within the area. In 1931, there were eighteen school districts whose school population was so small that not a single school was maintained in them, the few pupils being sent to neighboring schools on a tuition basis. There were 114 school districts that had one teacher; 404 school districts that had either two or three school teachers. During the 1939-40 school year, there were 17 districts maintaining no schools, with pupils being sent to neighboring districts on a tuition basis; 122 school districts with only one teacher; 161 with only two teachers; and 149 with only three teachers.

The School Business Division assists school officials in the business affairs of their districts. It receives and checks the financial reports of the districts, and the applications for appropriation, determining the amounts due each district applying. It also receives budgets and auditors' reports, investigates applications for special aid, and makes financial studies.

All agencies in the Department dealing with school business and school financial problems from an administrative angle are thus consolidated in this one Bureau.

The Division of Budgetary Control formulates the biennial educational budget covering the Department itself and all educational agencies looking to the Commonwealth for complete or partial support. It sets up appropriate controls over all expenditures under such budget. It initiates and develops unit costs in both State-owned and State-aided institutions and assists them in the establishment and maintenance of a uniform accounting system.

4. Teacher Education and Certification

All activities in the field of teacher education and certification are centered in this Bureau. Three main services are performed: teacher education, teacher certification, and teacher placement.

In connection with teacher education, the Bureau is responsible for the maintenance of proper standards in institutions of higher learning, of all teacher training activities in the Liberal Arts Colleges and Universities, and the State Teachers' Colleges, as well as with the direct supervision of the fourteen State Teachers' Colleges. It is responsible for the evaluation of credentials and the issuance of certificates to teachers and supervisory officers; such as county, district, assistant county and assistant district superintendents and supervising principals. Certificates for both elementary and secondary school principals are issued, and reciprocal relationships are maintained in this field with other States. The Bureau verifies applications received from school districts for reimbursements of teachers' salaries and it recommends for approval teacher-preparation courses, as well as qualified and certificated teachers for vacancies in public school positions.

In this latter connection, studies are prepared on the basis of supply and demand for teachers. Subjects or fields taught by all teachers in Pennsylvania are checked on the application for appropriation, on the basis of which State aid is allocated each year to school districts. Teacher guidance service is provided. Cumulative records of all teachers past and present are maintained. Applications are evaluated and recommendations for approval or non-approval made to the State Council of Education.

5. Bureau of Instruction

The Bureau of Instruction as now constituted, comprises the following divisions, the efforts of each of which are directly related to public education.

Kindergarten and Elementary Education
Secondary Education

Extension Education (including home classes for foreign-born mothers)
Special Education
Art Education
Music Education
Health and Physical Education (including school nursing)
Vocational Rehabilitation
Agriculture Education
Business Education
Home Economics Education
Industrial Education
Curriculum Construction

The Bureau prepares standards and plans curricula and courses of study; it renders assistance to school districts in the adoption and maintenance of proper standards, by means of reports, visits, conferences and demonstrations; in addition to which it administers the guidance program and the departmental library. The Health and Physical Education Division prepares and directs programs and supervises school nurses. The Kindergarten and Elementary Education Division assists school districts in the maintenance of proper standards for the kindergarten and elementary grades. Assistance to school districts in the maintenance of proper standards for high schools is furnished by the Division of Secondary Education; this agency also classifies public secondary schools. Two other divisions, known as the Division of Art and Music Education, prepare and direct a State program in those fields. The Extension Education Division assists school districts, institutions and agencies in the organization and development of extension courses and classes for continuing education, and approves extension classes and courses. Another division in this Bureau is devoted to special education; its purpose is to assist school districts in the organization of special schools and classes for the education of handicapped children; to approve such classes and courses already established, and to secure the enrollment of pupils in approved institutions for the instruction of the deaf and blind.

a. Education of the Deaf and Blind

The item of $1,150,000 which has remained substantially the same amount for a number of years, has been a biennial appropriation for the education of the deaf and blind. It is expended in the form of State aid to four institutions—Mt. Airy School, the Overbrook School in Philadelphia, and the Edgewood School and the Western School for the Deaf in Pittsburgh. These schools are of the residential type and under the School Code three-fourths of the cost is paid by the State and one-fourth by the school districts. The School Code provides that the Superintendent of Public Instruction shall determine the cost in accordance with a careful audit. These activities are supervised by the Division of Special Education. The above appropriation does not include one of $5,000 for blind babies and one of $24,000 for higher education.

b. Vocational Education

The Division of Vocational Education enforces the Pennsylvania laws relating to this subject, and has charge of vocational education under the Federal subsidy acts—Smith-Hughes, George-Reed and George-Dean acts. The Agricultural Division investigates the need for, and inspects and approves vocational agricultural schools and departments. The Home Economics Division performs a similar function in this field, while the Industrial Division investigates the need for, and inspects and approves trade and industrial schools and classes, and continuation schools.

These activities were inaugurated during the period of the World War when the Federal Government appropriated funds for education primarily vocational, which would be matched on an equal basis by the State. The Federal law required that as a condition the State create a State Board of Vocational Education which should thereafter be responsible for the administration of the program. The General Assembly designated the State Council of Education to serve in this capacity, so that the members of this Board function in two separate and distinct capacities. The appropriations for this work have varied from $995,000 in 1933 to $850,000 in 1935, $850,000 in 1937 and $1,175,000 in 1939. In spite of this considerable increase, the Commonwealth is still failing to qualify for the entire allocation to which it is entitled. It would seem desirable to seriously consider ways and means of increasing the amount of State appropriations so that the entire Federal allocation might be used for this much needed work.

Table XVIII-G is a comparative statement of Federal and State appropriations for vocational education:

TABLE XVIII-G

FEDERAL AND STATE APPROPRIATIONS FOR VOCATIONAL EDUCATION
1933-1941

Biennium	State	Federal	State % of Federal
1933-35	$995,000	$1,218,213	82%
1935-37	850,000	1,436,578	59%
1937-39	850,000	2,792,403	30%
1939-41	1,175,000	2,792,403	42%

Under the provisions of the George-Deen Act especially, some new and important developments in the field of vocational education have been made possible. For many years there have been conducted in California, New York and other States, in-service training programs for State and local government employes. The George-Deen Act has made possible the establishment of such programs in all States. Some progress has been made by the Pennsylvania Public Service Institute which has planned and organized courses of study for fire and police officers, for inspectors of various types, for assessors, tax collectors and other types of local government employes sufficiently numerous and whose duties are sufficiently important to justify the development of such a program.

6. State Library and Museum

As now constituted, the State Library and Museum operates through five divisions: General Library, Law Library, Archives, Extension, and Museum.

The General Library comprises a collection of over 200,000 volumes, covering the whole field of knowledge, but specializing in history and biography, literature and social science. The Division provides a reference service available to all departments of the State Government and to all citizens. Books are loaned for home use, locally and in cooperation with the Extension Division. Over 30,000 volumes of newspapers, some of which date back to the

Revolution, afford splendid source material for historical research. The Law Library comprises a collection of 50,000 volumes; it serves both the State and Federal courts and the Department of Justice, and lends books and furnishes extracts to attorneys in all parts of the Commonwealth. The Archives Section preserves and classifies particular types of manuscripts of the State and county government, all military service records prior to the Civil War, church and graveyard records. Special attention is given to the preservation of records of the State Government not in current use, but of historical value.

The Genealogical Section is known and used by every State in the Union and by some foreign countries. The records in this section have been of great assistance in locating personal data required in connection with the social security program. It assists persons in securing information so that they may become members of various historical and patriotic societies. It also furnishes passports information. The Extension Division comprises a collection of 75,000 volumes, and maintains a system of traveling libraries, and does reference work for public and school libraries as well as for individuals. It endeavors to make the resources of the general library available to all parts of Pennsylvania, especially those places without other library service. It administers the State appropriations to county libraries.

The State Museum is charged with the responsibility of collecting, preserving and displaying objects illustrating the flora and fauna of the Commonwealth, its mineral resources, its geologic and archaeologic formations, and its history, arts and education. It distributes geographical cabinets furnished by the Philadelphia Commercial Museum and circulates a collection of 70,000 slides.

Included in the Museum's collections are nearly 90,000 Indian artifacts and large numbers of outstanding and unique objects which serve to visualize Pennsylvania history from earliest times to the present day. Old exhibits have recently been renovated and completely rearranged in larger quarters.

7. Bureau of Professional Licensing

The Bureau of Professional Licensing administers the several laws of the Commonwealth providing for the examination and licensing of persons desiring to engage in thirteen professions and three trades or vocations. Through its five divisions—Pre-Professional Credentials, Registrations and Renewals, Law Enforcement, Personnel Examination, and the thirteen professional licensing boards and three advisory committees—it provides licensing service annually to approximately 200,000 persons. This means that one out of every fifteen or twenty people in Pennsylvania, in a wage earning capacity, has a certificate authorizing his professional or vocational practice from the Department of Public Instruction.

The Bureau is purely an administrative agency. Preprofessional and Professional Certification are determined by the several professional licensing boards and advisory committees, and the examinations, given to applicants for registration are framed by these agencies. The boards supervise the grading of the examination papers, and determine which applicants are qualified for registration. The Bureau keeps the records, conducts the correspondence, and in other ways assists in administering the law. It has no authority in determining what persons shall be registered except in the evaluation of credentials. The Law Enforcement Division conducts hearings on complaints, prepares written opinions, investigates and prosecutes violators, and may recommend the revocation and suspension of licenses. This organization makes possible a centralization of enforcement work related to all the licensing boards. A list of the examining agencies, in order of creation, is given in Table XVIII-H:

TABLE XVIII-H

EXAMINING AGENCIES OF LAW ENFORCEMENT DIVISION AND DATES ON WHICH THEY WERE CREATED

Name	Date Created
Board of Pharmacy	May 24, 1887
Board of Examination of Public Accountants	March 29, 1899
Dental Council and Examining Board	May 7, 1907
Board of Osteopathic Examiners	March 19, 1909
Board of Examiners for Registration of Nurses	May 1, 1909
Board of Medical Education and Licensure	June 3, 1911
Bituminous Mine Inspectors Examining Board	June 9, 1911
Board of Veterinary Medical Examiners	May 5, 1915
Board of Optometrical Examiners	March 30, 1917
Board of Examiners of Architects	July 12, 1919
Anthracite Mine Inspectors Examining Boards	May 17, 1921
Registration Board for Professional Engineers	May 25, 1921
Osteopathic Surgeons Examining Board	April 27, 1925
Real Estate Advisory Committee	May 1, 1929
Barbers Advisory Committee	June 6, 1931
Beauticians Advisory Committee	May 3, 1933

The Professional boards have the power and duty of establishing professional standards and making most of the decisions involved in the enforcement of them. In the case of the advisory committees, however, the Department of Public Instruction is obliged to assume these responsibilities.

Typical fee schedules of examining bodies are presented in Table XVIII-J.

TABLE XVIII-J

TYPICAL FEE SCHEDULES OF PROFESSIONAL EXAMINING BOARDS

State Board of Medical Education and Licensure		State Board of Examiners for The Registration of Nurses	
A. Renewal		A. Renewals	
Annual Renewal	$1.00	Annual Renewal	$1.00
		Licensed Attendant	.50
B. Certificate and License		B. Certificate and License	
Certificate to practice medicine across State line	10.00	Duplicate certificate	1.00
Certifying Pennsylvania licensure to other States	10.00	C. Examinations	
Duplicate License	10.00	Examinations	10.00
License by Endorsement	100.00	Examination by Endorsement	10.00
Transcript copy of license	10.00	Licensed Attendant	5.00
		Re-examination	5.00
C. Examinations		D. Miscellaneous	
Examinations	25.00	No fee required	
Midwife	10.00		
D. Miscellaneous			
No fee required			

State Board of Pharmacy		Real Estate Advisory Committee	
A. Renewal		A. Renewals	
Annual Renewal	$2.00	Branch office	$2.50
		Broker	5.00
B. Certificate and License		Corporation	5.00
Certificate	25.00	Salesman	2.50
Change in name on certificate	20.00	B. Certificate and License	
Pharmacist certificate	20.00	Broker's license by reciprocity	10.00
Assistant Pharmacist certificate	10.00	Original branch office license	2.50
Re-issued certificate	5.00	Original corporation license	10.00
C. Examinations		Salesman license by reciprocity	5.00
Examinations	5.00	C. Examinations	
D. Miscellaneous		Broker	10.00
Apprentice	2.00	Salesman	5.00
Certifying grades	1.00	D. Miscellaneous	
Investigation	15.00	No fee required	
Permit	2.00		
Permit Change	2.00		

8. Pennsylvania Historical Commission

The Pennsylvania Historical Commission[10] consists of the Superintendent of Public Instruction, ex-officio, and five citizens of the Commonwealth. The Commission selects a chairman from its own membership and a secretary who need not be a member. The Commission fixes the salary of the secretary.

In addition to historical properties, ranging in size from eight to one hundred forty-four acres, the Commission is charged with the care of one hundred fifty-six State-owned roadside markers. A nice balance must be maintained between preserving all important historic sites and buildings and over-expanding in this field to a point where the program becomes burdensome.

9. Pennsylvania State Board of Censors

The Pennsylvania State Board of Censors[11] consists of "three residents and citizens of Pennsylvania, well qualified by education and experience to act as censors of motion picture films and stereoptican views or slides." One member is designated as chairman, one as vice-chairman, and one as secretary. The chairman receives a statutory salary of $4,800 and the other two $4,500 each.

It is the duty of the Board to examine or supervise the examination of all films, reels, or views to be exhibited or used in the Commonwealth, to approve such as are proper and to disapprove such as are considered sacreligious, immoral or offensive to ordinary standards of decency and good taste.

The work of the Board is performed in its office in Philadelphia, where all the members sit in view on feature pictures, assisted by the chief examiner and staff who handle work on comics and other short films. In the course of a biennium, more than 100,000 reels are examined and passed upon. A force of four inspectors is maintained to check violations of the law.

10. Public School Employes' Retirement Board

The Public School Employes' Retirement Board[12] consists of the Superintendent of Public Instruction who is chairman, the State Treasurer, a member appointed by the Governor, three members elected from the School Employes' Association, and one member not an officer or employe of the State, elected by the Board. The member appointed by the Governor serves until his successor is appointed. The members elected by the School Employes' Association are elected for a term of three years. The member elected by the Board is elected annually for a term of one year.

The Board administers the law relating to the creation and establishment of the School Employes' Retirement System, and invests the funds belonging to the System.

The School Employes' Retirement System with a managerial board was created in 1917. In the first fifteen years, the several funds grew to nearly $100,000,000, with a total membership of more than 76,000. As of June 30, 1940, the active membership stood at 82,749 and total resources at $186,045,813.52. Contributions by teachers to the School Employes' Retirement System range from a minimum of 3.17% to a maximum of 5.3%. An accurate idea of the sources of revenue which maintain the School Employes' Retirement Board is given in Table XVIII-K.

TABLE XVIII-K

CASH RECEIPTS OF SCHOOL EMPLOYES' RETIREMENT BOARD JUNE 1, 1937 TO MAY 31, 1939

Source	Amount
Interest on Securities	$12,108,836.00
Premiums on Sale of Securities	2,121,781.89
Interest on Deposits	16,641.79
Securities Redeemed or Sold	55,394,529.00
Miscellaneous	288.14
Contributions of School Employes	9,140,945.51
Returned Contributions of School Employes	61,359.47
Contributions of School Districts	5,403,453.88
Appropriations from Commonwealth of Pennsylvania	8,011,722.30
Refund of Expenditures	17,039.05
Total	$92,276,597.03

The resources of the System are carried in five different funds or accounts. The Employes' Annuity Savings Account is made up of deductions from the salaries of employes. Each employe has an account, showing his total accumulative deductions, to which account the employe is credited at the rate of four per cent per annum. Upon his retirement, the total accumulated deductions standing to his credit are transferred to the Employes' Annuity Reserve Account, from which his annuity is payable. Upon resignation from the service, or upon the death of the employe, the amount standing to his credit is returned to him or to his estate.

The State Annuity Reserve Account provides the reserves on account of new entrants; these are transferred upon their retirement. The State Annuity Reserve Account No. 2 is a fund in which all reserves are accumulated and held to provide benefits for present employes. The law provides for a semi-annual State contribution of 1.6 per cent of the total payroll of all employes into this account, which is to be continued until all the liabilities on account of present employes are liquidated. Finally, the Contingent Reserve Account is an account in which the reserves are accumulated to provide the benefits for new entrants. The Commonwealth makes a semi-annual contribution to this account for each new entrant, at a rate figured according to the age at entrance. The rate is computed so as to be sufficient to provide, during the active servcie of the new entrant, a reserve sufficient to cover the benefits payable by the Commonwealth on account of new entrants. Upon the retirement of a new

entrant, the reserve sufficient to provide his annuity is transferred to the State Annuity Reserve Account.

The cost of administering a retirement system is determined largely by the number of members in it. The larger the system the more individual accounts must be kept and consequently the more clerical help is required. There are now ten important teachers' retirement systems organized on an actuarial basis, and for many years the administrative costs in Pennsylvania have been lower than those in other States. This appears to have been due to efficient management and partly to the fact that salaries paid to secretaries and other employes are lower in Pennsylvania than in some of the other States. Since 1933, no appropriation has been made for the salaries and expenses of the Board, since it has been possible to pay such expenses out of the earnings of the invested funds, in excess of 4%. This change was made on the recommendation of the Department.

11. State Teacher's Colleges

At May 31, 1940, there were fourteen State Teachers' Colleges valued at over $22,000,000, with an enrollment of 10,827 full-time students. Table XVIII-L includes general statistical and historical data applicable to these institutions.

TABLE XVIII-L

HISTORICAL, FINANCIAL, AND OTHER DATA

RELATIVE TO THE FOURTEEN STATE TEACHERS' COLLEGES

State Teachers' Colleges	Year Founded	Year Acquired By State	Allocations to State Teachers' Colleges 1939-40	No. of Equivalent Full-Time Students 1939-40	No. of Professional Staff 1939-40*	Annual Salary Rate of President 1939-40
Bloomsburg	1869	1916	159,777	814	75	$5,000
California	1874	1914	165,440	1,021	82	7,000
Cheyney	1920	1921	82,442	204	31	5,000
Clarion	1886	1915	88,323	417	30	6,000
East Stroudsburg	1893	1918	122,746	604	57	7,000
Edinboro	1861	1913	116,996	456	59	5,000
Indiana	1875	1920	203,266	1,693	110	8,000
Kutztown	1866	1917	132,378	636	74	7,000
Lock Haven	1877	1914	113,835	457	37	7,000
Mansfield	1862	1922	139,242	661	77	7,000
Millersville	1859	1917	119,956	718	47	6,500
Shippensburg	1873	1917	121,702	648	64	7,000
Slippery Rock	1889	1916	137,174	694	67	6,500
West Chester	1871	1913	186,117	1,804	143	7,000
Total			$1,889,394	10,827	953	

* Includes presidents, deans, instructors, directors of laboratory schools, laboratory school teachers, cooperative teachers, librarians, nurses, and dietitians.

Tables XVIII-M and N show the number of buildings and the valuation of land, buildings and equipment of the State Teachers' Colleges as of May 31, 1940, and related data.

TABLE XVIII-M

ORIGINAL CONTRACT PRICES OF BUILDING CONSTRUCTION WORK BY THE GENERAL STATE AUTHORITY AT THE FOURTEEN STATE TEACHERS' COLLEGES

State Teachers' Colleges	Original Contract Price
Bloomsburg	$365,380
California	494,102
Cheyney	378,048
Clarion	321,878
E. Stroudsburg	530,239
Edinboro	597,790
Indiana	595,794
Kutztown	479,557
Lock Haven	523,770
Mansfield	463,846
Millersville	541,567
Shippensburg	515,613
Slippery Rock	681,625
West Chester	556,179
Total	$7,045,388

These institutions are primarily for the training of teachers for the public school system but the low tuition charge brings advanced educational facilities within the reach of those who could not afford the higher costs of a liberal arts college.

All institutions offer a four year curriculum in both elementary, junior and senior high school fields. In addition, nearly all offer one or more special curricula in such fields as commercial subjects, industrial arts, home economics, health education, art, music and library training.

D. PERSONNEL

The Department of Public Instruction employs 399 persons, 70 of whom earn an annual salary of $3,000 or more. A large personnel with technical training is required for the complex work of the Department.

TABLE XVIII-N

NUMBER OF BUILDINGS AND VALUATION OF LAND, BUILDINGS AND EQUIPMENT OF THE FOURTEEN STATE TEACHERS' COLLEGES AS OF MAY 31, 1940

State Teachers' College	No. of Buildings	Value of Land	Value of Buildings	Value of Equipment & Machinery	Total Value
Bloomsburg	14	$255,739.05	$ 824,481.37	$271,341.90	$1,351,562.32
California	16	181,965.16	694,927.75	275,595.62	1,152,488.53
Cheyney	21	40,033.87	513,725.17	110,149.32	663,908.36
Clarion	13	113,779.16	966,369.16	209,984.55	1,290,132.87
East Stroudsburg	13	76,222.00	1,535,347.80	72,744.72	1,684,314.52
Edinboro	16	15,098.20	765,904.39	207,769.06	988,771.65
Indiana	32	384,527.78	1,944,367.68	750,337.87	3,079,233.33
Kutztown	19	117,664.27	981,238.49	302,386.04	1,401,288.80
Lock Haven	10	190,385.72	776,697.63	105,009.83	1,072,093.18
Mansfield	30	125,676.73	1,559,116.66	465,271.95	2,150,065.34
Millersville	15	82,829.81	882,611.70	277,048.02	1,242,489.53
Shippensburg	9	129,446.33	1008,091.04	211,528.27	1,349,065.64
Slippery Rock	22	114,950.00	751,508.00	285,739.00	1,152,197.00
West Chester	16	413,696.47	2,651,594.82	543,222.45	3,608,513.74
Total	246	$2,242,014.55	$15,855,981.66	$4,088,128.60	$22,186,124.81

Tables XVIII-O and P show a summary of personnel by bureau and other major groups as of June 1, 1940.

TABLE XVIII-O

SUMMARY OF PERSONNEL AND SALARIES BY MAJOR DIVISIONS

Bureau	Number of Employes	Annual Salaries
Executive Office	21	$ 35,260
Bureau of Administration and Finance	47	106,420
Teacher Education and Certification	21	32,020
Bureau of Instruction	97	254,940
State Library and Museum	47	74,280
Bureau of Professional Licensing	89	137,248
Public School Employes' Retirement Board	43	61,790
Pennsylvania Historical Commission	14	19,720
State Board of Censors	20	39,960
Total	399*	$761,638

* Includes part-time employes.

TABLE XVIII-P

SUMMARY OF PERSONNEL AND SALARIES BY FUNCTIONS WITHIN THE MAJOR DIVISIONS

Classification	Number of Employes	Annual Salary
Executive Office		
Administrative	4	$12,340
Personnel & Office Management	3	6,660
Central Files	3	3,540
Duplicating	3	3,600
Information	1	1,140
Mail and Storeroom	3	3,540
Messenger	2	2,280
Photostating	1	1,140
Publications	1	1,020
Total	21	$35,260
Administration and Finance		
Administrative	2	$ 6,620
School Law	2	2,820
Child Accounting and Research	10	20,580
School Plant	6	17,520
Consolidation & Transportation	3	10,340
School Business	14	32,820
Budgetary Control	10	15,720
Total	47	$106,420
Teacher Education and Certification		
Administrative	2	$ 7,440
Secondary Education	6	6,480
Elementary Education	6	10,080
Files	6	6,760
Issuing	1	1,260
Total	21	$32,020
Bureau of Instruction		
Administrative	4	$ 10,640
Elementary Education	3	8,640
Secondary Education	4	9,480
Special Education	3	9,060
Extension Education	2	6,380
Agricultural Education	38	100,740
Home Economics Education	31	77,700
Industrial Education	4	9,480
Health and Physical Education	2	3,780
Music Education	1	4,920
Art Education	2	6,380
Public Service Institute	3	7,740
Total	97	$254,940
State Library and Museum		
Administrative	7	$15,060
Clipping Service	3	3,540
General Library	9	12,240
Genealogy	3	4,740
Law Library	2	3,000
Documents	1	1,380
Archives	7	10,920
Extension Library	8	12,420
Museum	7	10,980
Total	47	$74,280

Classification	Number of Employes	Annual Salary
Bureau of Professional Licensing		
Administrative	9	$20,800
Registration and Renewals	8	11,220
Law Enforcement	19	36,860
State Board of Examiners of Architects	1	1,560
Barber Licensing	3	3,180
Beauty Culture Licensing	6	6,960
State Dental Council and Examining Board	1	1,020
State Registration Board for Professional Engineers	3	3,660
State Board of Medical Education and Licensure	15	7,328
State Board of Examiners for the Registration of Nurses	7	13,200
State Board of Optometrical Examiners	1	1,620
State Board of Pharmacy	4	7,260
State Board of Examiners of Public Accountants	1	1,440
Pre-Professional Credentials	7	13,460
Personnel Examinations	2	5,280
Real Estate Licensing	2	2,400
Total	89	$137,248
Public School Employes Retirement Board	43	61,790
Pennsylvania Historical Commission	14	19,720
State Board of Censors	20	39,960
Grand Total	399*	$761,638

* Includes part-time employes.

E. FINANCES

The increasing cost of public education is one of the prime factors in the steadily increasing cost of government. The increase, however, is chiefly due to the larger subsidies to local districts since the cost of administration is relatively lower.

In times past, the support of public schools was regarded as primarily a local responsibility. The revenues raised by the school districts for the support of the schools were derived largely from general property taxes. When it became evident that to maintain a minimum educational program would impose an undue burden on real estate, the demand for increased State aid rose. The Edmonds Act[13] established minimum rates of pay for each type of public school employe, in each class of district and provided annual increments for each type of employe except in fourth class districts. A subsidy based on a percentage of the minimum salary was created.

Since 1933 the financial situation has served to reduce the amount of State aid below the level required by the Edmonds Act, although the Act itself was never amended. With local real estate valuation decreasing, the tax for school purposes has become more and more burdensome, so that State aid is needed more than ever.

Beginning in 1929, it was found necessary to make an appropriation for the relief of financially handicapped school districts. The purpose of this appropriation is to prevent the closing of schools in the distressed districts. Application must be made for the additional assistance and claims are carefully investigated. Table XVIII-Q shows appropriations for this purpose since 1929.

TABLE XVIII-Q

APPROPRIATIONS FOR HANDICAPPED SCHOOL DISTRICTS BY BIENNIUMS 1929-31 TO 1939-41 INCLUSIVE

Biennium	Appropriation
1929-31	$ 100,000
1931-33	1,250,000
1933-35	5,000,000
1935-37	4,000,000
1937-39	3,000,000
1939-41	4,000,000*

* As adjusted to January 31, 1941.

In Table XVIII-R the expenditures for 1937-39 are compared with the appropriations for 1939-41 as amended by the 1940 special session.

Comparing total expenditures with appropriations as above may be misleading. There appears to be a reduction of approximately $7,000,000 for the current biennium but this is not the actual situation. For example, the expenditures for Special Vocational Classes, $99,665.63 and Vocational Education, $3,052,548.41, include Federal funds on a matched dollar basis and represent but approximately twice the State appropriation made in 1937-39.

TABLE XVIII-R

COMPARATIVE STATE APPROPRIATIONS AND EXPENDITURES FOR EDUCATION FOR BIENNIUMS 1937-39 AND 1939-41

Purpose	Expenditures Biennium 1937-39	Appropriations Biennium 1939-41	Reduction in Appropriation Act 4A, 1940	Adjusted Appropriations Biennium 1939-41
Salary of the Superintendent	$23,903.23	$24,000	$2,900	$21,100
Salaries and General Expenses[1]	633,533.33	600,000	2,500	597,500
Library and Museum	220,294.00	223,000	8,000	215,000
Press Information	14,922.49	10,000	.....	10,000
Salaries of County Superintendents	481,732.40	509,000	.....	509,000
Expenses of County Superintendents	47,260.81	50,000	1,500	48,500
Salaries of Asst. County Superintendents and Supervisors of Special Education	455,453.77	486,000	.....	486,000
Expenses of Asst. County Superintendents and Supervisors of Special Education	63,538.65	70,000	3,000	67,000
Salaries of County Boards	26,935.00	39,600	.....	39,600
Transportation	3,499,999.30	3,500,000	.....	3,500,000

TABLE XVIII-R (Continued)

Purpose	Expenditures Biennium 1937-39	Appropriations Biennium 1939-41	Reduction in Appropriation Act 4A, 1940	Adjusted Appropriations Biennium 1939-41
Transportation Deficiency	128,301.44	.....	.....	.....
Special Vocational Classes[2]	99,665.63	75,000	.....	75,000
Vocational Education	3,052,548.31	1,100,000	.....	1,100,000
Miscellaneous Subsidies	276,999.98	331,000	5,000	326,000
Support of Public Schools	59,999,980.64	61,000,000	.....	61,000,000
Support of Public Schools Deficiency	1,509,987.29	.....	.....	.....
Aid to Financially Handicapped School Districts	1,999,291.45	3,000,000	1,000,000[5]	4,000,000
Aid to Financially Handicapped School Districts Deficiency	996,211.06	1,000,000	.....	1,000,000
Education of Deaf and Blind	1,131,360.23	1,150,000	10,000	1,140,000
Aid to Free Public Libraries	28,000.00	40,000	.....	40,000
State Teachers' Colleges[3]	8,071,145.47	3,820,000	100,000	3,720,000
State Oral School	154,993.66	180,000	.....	180,000
Pennsylvania Soldiers' Orphan School	311,999.02	360,000	12,000	348,000
Thaddeus Stevens Industrial School	94,995.40	95,000	.....	95,000
Eye and Ear Tests of Pupils	22,862.87	.....	.....	.....
Examining Boards	552,264.80	500,000	.....	500,000
Board of Pharmacy Lab.	19,457.64	18,000	.....	18,000
Board of Censors	131,720.81	118,000	.....	118,000
Pennsylvania Historical Commission	53,568.58	125,000	.....	125,000
Maintenance of Ephrata Cloisters	.....	10,000	.....	10,000
Maintenance of Daniel Boone Homestead	.....	$10,000	.....	$10,000
Maintenance of Flagship Niagara	.....	10,000	.....	10,000
School Employes' Retirement Board				
Contingent Reserve Account	$2,450,000.00	2,450,000	.....	2,450,000
Annuity Reserve Account	3,600,000.00	3,500,000	.....	3,500,000
Former Teachers' Account	249,990.42	280,000	.....	280,000
Pennsylvania State College	4,275,000.00	4,460,000	.....	4,460,000
University of Pennsylvania	1,585,000.00	1,485,000	.....	1,485,000
University of Pittsburgh	1,188,000.00	1,238,000	.....	1,238,000
Lincoln University	50,000.00	50,000	.....	50,000
Women's Medical College	100,000.00	100,000	.....	100,000
Jefferson Medical College	125,000.00	125,000	.....	125,000
Hahnemann Medical College	110,000.00	100,000	.....	100,000
Temple University	900,000.00	900,000	.....	900,000
Philadelphia Museum	30,000.00	27,000	.....	27,000
Pennsylvania Museum and School of Industrial Arts	90,000.00	90,000	.....	90,000
Moore Institute	20,000.00	.....	.....	.....
Downingtown Industrial and Agricultural School	60,000.00	60,000	.....	60,000
Pennsylvania Nautical School[4]	149,597.22	.....	.....	.....
National Farm School	36,000.00	35,000	.....	35,000
Johnson Industrial School	22,500.00	22,500	.....	22,500
Total	$99,144,514.90	$93,376,100	$855,100[5]	$94,231,200

[1] Includes a reimbursement from vocational funds including Federal money.
[2] Includes money from the Federal appropriation for vocational education.
[3] Includes money from receipts from students for contingency fees, housing, etc.
[4] Transferred to the Department of Forests and Waters beginning with the 1939-41 biennium.
[5] Increase.

The expenditure for State Teachers' Colleges, $8,071,145.47, includes receipts from students for fees of various kinds which are appropriated to the use of the institutions. The amount of the specific appropriation made by the General Assembly was the same in 1937-39 and 1939-41, viz., $3,720,000.

Appropriations for administrative purposes for 1939-41 are approximately $50,000 less than for 1937-39. Subsidy appropriations are $700,000 more in 1939-41 despite an additional $1,000,000 deficiency appropriation for 1937-39 made in the 1939 regular session of the Legislature. Total appropriations for 1937-39 were $630,000 in excess of those for 1939-41, due to appropriations of $1,000,000 for State Authority rentals and $432,300 for eliminating fire hazards in 1937 regular and 1938 special sessions.

Tables XVIII-S and T show average salaries for teachers, etc., expenditures per capita and per student in average daily attendance, and estimated wealth and income per pupil for States comparable with Pennsylvania.

Within this group of comparable States, Pennsylvania is fourth in per capita and sixth in per pupil expenditures, fifth in estimated wealth and eighth in estimated income per pupil.

TABLE XVIII-S

AVERAGE SALARY OF TEACHERS, SUPERVISORS AND PRINCIPALS IN STATES COMPARABLE WITH PENNSYLVANIA SCHOOL YEAR 1937-38

State	Average Salary	Rank in Group
California	$2201	2
Illinois	1608	5
Massachusetts	2009	4
Michigan	1586	7
New Jersey	2066	3
New York	2322	1
Ohio	1506	8
Pennsylvania	1593	6

TABLE XVIII-T

EDUCATIONAL DATA FOR PENNSYLVANIA AND SEVEN COMPARABLE STATES *

State	School Enrollment Elementary and Secondary	Annual Cost of Education of Public Schools Per Pupil In Average Daily Attendance				Estimated Wealth per Pupil (1936)		Estimated Income 1938	
		Total Per Capita of 1930 Population	For-Current Expenses	For Outlays	Total	Per Pupil in Average Daily Attendance	Rank	Per Pupil in Average Daily Attendance	Rank
California	1,195,024	$28.20	$131.43	$22.61	$154.04	$16,561	11	$4,768	3
Illinois	1,281,854	17.92	103.77	16.99	120.76	17,522	7	4,192	8
Massachusetts	744,871	17.92	109.81	3.88	113.69	16,868	9	4,338	6
Michigan	959,827	17.90	89.31	8.16	97.47	14,067	19	3,158	15
New Jersey	746,383	21.74	125.53	7.61	133.14	13,984	20	3,945	9
New York	2,308,456	27.26	147.65	21.15	168.80	25,165	3	5,257	1
Ohio	1,251,005	16.75	86.23	10.78	97.01	13,741	21	3,399	13
Pennsylvania	1,944,988	19.14	92.82	15.28	108.10	15,887	14	3,142	16

* Compiled from figures supplied by the Research Division, National Education Association, Washington, D. C., August 26, 1940.

The Commonwealth seems to be meeting its educational obligations ratably with comparable States.

FOOTNOTES

[1] Pennsylvania Constitution, Article X, Section 1.
[2] Pennsylvania Constitution, Article IV, Section 20
[3] Administrative Code, Section 209.
[4] Administrative Code, Section 408.
[5] Administrative Code, Section 410.
[6] Administrative Code, Section 411.
[7] Administrative Code, Sections 412-418, 420-425.
[8] Administrative Code, Sections 1302-1311.
[9] School Code, Section 3420.
[10] Administrative Code, Section 411.
[11] Administrative Code, Section 409
[12] Administrative Code, Section 410.
[13] 1921, P. L. 328.

CHAPTER XIX

DEPARTMENT OF REVENUE

A. FUNCTION

The Department of Revenue was created as the tax settling and general collecting agency of the Commonwealth by the 1927 amendment to the Administrative Code.[1] It exercises the functions formerly carried out by the Auditor General, the State Treasurer, the Insurance Commissioner and all other agencies of the State Government in the settlement and collection of taxes, and the collection of license fees and all other money due the Commonwealth. The Department began to function May 1, 1929, except as to the Bureau of Motor Vehicles over which it assumed supervision June 1, 1929, and except as to the duties imposed by the Fiscal Code which became effective July 1, 1929.

The Secretary of Revenue is a member of the Board of Finance and Revenue[2] and, ex-officio, of the State Athletic Commission.[3]

The State Athletic Commission consists of three members, appointed by the Governor for a term of 2 years, and the Secretary of Revenue. The members receive a statutory salary of $5,000.00 per annum. The Commission may, with the approval of the Secretary of Revenue, appoint a secretary, whose salary is fixed by the Commission with the approval of the Governor. The Commission was created in 1923[4] to control boxing, sparring and wrestling matches where a purse is given or admission charged. It was transferred to the Department of Revenue in 1937.[5]

[1] Footnotes on page 7027.

B. POWERS AND DUTIES

The Department of Revenue is vested with the powers and charged with the duties as follows[6]

1. To settle and collect, or collect all State Taxes.
2. To collect all fees for titling and registering motor vehicles and trailers and for licensing operators of motor vehicles.
3. To collect all monies due the State, resulting from the operation of State-owned institutions.
4. To collect from magistrates, aldermen, justices of the peace, burgesses and mayors, all fines and penalties imposed by them for violation of the Acts of Assembly and payable to the State Treasurer or any other agency of the State Government.
5. To collect and receive from county officers all State Taxes, licenses, fees or other monies payable through them to the Commonwealth.
6. To collect, either directly or through some designated agent, all monies owing to the Commonwealth as a result of the activities of any department, board or commission.
7. To administer, through the State Athletic Commission, the laws allowing and regulating boxing, sparring, and wrestling matches and exhibits within the Commonwealth.

C. ORGANIZATION AND OPERATIONS

The Department of Revenue, for administrative purposes, as shown in Chart XIX-1, page 7018, is divided into an Executive Office, and other divisions as follows:

Bureau of Corporation Taxes
Bureau of County Collections
Bureau of Institutional Collections
Bureau of Investigations and Collections
Bureau of Motor Vehicles
Bureau of Liquid Fuels Tax
Bureau of Highway Safety

DEPARTMENTAL BOARDS—NON STATUTORY

Board of Corporation Tax Resettlements
Board of Enrollment and Disbarment

DEPARTMENTAL ADMINISTRATIVE BOARD

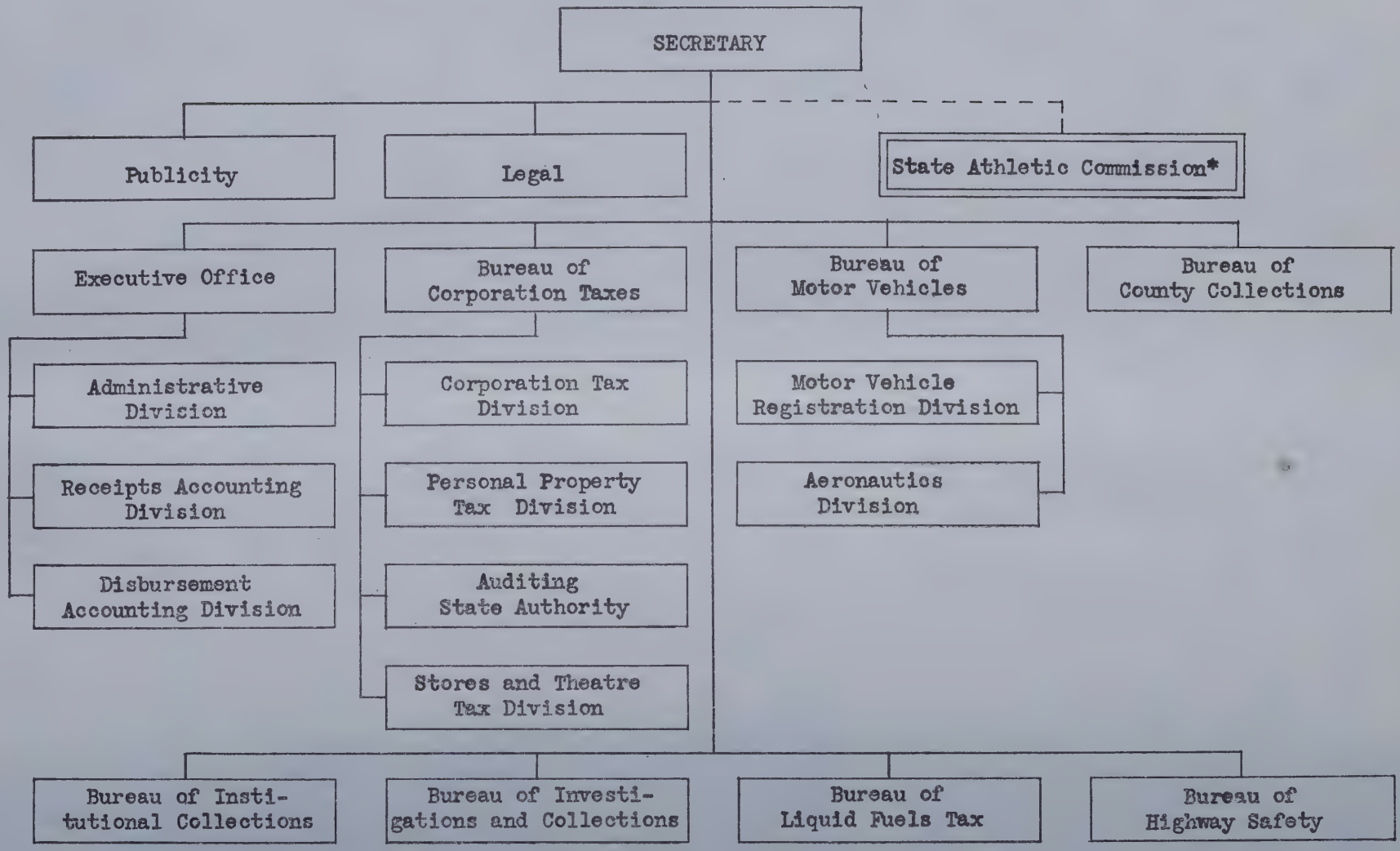
State Athletic Commission

1. Executive Office

The Executive Office conducts the general administra-

CHART XIX-1

ORGANIZATION OF THE DEPARTMENT OF REVENUE



* Departmental Administrative Commission.

tive work of the Department. It is responsible for establishing and maintaining all accounting systems and forms for the collection and safeguarding of the State's revenues; answers inquiries regarding interpretations of tax laws; advises the public through various channels as to vehicle inspection campaigns, highway safety drives, tax laws and the manner of and place for payment thereof; and receives and verifies transmittals of cash from revenue agents of departments and institutions; issues receipts and transmits all receipts promptly to the State Treasuer. It also maintains a complete tabulation of corporation tax settlements, resettlements, write-offs and collections, including the preparation of open account statements of all corporation tax accounts; and maintains records from the Pennsylvania Motor Police reports as to arrests, makes investigations of fining officers' dockets and makes collections of delinquent fines outstanding.

2. Bureau of Corporation Taxes

The head of the Bureau of Corporation Taxes is the Deputy Secretary of Revenue who presides at meetings of the non-statutory Board of Corporation Tax Resettlement. He also sits on the statutory Board of Finance and Revenue.

The Bureau assesses and collects all corporation taxes, both normal and emergency, including foreign bonus, the capital stock tax, franchise tax, bank and trust company share taxes, corporate and municipal loans, gross receipts, net earnings, insurance premium and corporate net income taxes, and the tax on net incomes of saving fund societies without capital stock.

It reviews and settles all corporation tax reports, keeping a record of every corporation registered as organized under the laws of Pennsylvania or qualified to do business in the State; hears petitions for resettlement of taxes in cooperation with the Department of the Auditor General; settles and collects the cigarette and the stock transfer stamp taxes and the personal property tax and conducts field investigations and audits whenever necessary to insure proper returns for these taxes. It attempts to locate owners of forgotten bank accounts, unclaimed estates, or other property of which there is no known owner and when such efforts fail, converts same in conjunction with the Department of Justice and transmits the proceeds to the State Treasurer.

3. Bureau of County Collections

The Bureau of County Collections administers the laws relating to inheritance and mercantile taxes and to motor boat, eel chute, fishing, hunters' and dog licenses.

a. Inheritance Taxes

Assessment and collection of resident inheritance taxes are made by the Register of Wills or corresponding county officer and the inheritance tax appraiser who is the agent of the Department of Revenue but is appointed by the Auditor General. Appraisals of resident estates are checked and supervised by the Bureau as to accuracy and value. It also directly appraises and collects all inheritance taxes from non-residents' estates. Every death in the Commonwealth is investigated to determine the estates from which inheritance taxes are due.

As previously stated, appraisals of resident estates are made by appointees of the Auditor General who fixes their salaries, which salaries, together with expenses and costs of collection of the tax and commissions to the Registers of Wills, are paid from Inheritance Tax Receipts and the net proceeds remitted with proper statements to the Department of Revenue.

Collection costs are reflected in the following statement of Receipts, Commissions, and Expenses for the three bienniums, 1933-1939:

TABLE XIX-A

DEPARTMENT OF REVENUE
Inheritance Tax Receipts, Commissions and Expenses for the Three Bienniums—1933-1939

Item	1933-35	1935-37	1937-39
Gross Tax	$33,841,451.76	$36,357,736.83	$49,774,817.51
Commissions	425,813.38	478,634.83	490,297.34
Expense	1,221,640.48	1,197,014.36	1,330,999.36
Net Tax	32,193,997.90	34,682,087.64	47,953,520.81

b. Mercantile Taxes

The Bureau supervises the work of the mercantile tax appraisers in the several counties and makes all rulings regarding legal matters concerning wholesale and retail licenses and similar levies upon various types of brokers, operators of billiard and pool rooms, auctioneers, and operations of eating and amusement places. The mercantile tax is collected by the County Treasurer after the appraisal by the mercantile tax appraiser who is appointed by the Auditor General but who is the agent of the Department of Revenue. The Auditor General fixes the salary and approves all expenses of the appraiser. These costs of collection are deducted before the fees are transmitted to the Department of Revenue.

The relation of commission and expenses to gross collections was 11.37% in 1933-35, 9.81% in 1935-37, and 10.85% in 1937-39. In other words, for each $1,000 collected, the State paid in commissions and expenses $113.70, $98.10, and $108.50 in the three bienniums respectively. No other State uses this tax, so no comparative data is available. Commissions and costs are reflected in the following statement:

TABLE XIX-B

DEPARTMENT OF REVENUE
Mercantile Tax Receipts, Commissions and Expenses for the Three Bienniums, 1933-1939

Item	1933-35	1935-37	1937-39
Gross Tax	$6,452,454.70	$7,807,299.03	$7,401,812.18
Commission	57,733.74	66,034.05	63,251.95
Expense	676,837.79	700,798.03	739,917.59
Net Tax	5,717,883.17	7,040,466.95	6,598,642.64

No attempt is made to justify the situation as to the appointment of the mercantile and inheritance tax appraisers by the Auditor General. Prior to the Fiscal Code, the Auditor General settled and collected all the tax and these appraisers were his agents and properly appointed by him. The power was probably allowed to remain as an offset to the many taken from him by the Fiscal Code.

c. Licenses

Dog Licenses are issued by County Treasurers who collect the fee and transmit it to the Bureau.

The Bureau supervises the issuance of fishing and hunters' licenses by issuing agents appointed by the Department. The County Treasurer may be such an agent. The matter of using such agents instead of the County Treasurers as before 1937, is discussed under the Board of Fish Commissioners, Chapter XXV, also under the Board of Game Commissioners, Chapter XXVI.

4. Bureau of Institutional Collections

The Bureau of Institutional Collections supervises the collections made by Revenue Agents either employed by the Department of Revenue or by the Department under whose jurisdiction the institution operates. The duties of the Revenue agents, in addition to collections are to maintain collection records, make investigations as to the ability to pay off the patient or legally liable relatives, and classification of the patient based upon the investigation as indigent or pay.

In all cases in which the Bureau is unable to collect the amounts due the Commonwealth, they are referred to the Department of Justice for collection or write-off.

The Bureau collects amounts due the Commonwealth for services rendered in the following types of institutions:

a. State Medical and Surgical Hospitals

The amounts collected from patients in these institutions for board and medical services are at the rates approved by the Board of Trustees.[7]

b. State Insane Hospitals

The collections are made out of the estate of patients[8] or legally liable relatives[9] for their care and maintenance at the per capita cost rate as established by the Department of Welfare. In cases where the patient is indigent, the Bureau collects $3.00 per week from the institution districts from which they were committed, and if any amounts are collected, the institution district is credited with one half of the amount collected, not to exceed $3.00 per week. The counties pay the full per capita[10] cost rate for prisoners transferred from penal institutions until the expiration of sentence.

c. State Feeble-Minded and Epileptic Institutions

The Bureau collects from patients in these institutions out of the estate of the patient or from legally liable relatives at the per capita cost rate as established by the Department of Welfare. On indigent cases and cases where the estates are not sufficient to pay the full per capita cost, the Bureau collects from the institution district[11] from which the patient was committed, $40.00 per year for cost of clothing.

d. State Penal and Correctional Institutions

The collections made by the Bureau for the maintenance of inmates in these institutions are collected from the county[12] at the per capita cost rate as established by the Department of Welfare.

e. State Teachers' Colleges

The Bureau collects from the students tuition, board, and fees approved by the Board of Presidents of these colleges.[13]

f. State-aided Medical Hospitals

The Bureau of Institutional Collections collects out of the estates of the patients in these institutions[8] or legally liable relatives at the rate of $2.00 per week representing the Commonwealth's contribution to the county for maintenance of indigent patients.

g. Semi-Private Institutions

Elwyn Training School for Feeble-Minded Children

The Commonwealth of Pennsylvania contributes $350.00 per year for each indigent patient in this institution. The Bureau collects out of the estate of the patient or from legally liable relatives the amount contributed by the Commonwealth, providing the estates are sufficient to pay a portion or the full amount of the Commonwealth's claim.

h. Dixmont-Insane Hospital

The Commonwealth contributes one-half the per capita cost for indigent patients in this institution. The Bureau, in turn, collects out of the estate of the patient or from legally liable relatives the full amount or a portion of the amount contributed, depending upon the size of the estate.

Table XIX-C shows a classified list of institutions from which the Bureau makes collections.

TABLE XIX-C

DEPARTMENT OF REVENUE

CLASSIFIED LIST OF STATE-OWNED AND STATE-AIDED INSTITUTIONS FROM WHICH COLLECTIONS ARE MADE BY THE BUREAU OF INSTITUTIONS

1. STATE-OWNED INSTITUTIONS UNDER THE JURISDICTION OF THE DEPARTMENT OF WELFARE.

A. Medical and Surgical Hospitals located at—

1. Ashland
2. Blossburg
3. Connellsville
4. Coaldale
5. Hazleton
6. Locust Mountain
7. Nanticoke
8. Philipsburg
9. Scranton
10. Shamokin

B. Hospitals for the Mentally Ill Located at—

1. Allentown
2. Danville
3. Farview (for criminal insane)
4. Harrisburg
5. Norristown
6. Philadelphia
7. Torrance
8. Warren
9. Wernersville

C. Institutions for the Mentally Defective and Epileptics located at—

1. Laurelton (for females of child-bearing age)
2. Pennhurst
3. Polk
4. Selinsgrove (for epileptics only)

D. Penal Institutions

1. Eastern State Penitentiary
2. Western State Penitentiary

E. Correctional Institutions

1. Pennsylvania Industrial School, Huntingdon
2. Industrial Home for Women, Muncy
3. Pennsylvania Training School, Morganza

II. STATE-OWNED INSTITUTIONS UNDER THE JURISDICTION OF THE DEPARTMENT OF PUBLIC INSTRUCTION

A. State Teachers' Colleges located at—

1. Bloomsburg
2. California
3. Cheyney
4. Clarion
5. East Stroudsburg
6. Edinboro
7. Indiana
8. Kutztown
9. Lock Haven
10. Mansfield
11. Millersville
12. Shippensburg
13. Slippery Rock
14. West Chester

B. Other State-Owned Schools

1. Pennsylvania State Oral School for the Deaf, Scranton
2. Home for Training in Speech, Philadelphia
3. Pennsylvania Soldiers' Orphan School, Scotland
4. Thaddeus Stevens Industrial School, Lancaster

III. STATE-OWNED INSTITUTION UNDER THE JURISDICTION OF THE DEPARTMENT OF THE ADJUTANT GENERAL

1. Pennsylvania Soldiers' and Sailors' Home, Erie

IV. COUNTY INSTITUTIONS

1. Allegheny County Home and Hospital, Pittsburgh (Woodville)
2. Blair County Hospital for the Insane, Hollidaysburg
3. Blakely Home and Hospital, Olyphant (R. D.)
4. Chester County Hospital for the Insane, Embreeville
5. Hillside Home and Hospital, Clarks Summit
6. Lancaster County Home and Hospital for the Insane, Lancaster
7. Mercer County Hospital, Mercer
8. Pittsburgh City Home and Hospital, Pittsburgh (Mayview)
9. Ransom Home and Mental Hospital, Ransom
10. Retreat Mental Hospital, Retreat
11. Schuylkill County Hospital for Mental Diseases, Schuylkill Haven
12. Somerset County Hospital, Somerset

V. STATE-AIDED INSTITUTIONS

1. Dixmont Hospital, Dixmont (for mentally ill)
2. Elwyn Training School, Elwyn, Delaware County

5. Bureau of Investigations and Collections

The Bureau of Investigations and Collections collects delinquent accounts of all classes of taxes imposed or collected by the Department and investigates in the field any tax matter, account or other business over which the Department of Revenue has jurisdiction.

It collects beverage tax from breweries, distilleries, rectifiers and importers through the sale of tax paid crowns, malt liquor tax stamps and spirituous and vinous liquor tax stamps.

Tax stamps are handled through the district offices of the Department of Revenue and through designated banks who work on a small commission on stamps sold.

The licensing of cigarette tax dealers and the enforcement of the act as well as the collection of delinquent cigarette taxes is handled through the Bureau of Investigations and Collections.

6. The Bureau of Motor Vehicles

The Bureau of Motor Vehicles was organized within the jurisdiction of the Department of Highways on January 1, 1906, and was transferred to the Department of Revenue on June 1, 1929. At the end of this first year the six employees of the Bureau had registered 10,954 passenger and commercial vehicles and collected $42,460.42 in receipts. During the 1939 registration year, which was extended by an Act of Legislature to April 1, 1940, it registered 2,249,217 motor vehicles and collected $37,037,344.17. Of the total number of 1939 registrations 39,671 motor vehicles were registered during the three month extention period, January, February, and March and $695,390.44 was collected in receipts. On May 29, 1940, the Bureau recorded 507 salaried and 156 hourly employes.

To handle its mail order business efficiently, the Bureau operates its own post office through which it serves approximately 4,000,000 cash customers during the annual motor registration and operators' licensing periods.

The Bureau collects all fees for the issuance of certificates of title and license plates for passenger automobiles, taxicabs, buses, trucks, motorcycles, and trailers. It also issues license plates for tractors, learners permits and operators' licenses for motor vehicle operators. It maintains detailed records covering every motor vehicle and trailer and motor vehicle operator in the State.

Its Division of Aeronautics fosters and promotes aeronautics by the establishment of civil airways, emergency landing fields, and air navigation facilities. It inspects and licenses all airports and landing fields used for commercial purposes. It promulgates and enforces rules and regulations governing the operation of aircraft.

No resident of the Commonwealth may own a motor vehicle within the Commonwealth without a certificate of title issued by the Bureau of Motor Vehicles containing identification of both vehicle and owner, with a statement of liens and encumbrances against said vehicle.[14] A fee of $2.00 is charged for the certificate of title except in the case of a manufacturer, jobber or dealer to whom the fee is 50c.

The fee for non-commercial motor vehicles is based on the rated horsepower thereof being 40c for each horsepower or fractional part with a minimum of $10.00. A flat rate of $3.00 is charged for motorcycles and $2.00 for bicycles with motors.

Commercial motor vehicles and truck tractors, other than electrically operated, are classified as to chassis weight and type of tire, the weight groups being the same. Thus the pneumatic tire type pays from a minimum of $16.50 for vehicles under 2,000 pounds to $225 for those 12,000 pounds and over. The fee for the solid tire type is from $28.00 to $350, and for the cushion rubber tire type from $25 to $275.

Electrically operated commercial motor vehicles and truck tractors are rated on the basis of the weight of chassis, battery, body and load in pounds, the fee being $16.50 for less than 5,001 pounds to $155 for those over 25,001 but under 26,000 pounds.

Trailers and semi-trailers regardless of type of rubber tire are classified by chassis weight with a fee of $5.00 for less than 1,000 pounds to $75.00 for 6,000 pounds and over.

Buses and omnibuses are classified according to type of tire and seating capacity starting at $25.00 for pneumatic tire, and $37.50 for solid or cushion rubber tire buses with a seating capacity of five passengers or less.

The fee for operators' license was reduced in 1937, to $1.00 from the former fee of $2.00.[15] The act also reduced the learner's permit fee from $3.00 to $2.00.

The Bureau also licenses approved lighting and signaling devices and equipment for brake testing.

The work of the Bureau of Motor Vehicles is divided into nine sections—General, Accounts, Title, Registration, Office Delivery, Graphotype, Record, Correspondence and Shipping and Mailing.

The title of each section is sufficiently descriptive to present a clear picture of the function performed. Certain additional information on some sections may serve however, to reveal the magnitude of the task.

a. Accounting Section

The Accounting Section maintains a record of receipts and issuances, checks office delivery tellers reports, reviews claims for refunds, assigns and accounts for registration, license and record numbers, secures the return of replaced license plates and reviews and approves applications for free reissues.

b. Title Section

The Title Section handles all incoming bureau mail, opening and routing it. Each application is checked as to horsepower, chassis weight, manfacturer's number, and fee and to see that all questions are answered correctly. During the peak of the registration season, the Title Section rceives as high as 120,000 pieces of mail daily.

c. Office Delivery Section

The office Delivery Section issues licenses direct to the public and performs every operation connected with the issuance of titles, registrations and licenses. About 20% of the number of licenses and registrations are handled by this section. A separate unit of this section handles the applications presented by messenger. For several days preceding the end of the registration period there is a constant stream of applicants sometimes forming a line five to six blocks long.

d. Graphotype Section

The Graphotype Section prepares an embossed plate for each application for title, learner's permit, tractor, and dealer. These plates are used in preparation of certificates of title, applications for registration and operators' license and file cards and learner's permits. All changes of address must pass through this section so that plates are up to date. This section also prepares the actual renewal applications which total between four and five million each year

e. Record Section

The Record Section is responsible for approximately 40,000,000 records pertaining to titles, registrations and licenses. The law requires that records pertaining to registration must be maintained for a period of three years, and all operators' records for four years. Every application for title is checked in this section to determine whether or not there is record of a vehicle showing the same engine and manufacturer's numbers and title number, or whether there is stolen car information concerning the vehicle for which certificate of title is sought.

Seven distinct files are maintained to prevent duplication and for easy accessibility—

Title application filed by title number.
Learner's permit application by permit or plate number
Registration, file cards according to registration number.
Registration, file cards, alphabetically.
Title Record, file cards alphabetically.
Title Record, file cards by manufacturer's number.
Operator's Record, file cards alphabetically.

f. Correspondence Section

The Correspondence Section has the centralized stenographic and typing service through which over 750,000 letters are written each year.

g. Shipping and Mailing Section

The Shipping and Mailing Section has its own branch post office, the largest of its type in the United States.

7. Bureau of Liquid Fuels Tax

The Bureau of Liquid Fuels Tax collects the tax on all Liquid Fuels of which gasoline constitutes the major item. Prior to 1931 the tax was collected from the individual dealers, about 25,000 in all.[16]

In 1931, the law set up a system of licensed distributors.[17] Each distributor is bonded for not less than $2,500.00 and is liable for the tax on all liquid fuels used or sold by him within the Commonwealth. The Act provided that the distributor may add the amount of the tax to the price of the fuel.

An amendment in 1937[18] provides that "Distributors shall be liable to the Commonwealth for the collection and payment of the tax imposed by this Act. The tax shall be collected by the distributor at the time the liquid fuels are used or sold and delivered by the distributor and shall be borne by the consumer."

The Liquid Fuels Tax as now in force consists of a permanent tax of three cents per gallon or fraction thereof as originally set up and a temporary tax of one cent per gallon for relief, added in 1935.[19] The temporary tax for a two year period has been twice extended and now expires on May 31, 1941.

The tax is divided, one cent, the temporary tax, going to the General Fund for unemployment relief, two and one-half cents to the Motor License Fund and one-half cent to the Liquid Fuels Tax Fund.

The moneys paid into the Liquid Fuels Tax Fund are returned to the respective counties of the Commonwealth on June 1st, and December 1st, of each year. Such money must be used by the county for the construction, reconstruction, repair, maintenance, etc. of highways, roads and bridges or for the payment of interest and sinking fund charges on bonds issued for highway and bridge purposes. The county commissioners are required to submit a report to the Department each six months showing the use of the money received from this fund. Such reports are transmitted to the Department of the Auditor General for audit.

The distributor is required to report, on or before the last day of each month, the amount of liquid fuels used, sold or delivered within the Commonwealth during the preceding month. At the same time, he is required to compute and pay the tax for the month reported. Taxes are due and payable on the last day of each month for the preceding month. Interest at the rate of 1% per month or

fraction is charged on unpaid amounts. If taxes are paid on time. a sliding scale of discount is allowed as follows:[20]

Amount of Tax	Discount
$50,000 or less	2%
Over $50,000 but under $75,000	1½%
Over $75,000 but under $100,000	1%
$100,000 or over	½%

Monthly reports of wholesale distributors, including importers and refiners, as well as reports of common carriers, facilitate proper accounting and collections. Periodic audits and investigations of all accounts are made. The Pennsylvania Motor Police patrols the harbors and boundaries of the Commonwealth to prevent unlawful importations.

A comparison of liquid fuel tax collected with the cost of operation of the Bureau charged therewith for three benniums ended May 31, 1939, is shown in Table XIX-D.

TABLE XIX-D

DEPARTMENT OF REVENUE
LIQUID FUEL TAX COLLECTIONS
AND COSTS OF LIQUID FUEL TAX BUREAU
FOR THREE BIENNIUMS 1933-1939

Biennium	Collections	Cost of Operation	Cost per $1000 Collected
1933-35	$ 64,653,003.00	$401,889.62	$6,216
1935-37	98,133,071.00	473,779.83	4,827
1937-39	111,837,281.00	650,120.57	5,813

In a study reported by the Joint Legislative Committee on Finances, 1933, the cost of collecting $1,000 of tax for the calendar year of 1931, was placed at $23.08. Apparently, however, other costs than the cost of operation of the Bureau of Liquid Fuel Tax were included. Until July 1st of that year collections were made from some 25,000 dealers, and for the balance of the year from 600 distributors. It is obvious, however, that a considerable reduction in cost of collection has been effected.

During the 1933-35 period, collections were on the same basis as the latter half of the calendar year of 1931, viz: a three cent tax collected from a limited number of distributors. Effective July 1, 1935, a temporary tax of one cent was added making the total tax four cents. The natural tendency of this increase in tax was to reduce the cost of collection.

While collection increased 51.7% in the 1935-37 period and 13.9% in the 1937-39 period, the cost of Bureau operation increased 17.9% and 37.4% respectively. However, it should be noted that the Bureau was charged with the administration and enforcement of the Liquid Fuels Pump or Outlet Permit Law,[21] until the repeal of this Act, May 26, 1939, at a cost of approximately $175,000.00.

8. Bureau of Highway Safety.

The functions of the Bureau of Highway Safety are to create and develop methods for insuring the public safety on the highways. To this end it supervises the examination of new drivers, conducts hearings in connection with violations of the Motor Code and for proper cause revokes and suspends motor vehicle registrations and operating privileges. It receives proof of financial responsibility from drivers who, having been involved in one or more accidents in the preceding year resulting in injury to persons or damage to property and damage to motor cars in the sum of $100.00 or more, due wholly or partially to the driver's negligence.

All accidents involving motor vehicles resulting in any personal injury or property damage of $50.00 must be reported to this Bureau which may require persons involved to present themselves for a hearing on the causes thereof. An elaborate tabulation of accidents provides detailed information as to the causes and are used as a basis of recommending remedial action, either engineering or enforcement.

Lighting devices and other equipment are tested and approved by the Bureau which also organizes the semi-annual campaigns for the inspection of lighting devices, brakes and other safety appliances on motor vehicles.

The Bureau establishes and maintains relations with other states in connection with operators' examinations, accident reporting and statistics, general enforcement methods and such other special problems as may be necessary.

The Highway Patrol was a part of this bureau, then known as the Bureau of Highway Patrol and Safety, until 1937, when it was transferred out of the Department of Revenue to be combined with the Pennsylvania State Police under the name of Pennsylvania Motor Police.[22]

9. Department Boards

The Department of Revenue includes two non-statutory boards whose members receive no extra compensation for the services rendered.

a. Board of Corporation Tax Resettlements

The Board of Corporation Tax Resettlements was created for purely administrative purposes and is composed entirely of employes of the Department of Revenue and of the Auditor General's Department. The personnel of the Board usually consists of a Deputy presiding, counsel for the Department of Revenue, and at least two taxing officers from each department. The Board receives and passes on petitions for resettlement of corporation taxes. The Board sits twice weekly to facilitate speedy adjustment of taxpayers' problems.

b. Board of Enrollment and Disbarment

The Board of Enrollment and Disbarment constituted for the purpose of determining the eligibility of lawyers, accountants and others to practice in the Department of Revenue, is composed entirely of those appointed by the Secretary.

10. State Athletic Commission

The State Athletic Commission was established in 1923[4] as an independent administrative commission although not specifically designated as such. The 1927 amendment to the Administrative Code made it a departmental administrative commission in the Department of Military Affairs.[23] While the work of the Commission was in no way related to that of the department to which it was attached, the excess proceeds of the tax established by the act was appropriated for the purpose of "the erection and construction of monuments and memorials on the battlefields of France and Belgium." This, no doubt, was the deciding factor in the original assignment to a department. The transfer to the Department of Revenue in 1937[5] was at the suggestion of the Department of Military Affairs on the theory that it was a licensing body. In other states,

similar commissions are either independent or serve under the Secretary of State.

The Commission is vested with the sole direction, management, control and jurisdiction over all boxing, sparring and wrestling matches within the Commonwealth where a purse is given or an admission fee is charged. Provision is made for the licensing of all corporations or persons participating directly or indirectly in such matches or exhibitions.

Under the original act the central office and records of the Commission were to be maintained in Harrisburg. This provision was rescinded in 1929[24] since which time the so-called central office has followed the chairman, having been located in Wilkes-Barre, Harrisburg and Philadelphia with branches in Williamsport and Pittsburgh. The Secretary of the Athletic Commission has always been located in Philadelphia regardless of the central office location. The only difference between central and branch offices is that the former carries a complete record of financial transactions for the entire Commission. Each office has a complete record of licenses issued by all three offices although each office acts independently in the matter of issuing licenses.

In the discharge of its duties, the Commission employs deputies working out of the various offices. These deputies are assigned to the various shows as needed to adequately cover all entrances, check on licenses, enforce the laws and regulations relating to boxing and wrestling and to assess and in many cases collect the 5% gross receipts tax fixed by statute. The deputies are paid $10.00 for each professional show and $5.00 for each amateur show, necessary expenses for travel are paid in addition where the distance from the headquarters city warrants.

The State Athletic Commission functions in practice as three independent "one-man" commissions, each a law unto itself but informing the others of its acts. It is indeed a rare occasion where a commissioner in one district has been overruled in a matter relating to that district.

The Commission may also issue, without charge, licenses to referees or physicians serving at amateur bouts only and without compensation.

Aside from the 5% gross receipts tax, the chief source of revenue is license fees which the law fixes as shown in Table XIX-E.

TABLE XIX-E
DEPARTMENT OF REVENUE
LICENSES AND FEES OF STATE ATHLETIC COMMISSION

Type of License	Amount of Fee
Booking agents for wrestlers	$300.00[25]
Promoters—1st class cities Capacity—5,000 or more	250.00[26]
Promoters—1st class cities Capacity—2,001—5,000	150.00
Promoters—1st class cities Capacity—2,000 or less	100.00
Promoters—2nd class cities	100.00
Promoters—3rd class cities and elsewhere	25.00
Physicians	25.00
Referees	25.00
Judges	15.00
Timekeepers	10.00
Professional Boxers	5.00
Professional Wrestlers	10.00
Managers	25.00
Seconds	10.00
Announcers	15.00
Matchmakers	25.00

Every promoter, before a license is issued to him is required to post a bond in an amount determined by the Commission, but not less than $3,000, conditioned upon the faithful performance of the provisions of the act and the rules and regulations of the Commission. Any amount recovered on the bond is deposited in the State Treasury for the use of the Commonwealth. Such funds are now made available for amounts due contestants,[26] managers or officials who have not been paid by the promoter or for refunds to ticket holders where a bout has been postponed or cancelled and the promoter fails to make refund within 10 days of the date of the original scheduled match.

D. PERSONNEL

A summary of salaried personnel at June 1, 1940, by function, appears in Table XIX-F.

TABLE XIX-F
DEPARTMENT OF REVENUE
SUMMARY OF PERSONNEL AND SALARIES
JUNE 1, 1940

Function	Employes	Annual Salaries
Executive Office	128	$210,780
Corporation Taxes	122	246,000
Stamp, Store and Theatre Taxes	37	54,840
Personal Property Taxes	140	211,780
County Collections	42	63,980
Institutional Collections	53	91,220
Investigations and Collections	85	146,060
Motor Vehicles	522	595,020
Liquid Fuels Tax	79	128,760
Highway Safety	114	164,420
Aeronautics	7	17,440
State Athletic Commission	9	24,900
Miscellaneous	7	11,820
Total	1,345	$1,967,020

Table XIX-G, page 7025 shows the number of salaried employes and aggregate annual salaries as of June 1, 1940.

E. FINANCES

1. Income

The income of the Department of Revenue is the income of the Commonwealth since all collections of revenue by agents of the department must pass through it to be deposited in the State Treasury.

Not all the receipts of the Department of Revenue are available for the general operating expenses of the Commonwealth. Certain collections are set aside for specific activities such as the operation of the Fish Commission or Game Commission or the maintenance and improvement of highways. Some collections are not even available for any State agency or activity. For example, certain license fees collected from hotel, restaurant, and taproom operators are returned to the political sub-division of origin;[27] a portion of the tax on liquid fuels is returned to the counties on a pro rata basis for specific use;[28] and foreign fire insurance tax income is paid to firemen's relief associations in the protected districts.[29]

TABLE XIX-G

DEPARTMENT OF REVENUE

NUMBER OF SALARIED EMPLOYES AND ANNUAL SALARIES JUNE 1, 1940

Bureau and Section	Employes	Annual Salaries
Secretary of Revenue	1	$ 12,000
Executive Office		
Deputies	2	14,000
Comptroller	1	5,500
Legal Assistants	2	7,200
Executive Assistants	1	3,000
Administrative Assistants	1	2,700
Public Information Officer	1	4,200
Administration	14	21,900
Receipts	53	70,380
Disbursements	14	17,820
Motor Law Fines—Investigation	8	14,460
Stenographers	18	21,600
Supplies and Equipment	11	15,000
Mailing Pool	1	1,020
Total	128	$210,780
Corporation Taxes		
General Administration	28	$ 42,000
Taxing Officers	17	42,660
Filing and Indexing	7	9,060
Special Investigating	66	148,080
Registry	2	2,160
Mailing Pool	2	2,040
Stamp, Store and Theatre Tax Section	37	54,840
Personal Property Tax Section	140	211,780
Total	299	$512,620
County Collections		
Director	1	$ 5,000
Inheritance Tax Section	24	34,860
Garrett Estate	3	7,380
Mercantile License	13	18,720
Fishing, Hunters, and Dog Licenses	8	9,840
Total	49	$ 75,800
Institutional Collections		
Director	1	$ 5,000
General	8	13,680
State Institution	36	58,740
County Institutions	8	13,800
Total	53	$ 91,220
Investigation and Collection		
Director	1	$ 5,000
Headquarters	3	4,260
Field Investigation—Collection	54	92,760
Beverage Tax Division	27	44,040
Total	85	$146,060
Liquid Fuels Tax		
Assistant Director	1	$ 3,600
General Administration	24	28,440
Accounts of Liquid Fuels	10	13,920
Auditing Liquid Fuels	44	82,800
Total	79	$128,760
Motor Vehicles		
Director	1	$ 5,000
General	7	15,880
Accounting Section	16	19,740
Title Section	52	60,540
Registration Section	46	51,300
Office Delivery Section	49	58,440
Graphotype Section	86	92,220
Record Section	127	135,840
Correspondence Section	94	105,480
Shipping and Mailing Section	44	50,580
Total	522	$595,020
Highway Safety		
Director	1	$ 5,000
Assistant Director	1	3,600
Administrative Assistant	1	1,860
Safety	41	54,840
Hearings	18	31,620
Filing	23	24,060
Mailing Pool	1	1,020
Safety Council Unit	1	$ 2,400
Accident Prevention Campaign Division	27	40,020
Division of Aeronautics	7	17,440
Total	121	$181,860
State Athletic Commission	9	$ 24,900
Grand Total	1,345	$1,967,020

2. Expenditures

The expenditures of the Department of Revenue were made from four different funds as shown in Table XIX-H.

TABLE XIX-H

Expenditures of Department of Revenue for Three Bienniums 1933-1939

Fund	1933-35	1935-37	1937-39
General	$1,388,207.08	$ 2,732,891.99	$ 4,058,160.63
Motor	6,285,496.23	8,304,604.56	7,606,116.55
Fish	22,286.50	20,320.81	34,660.87
Game	38,646.58	29,436.32	90,000.00
Total	$7,734,636.39	$11,087,253.68	$11,788,938.05

A summary analysis of expenditures by object for three bienniums is shown in Table XIX-J.

TABLE XIX-J

DEPARTMENT OF REVENUE

Expenditures by Object for Three Bienniums 1933-1939

Object	1933-35	1935-37	1937-39
Salaries, Wages and Fees	$4,780,370.90	$ 6,449,096.29	$ 6,777,133.06
Supplies, Etc.	955,127.96	1,463,474.57	1,885,658.05
Operating Expense	1,668,793.62	2,277,895.65	1,800,187.48
Maintenance	216,018.00	439,884.59	650,785.98
Land, Equipment, Etc.	113,745.91	456,902.58	675,173.48
Advances	400.00	.....	.....
Total	$7,734,636.39	$11,087,253.68	$11,788,938.05

Table XIX-K shows the expenditures from all funds by object classification for three bienniums 1933-39.

TABLE XIX-K

DEPARTMENT OF REVENUE

Expenditures from all Funds by Object Classification 1933-1939

Classification	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939
Salaries	$4,425,319.69	$ 5,010,543.02	$ 4,940,128.51
Wages	302,629.45	1,370,629.92	1,734,808.25
Fees	52,421.76	67,923.35	102,196.30
Printing, Binding and Stationery	210,525.31	481,393.19	747,689.47
Food and Forage	53,288.89	61,697.46	1,578.81
Materials and Supplies	691,313.76	920,383.92	1,136,389.77
Traveling Expenses	831,696.39	1,173,969.77	753,610.99
Motor Vehicle Sup., Etc.	242,702.74	289,299.11	75,328.37
Freight, Express and Cartage	10,980.57	27,455.46	21,459.16
Postage	538,250.34	706,730.99	739,338.01
Telephone and Telegraph	41,437.57	54,209.18	42,002.95
Newspaper and Advertising and Notices	3,906.01	26,231.14	168,448.00
Light, Heat, Power, Water, Etc.	29,036.56	26,651.00	27,902.62
Contracted Repairs	5,973.48	13,017.97	9,304.51
Rent of Real Estate	122,828.77	126,880.01	136,427.55
Rent of Equipment	4,448.69	26,609.39	195,610.77
Insurance, Surety and Fidelity Bonds	47,905.46	123,516.85	53,240.27
Other Maintenance Services	5,825.04	123,209.37	228,300.26
Motor Vehicles	67,076.71	175,199.34	59,009.25
Live Stock	.....	.....	.....
Equipment and Machinery	46,627.20	111,908.63	182,857.33
Land	.....	169,794.61	32,351.36
Contracted Building and Construction	42.00	.....	400,955.54
Advanced Requisitions	400.00	.....	.....
Total	$7,734,636.39	$11,087,253.68	$11,788,938.05

Table XIX-L shows the functional expenditures by fund for the three bienniums 1933-39.

TABLE XIX-L

DEPARTMENT OF REVENUE

Functional Expenditures by Fund, 1933-1939

Function	1933-35	1935-37	1937-39
Executive Office			
General Fund	$ 280,057.99	$ 313,570.07	$ 521,627.26
Motor Fund	204,954.07	219,592.11	254,387.22
Total	$ 485,012.06	$ 533,162.18	$ 776,014.48
Bureau of Corporation Taxes			
General Fund	$ 219,281.22	$ 1,468,683.41	$ 2,401,788.06
Bureau of County Collections			
General Fund	$ 190,373.45	$ 236,220.63	$ 320,546.33
Fish Fund	22,286.50	20,320.81	34,660.87
Game Fund	38,646.58	29,436.32	90,000.00
Total	$ 251,306.53	285,977.76	$ 445,207.20
Bureau of Institutional Collections			
General Fund	$ 209,372.89	$ 220,987.10	$ 236,446.75
Bureau of Investigation and Collections			
General Fund	$ 474,121.59	$ 479,359.00	$ 447,090.24
Motor Fund	$ 62,080.16	.....	.....
Total	$ 536,201.75	$ 479,359.00	$ 447,090.24
Bureau of Liquid Fuels Tax			
General Fund	$ 14,999.94	$ 14,071.78	$ 962.70
Motor Fund	401,889.62	473,779.83	650,120.57
Total	$ 416,889.56	$ 487,851.61	$ 651,083.27
Bureau of Motor Vehicles			
Motor Fund	$2,728,926.74	$ 3,770,210.51	$ 5,036,188.85
Bureau of Highway Safety*			
Motor Fund	$2,887,645.64	$ 3,841,022.11	$ 1,665,419.91
State Athletic Commission†			
General Fund	.....	.....	$ 99,699.29
Grand Total	$7,734,636.39	$11,087,253.68	$11,788,938.05

* Highway Patrol transferred to Pennsylvania Motor Police—June 1, 1937.

† Transferred from Department of Military Affairs—June 1, 1937.

a. Executive Office

The salary of the Secretary of Revenue is included in the expenditures of the Executive Office. The increase between the 1933-35 biennium total and that of 1937-39 is the difference between $485,012.06 and $776,014.48 or an increase of 60%. The increase in General Fund expenditures between the same periods was an increase from $280,057.99 to $521,627.26 or 86.25%.

b. Bureau of Corporation Taxes

Starting June 1, 1935, the Bureau of Corporation Taxes began collecting and organizing for the collection of new and revised corporation taxes, as well as several new taxes of other types, covering amusements, personal property, documents and cigarettes. A tax on chain stores and theaters, effective July 1, 1937, was also placed in this Bureau but was declared unconstitutional in 1939.

The expenditures of this Bureau increased from $219,281.22 in the 1933-35 biennium to $2,401,788.06 in the 1937-39 biennium, that is, 995%. Taxes collected in 1933-35 biennium amounted to $74,101,103 and in 1937-39 biennium $213,259,500, an increase of 187.8%.

In the 1935-37 biennium expenditures amounted to $1,468,683.41 and in the succeeding biennium as above indicated $2,401,788.06. This was an increase of 63.5%, and during that same period tax collections increased from $201,984,064 in 1935-37 biennium to $213,269.500 in the 1937-39 biennium, a percentage increase of 5.58%.

c. Bureau of County Collections

The General Fund expenditures of the Bureau of County Collections in the 1937-39 biennium exceeded those of the 1933-35 period by 68.3%. Between the same periods, expenditures from the Fish Fund increased 55.5% and from the Game Fund, 133.8%. Fish Fund collections, not including fines, increased 72.2% and Game Fund collections 21.1%. It will be recalled that during the period following May 31, 1935, a new system of issuing fishing and hunters' licenses was installed.

The larger portion of the General Fund increase was on general operating costs but during 1937-39 a total of $46,954.14 was spent in attempting to settle the Garrett Estate.

The cost of advertising the mercantile appraisers list is not included in the expeditures of the Bureau which collects the tax. Under the law, these lists must be published in not less than 2 or more than 3 newspapers of general circulation in counties of less than 1,500,000 population and in 4 newspapers in first class cities. This publication cost approximates $120,000 annually and is deducted from the tax collected. The same condition exists as to expenses, other than mileage, and clerical help for the mercantile appraisers.

The Department points out that all of the percentage collection costs and the percentage tax collections heretofore set forth must be considered in the light of the fact that collection costs are obviously but a fraction of revenue return and even though the percentage of the cost

of collection may increase appreciably and the revenue return increase to no great extent in percentage yet in dollars and cents the increase in revenue will be considerably greater than the increased cost of collection. It must also be borne in mind that there is necessarily a differential in the cost of collection depending upon the particular kind of tax. For instance, to collect cigarette tax, stamps must be printed and distributed to be affixed to packages. From the very nature of the tax, investigators must be employed to prevent tax evasion. While, on the other hand, taxes on bank shares are relatively easy and inexpensive to collect since banks are never anxious to carry tax liabilities in their financial statements. Increases in collections and costs can only be compared on a relative basis. The disproportion in increases, considered on an absolute basis, encourages at times unwarranted increases in collection costs.

d. Bureau of Motor Vehicles

The expenditures of the Bureau of Motor Vehicles other than the Division of Aeronautics, showed an increase of 42.6% or slightly over $1,100,000.00 from 1933-35 to 1937-39. The operating cost of the Division of Aeronautics increased 316.4% in the same period. Construction and improvement projects in this Division amounted to $204,606.08 in 1935-37 and $902,892.49 in 1937-39.

The following projects were in operation during the 1937-39 biennium:

TABLE XIX-M

DEPARTMENT OF REVENUE
EXPENDITURES FOR CONSTRUCTION PROJECTS
BY DIVISION OF AERONAUTICS

Project	Expenditures
Harrisburg Project	$455,828.51
Martinsburg Airport	90,189.92
Black Moshannon Airport	84,010.35
Mt. Pocono Airport	12,380.37
Somerset Airport	17,402.54
Radio Range Aid	243,080.00
Total	$902,892.49

The increase in the number of motor vehicle registrations and operators' licenses accounts for a portion of the increase in the cost of the operation of the Bureau of Motor Vehicles, while the reduction of the cost of operator's licenses from $2.00 to $1.00 in some degree accounts for the fact that revenue from the Bureau of Motor Vehicles did not materially increase in some years.

e. Bureau of Highway Safety

The apparent reduction in expenditures for the Bureau of Highway Safety is due to the transfer of the Highway Patrol to the Pennsylvania Motor Police in 1937. The amount expended for the Patrol increased from $2,507,600.64 in 1933-35 to $2,958,985.46 in 1935-37. Expenditures of $129,902.41 for the Patrol are included in 1937-39.

Included in the 1935-37 expenditures total, is $188,535.58 for the Governor's Special Safety Campaign. A similar campaign in 1937-39 is responsible for expenditures of $370,291.11, while an accident prevention campaign added expenditures of $136,845.83.

Excluding the Highway Patrol and special campaign expenditures, the Bureau expenditures were $380,045.00, $693,501,07, and $1,028,380.50 in 1933-35, 1935-37 and 1937-39 respectively. This represents an increase of 170.5% between the first and third bienniums.

Statistics of the Bureau of Highway Safety currently available indicate a marked decrease in the accident and death rate since the inauguration of the Department of Revenue's safety program.

FOOTNOTES

[1] 1927, P. L. 207.
[2] Administrative Code, Section 405.
[3] Administrative Code, Section 427.
[4] 1923, P. L. 710.
[5] 1937, P. L. 1865.
[6] Fiscal Code, Section 202-206.
[7] Fiscal Code, Section 3509.
[8] Fiscal Code, Section 3501.
[9] Fiscal Code, Section 3503.
[10] Fiscal Code, Section 3512.
[11] Fiscal Code, Section 3527.
[12] Fiscal Code, Section 3531.
[13] Fiscal Code, Section 3029.
[14] 1929, P. L. 905.
[15] 1937, P. L. 2329.
[16] 1921, P. L. 1021 and Amendments.
[17] 1931, P. L. 149.
[18] 1937, P. L. 2774.
[19] 1935, P. L. 412.
[20] 1937, P. L. 1703.
[21] 1937, P. L. 1193.
[22] 1937, P. L. 2436.
[23] 1927, P. L. 207.
[24] 1929, P. L. 860.
[25] 1933, P. L. 551.
[26] 1937, P. L. 1698.
[27] 1935, P. L. 1246.
[28] 1935, P. L. 412.
[29] 1935, P. L. 122.

CHAPTER XX

DEPARTMENT OF STATE

A. FUNCTION

The Department of State is an administrative Department of the Commonwealth created by statute. The Department is headed by the Secretary of the Commonwealth, who is also one of the constitutional officers of the State[1] appointed by the Governor.[2] The office of the Secretary is created as an executive office of the Commonwealth.

The Department of State publishes and records the official acts and proceedings of the Governor and the General Assembly; administers the election laws of the Commonwealth; examines and files all applications for corporation charters and modifications thereof; prepares and issues, with the approval of the Governor, commissions to properly elected and appointed State officials; registers persons doing business under assumed or trade names; registers trade marks, labels, etc.; in short, the Department is the repository for the official records of the Commonwealth. In addition, the State Employes' Retirement System is operated through the State Employes' Retirement Board, an administrative board in the Department.

B. POWERS AND DUTIES

The powers and duties of the Department of State are prescribed by the Constitution, by statute and by virtue of the Secretary's chairmanship of or membership on certain boards.

1. Constitutional Powers and Duties
   a. The Constitution provides that the records and all official acts and proceedings of the Governor are to be kept in the Department of State.[3]

[1] Footnotes on page 7035.

b. When so required, the Secretary lays the acts and proceedings of the Governor, with all papers, minutes and vouchers relating thereto before either branch of the General Assembly; he also prepares these acts and proceedings for publication.

c. The Secretary may, jointly with the Lieutenant-Governor, Attorney General and Secretary of Internal Affairs, recommend or withhold recommendations to the Governor for the remission of fines, forfeitures, the granting of reprieves, commutation of sentence and pardons except in cases of impeachment after full hearing upon due public notice and in open session.[4] These recommendations are recorded and filed in the office of the Department of State.

2. Statutory Powers and Duties

The duties enjoined upon the Secretary of the Commonwealth by statute are prescribed in the Administrative Code of 1929, its amendments and supplements, the Pennsylvania Election Code of 1937, its amendments and supplements, the Business Corporation Law of 1933, its amendments and supplements, the Non-Profit Corporation Law of 1933, its amendments and supplements, the General Corporation Law of 1874, its amendments and supplements, the Act of June 5, 1937,[5] the Act of June 21, 1939,[6] and numerous other acts of the General Assembly. Unless otherwise specifically provided, the Department of State exercises those powers and duties which heretofore have been vested in the Department of the Secretary of the Commonwealth and the several bureaus thereof, the Department of State and Finance, the Department of State, and the Secretary of the Commonwealth. These powers and duties are summarized below:

a. The Secretary is the keeper of the seal of the Commonwealth, and affixes it to all public instruments to which the attestation of the Governor's signature is required.[7]

b. Any committee of either branch of the General Assembly may inspect or examine the books, papers, records and accounts filed in the Department, and the Department shall furnish such copies or abstract therefrom as may from time to time be required.[8]

c. After request and upon payment of just charges, the Department shall furnish any person with certificates of matters of public record in the Department, or certified copies of public papers or documents on file therein.[9]

d. The Secretary acts as agent or attorney for the service of process of actions for damages caused by real estate situated in Pennsylvania but owned by a non-resident.[10]

e. Constitutional amendments are advertised through this Department, and the form in which they shall be submitted to the electors on the ballot or voting machine is determined by the Secretary.

f. The Department administers the election laws of the Commonwealth in relation to national and state elections. This includes the recordation, compilation, publication and certification of election returns, the approval of voting machines, etc.

g. The Department of State records all laws, resolutions, acts and proceedings of the General Assembly, performs all other duties with reference thereto, punctuates the laws passed and reads the proof of and prepares an index of the same. As soon as possible after the signing of any bill by the Governor, whereby it becomes a law, the Department of State transmits a correct copy to the Department of Property and Supplies so as to enable the latter to print advance sheets of the bill.

h. Plates from which the Pennsylvania Supreme and Superior Court reports are printed are delivered by the Department of State to the Department of Property and Supplies for safe keeping.

i. The Department of State examines and files all applications for charters of corporations, for the amendment of such charters, for the merger and consolidation of such corporations, for the change of their corporate names, for the reorganization after judicial sale of their franchises and property, for the increase of their capitalization or indebtedness or the decrease thereof, for the change of the par value of the shares of their stock, for the change of the location of their principal office, and for any other proceedings by and with reference to such corporations as may be permitted or required by law. The Department transmits such papers in connection therewith as may be required to the Governor, and when they are executed by him, the Department authenticates his signature.[11]

j. The Department issues to foreign corporations, upon due application a certificate of authority to do business in Pennsylvania and may revoke it for lawful cause. The Secretary acts as attorney-in-fact and as authorized agent for the service of process for foreign corporations registered to do business in this State.[12]

k. The corporate functions of the Department also include the determination of certain questions of fact and of law in the administration of the General Corporation Law of 1874, the Business Corporation Law of 1933 and the Non-Profit Corporation Law of 1933, their amendments and supplements. The Department has recently been given authority to determine the bonus on domestic corporations and to settle and enforce payment of delinquent bonus.

l. The Department registers and issues certificates of registration of trade marks, trade names, labels, bottled description and union labels.

m. Any person or persons doing business under a fictitious or assumed name must register with the Department and obtain a certificate thereof. Similarly all names, titles or designation of associations, societies and corporations of the first class, or non-profit corporations created subsequent to the Act of 1933 [13] must register with the Department of State.

n. Under the Banking Code of 1933 [14] all banks and trust companies must file their articles of incorporation with the Department of State.

o. Besides keeping a record of all respites, pardons, commutations, etc., the Department of State also keeps a record of all death warrants, and passes upon and approves all proceedings for the extradition of fugitives from justice before laying them before the Governor. It reports quarterly to the Department of Revenue and to the Auditor General for all remissions of fines granted by the Governor.

p. The Secretary of the Commonwealth may administer oaths or affirmations as are required by the Constitution or laws of the Commonwealth to all officers of the State Government in any and all matters relating to the administrative work of the Commonwealth.[15]

q. The Department prepares and issues, with the approval of the Governor, commissions to all officials elected by popular vote, who, by law, are entitled to receive them, including commissions to aldermen and justices of the peace elect. It issues commissions to such officials as are entitled thereto by virtue of appointment by the Governor. All commissions, appointments and proclamations of the Governor are countersigned and recorded in this office. The bonds of certain county officials and notaries are also filed here.[16]

3. Membership on Boards

The Secretary of the Commonwealth serves as Chairman or a member of the following Boards:

a. Chairman of the State Employes' Retirement Board.[17] This is the only administrative board within the Department of State, and the duties of administering the State Employes' Retirement System are a responsibility of the Department of State.

b. Member of the Board of Finance and Revenue.[18] His powers on the Board of Finance and Revenue include participation in the settlement of public accounts, including applications for resettlements and applications for refunds of state taxes, license fees, etc., and for the refund of money subject to escheat paid into the State Treasury. This board also supervises the selection of depositories for State monies and the deposit of monies therein as prescribed by the Fiscal Code. The Board supervises and directs the State Treasurer in his administration of the State Sinking Fund and the biennial reports to the Governor upon the sinking fund operations of the Commonwealth. Within ten days after the organization of the General Assembly, the Board of Finance and Revenue reports upon the state of the public debt.

c. Member of the Board of Pardons. (See Section 1-c under "Powers and Duties," this chapter).

d. Member of the Board of Property.[19] This Board passes upon controversies arising out of the actions of the Land Office in the Department of Internal Affairs.

e. Member of the Board to License Private Bankers.[20]

f. By appointment of the Governor, the Secretary of the Commonwealth is a member of the Executive Board.

g. Also by appointment of the Governor, the present Secretary of the Commonwealth is a member of the Commission on Interstate Cooperation.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart XX-1, the Department of State operates through four bureaus, namely, Administrative Bureau, Election and Legislative Bureau, Commission Bureau and Corporation Bureau, and one administrative board, the State Employes' Retirement Board.

1. Administrative Bureau

The Administrative Bureau handles all of the administrative services of the Department and insures direct supervision of all the personnel. It supervises the Department's appropriations, allocations and disbursements. It maintains the uniform accounts of the Department, has charge of budgetary matters, and prepares all budgetary estimates, allocations, reports and financial statements required from the Department. It affixes the Great Seal Certificates which are attached to documents sent to the Department for examination or authentication. This Bureau is in charge of the advertising of proposed constitutional amendments. The head of the Bureau acts as the Department Comptroller. Other activities performed by the Administrative Bureau are:

a. Recording of the official acts of the Governor and seeing to their publication. Certified copies of public documents are supplied, under proper conditions, to all persons requesting them.

b. Acting as an information bureau with reference to the State Government and its activities, and referring inquiries for various information about the State and its government to the proper department for answer.

c. Operation of the Civil Rights Division, which furnishes information of a non-confidential nature, and not in the nature of an opinion on any legal matter, to any person, association or corporation on written request, and discloses to appropriate civil groups or associations alleged violations of civil and labor rights and constitutional guarantees.[21]

d. Filing the papers, maintaining the records and answering inquiries concerning the licensing, sale and possession of certain fire-arms.[22]

e. Maintaining the personnel records, central filing room, departmental stores, photostat rooms and mail and messenger service.

2. Corporation Bureau

The Corporation Bureau executes and administers all laws relating to corporations, excluding, however, supervision powers over certain corporations vested in the Departments of Banking and Insurance, and the Public Utility Commission.

The Bureau administers the General Corporation Act of 1874, with its two hundred or more supplements and amendments. It is now responsible for the administration of the Corporation Code of 1933, its amendments and supplements, which superseded in part the Act of 1874. Other acts administered by this Bureau include the Fictitious Names Act, the Foreign Corporation Act, the Conditional Sales Act, the Purchase and Sale Act.

The Corporation Bureau also administers all laws relating to the creation of cooperative associations, credit unions, and corporations formed under the Municipal Authorities Act. It registers Soil Conservation Districts. Partnership agreements under certain acts of the Assembly are also filed here. Charters for non-profit corporations are granted by the Courts of Common Pleas, but before such applications may be granted, the name of each proposed corporation must be registered in the Corporation Bureau.

Certain functions provided for in the Banking Code and the Building and Loan Code are also conducted in the Corporation Bureau.

The conduct of the Corporation Bureau is regulated to a large extent by almost 200 statutes affecting it, as well as numerous opinions of the Attorney General, decisions of the various courts and rules and regulations prescribed by the Secretary of the Commonwealth.

Principally the activities of this Bureau are concerned with the corporate affairs of domestic and foreign corporations, and the registration of fictitious names, trade marks, etc.

a. Domestic Corporations

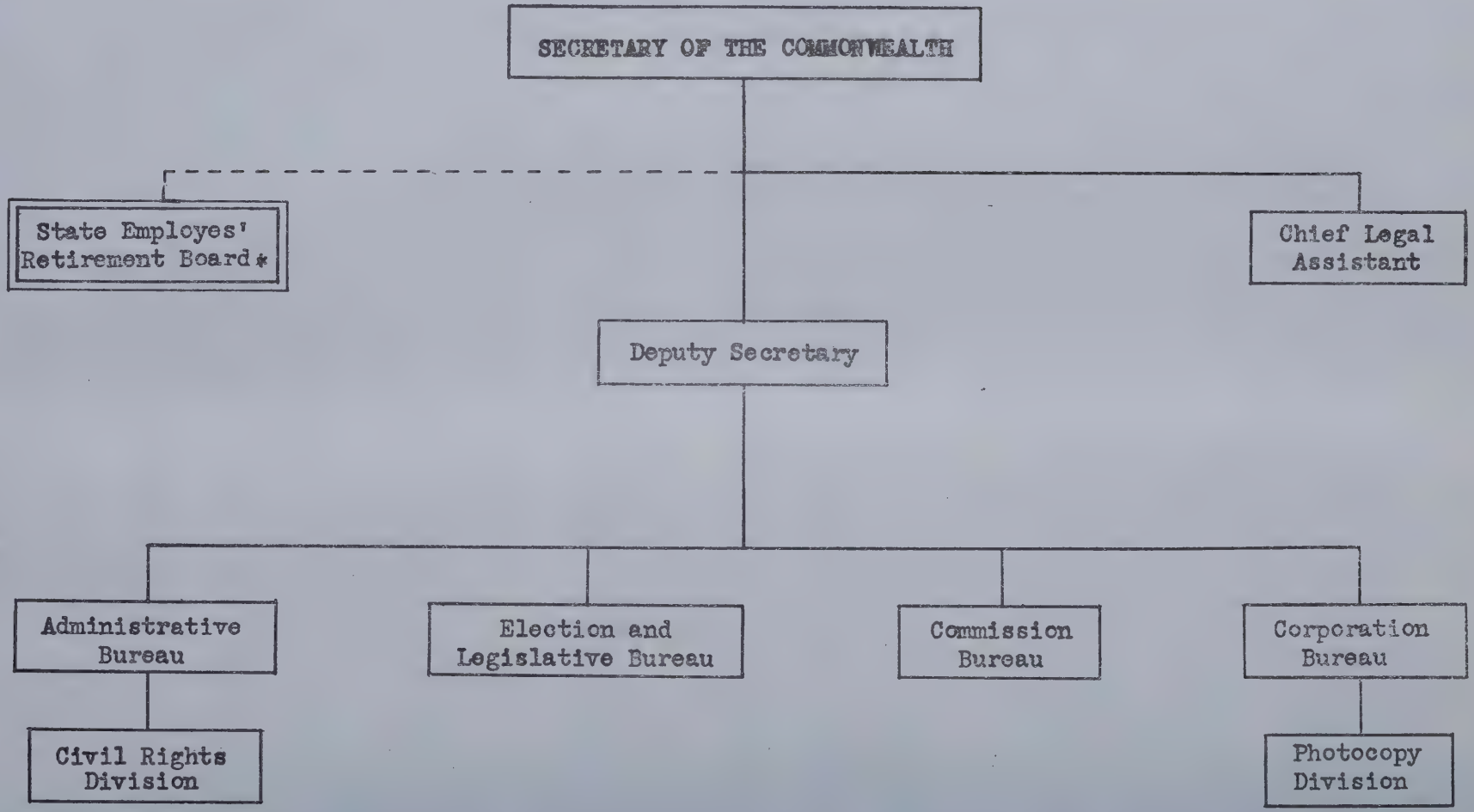
Control of the creation, organization, changes and amendments to the charters, dissolution, etc., of domestic corporations is a function of the Corporation Bureau. The Bureau passes upon, approves and prepares all forms relating to application for charters, reorganization, merger, sales, amendments, extensions, renewals and similar papers. All bonuses paid by domestic corporations on capital stock or any increases thereof are collected through this Bureau. Information covering the formation, procedure and regulations of these corporations, as well as the various forms and blanks required, are furnished on request.

b. Foreign Corporations

Foreign corporations are required by law to register with the Secretary of the Commonwealth in order to be able to conduct any business in the State.[23] Such registra-

CHART XX-1

ORGANIZATION OF THE DEPARTMENT OF STATE



* Departmental Administrative Board.

tion results in the collection of a registration fee, and in many cases, opens the way for other State agencies to collect taxes and fees, thus increasing State revenues. The Bureau also takes care of matters pertaining to those statutory provisions making the Secretary of the Commonwealth the attorney-in-fact for the service of process on foreign corporations registered in the State. Foreign corporations doing business in Pennsylvania are placed under the same restrictions and must pay the same fees as domestic corporations chartered in this state.

c. Fictitious Names, Trade Marks, Etc.

The registration of individuals or firms conducting business in Pennsylvania under assumed or fictitious names, as required by law, is handled in the Corporation Bureau. Trade marks, trade names, labels, bottled descriptions and union labels are also registered in this Bureau.

A resume of the volume of business handled by the Corporation Bureau and the amount of fees collected since 1933 is shown in Table XX-A, following:

TABLE XX-A

DEPARTMENT OF STATE

VOLUME OF BUSINESS AND FILING FEES COLLECTED FROM CERTAIN ACTIVITIES OF THE CORPORATION BUREAU—1933 to 1940

Fiscal Year Ending May 31	Domestic Corporation Charters		Certificates of Authority		Powers of Attorney		Fictitious Names		Trade Marks	
	Number	Filing Fees	Number	Filing Fees	Number	Filing Fees	Number	Filing Fees	Number	Filing Fees
1934	2,119	$63,551	5,862	$129,320	74	$2,220	4,919	$29,514	457	$2,285
1935	1,981	58,827	773	22,510	17	510	7,646	45,875	524	2,620
1936	1,741	52,285	462	13,800	14	420	5,634	33,802	517	2,585
1937	1,639	49,255	539	16,170	12	360	6,821	40,926	597	2,985
1938	1,294	39,127	341	10,230	10	300	6,292	37,752	490	2,450
1939	1,209	36,303	316	9,480	9	270	5,732	34,392	443	2,215
1940	1,285	38,665	310	9,300	9	270	5,326	31,956	490	2,450
Total	11,268	$338,013	8,604	$210,810	145	$4,350	42,370	$254,217	3,518	$17,590

3. Election and Legislative Bureau

The Election and Legislative Bureau operates as one organization for the reason that the diverse duties do not interfere. The duties of a legislative nature are confined to the odd numbered years, except in the case of special sessions, while those duties which relate to elections occur in even numbered years, although judges are also elected in odd numbered years.

a. Election Duties

The Bureau administers the election laws as provided in the Election Code of 1937 for both national and state elections.

Before each primary election, the Bureau notifies the county commissioners of those officers for which candidates are to be nominated, and prepares for public dissemination a pamphlet giving information applicable to the primary and general election of the particular year. Primary nomination petitions are prepared and distributed by this Bureau, which also makes up a complete list of all candidates and certifies the same to the county commissioners to be printed on the primary ballots.

The Bureau reports the returns of primary elections from all counties and furnishes certified lists of all candidates nominated at the primary to the county boards of election.

When county commissioners are in default, the Bureau makes contracts for voting machines, and determines the ballot labels and their arrangement on these machines. It furnishes the Sheriffs of the several counties with data required for election proclamations, and furnishes the Prothonotaries with the papers needed to make the return of the elections.

From local election boards the Bureau receives and files information both as to the registration of voters and as to the return from elections in every county, legislative, senatorial, congressional or judicial district, compiling and publishing the same. Furthermore, the Bureau receives, examines and files expense accounts for Statewide candidates and of all political committees supporting such candidates.

In years when a presidential or gubernatorial election occurs, this Bureau is busy throughout the entire year. Each of the county commissioners must be notified before the primary of the nominations to be made at the primary elections. The candidates for the various offices must be filed and their names recorded in the Bureau and then certified to the county commissioners for printing on the primary ballot. Where more than one candidate appears the Secretary of the Commonwealth notifies all candidates to come to his office and cast lots for the positions of their names on the primary ballot. In the years of a presidential election, a similar procedure is followed for the delegates and alternate delegates for all parties, and also for members of the State party committees.

The Election Code provides for voting by Pennsylvania electors absent from their residences on election day in actual military service under a requisition from the President of the United States or by authority of the Governor of the Commonwealth. For such election the Secretary of the Commonwealth prescribes the forms and supplies poll books, ballots, tally lists, return forms, lists of candidates and envelopes for use at a unit poll or a poll set up by ten or more Pennsylvania electors. The National Defense Program initiated in 1940 made it nec-

essary for the Secretary of the Commonwealth to set up the machinery required to canvass the vote of the electors in military service. It is the opinion of the Secretary of the Commonwealth that the expansion of the National Defense Program will require a greatly expanded organization and an increased appropriation for the 1941-43 biennium to permit the Department to discharge this duty to soldiers, sailors, etc., in service.

Fees are collected for the filing of nomination petitions for elective offices in accordance with the following schedule:[24]

TABLE XX-B

DEPARTMENT OF STATE
FEES COLLECTED FOR THE FILING OF NOMINATION PETITIONS FOR ELECTIVE OFFICES

Source	Fee
For any public office to be filled by the electors of the State at large	$50.00
For Representative in Congress, or judge of a court of record, excepting judges to be voted for by the electors of the State at large, and associate judge	35.00
For Senator or Representative in the General Assembly, or for any office to be filled by the electors of an entire county or city	25.00
For associate judge or for any borough, town, township, school district or poor district office not otherwise provided for	20.00
For office of delegate or alternate delegate to National party convention, or member of National Committee or member of State Committee	10.00
For any other party office	.50
For judge or inspector of election	.50
For alderman, justice of the peace or constable	2.00
For township auditor or road supervisor	1.00

b. Legislative Duties

On the legislative side, this Bureau files and records all acts and resolutions enacted by the General Assembly. As legislation is passed by both houses, it is immediately forwarded to the Legislative Bureau of the Department of State, where it is recorded and a receipt given to the house in which it originated. It then goes to the Governor's office, where a receipt is given to the Legislative Bureau. After the Governor acts thereon it is returned again to this office and receipted for again. The act is then numbered and punctuated, marginal notes are added, and it is then sent to the printer who prints the advance sheets of the laws. The proof of the advance sheets of the law is read and each act separately printed for the benefit of the public. When this is completed the acts are made up in page form and again read and the index added.

Since 1933, the Secretary of the Commonwealth, with the approval of the President pro tempore of the Senate, the Speaker of the House, the Attorney General and the Director of the Legislative Reference Bureau has the power to correct certain errors in the original copies of the laws.[25]

Correcting errors in the original copies of laws presents a problem, particularly in the closing weeks of a legislative session. The number of bills passed in this period places a burden upon the printers, and the present Secretary of the Commonwealth testified that there are a large number of printers' mistakes in the copy which comes to the Department, particularly in amending bills. It is not always practical, during this period, for the President pro tempore of the Senate, the Speaker of the House, the Attorney General, the Secretary of the Commonwealth and the Director of the Legislative Reference Bureau to handle all the mistakes that require correction before the Legislature adjourns.

At present the work of editing and indexing the laws is supervised by the Chief Legal Assistant of the Department, and the Secretary of the Commonwealth says in this connection, "A proof reader is not competent to edit and index the laws except under the supervision of someone trained in the law. New laws must be related to existing laws. Statutory provisions and legislative precedents related to the drafting of legislation must be known and observed."

A measure of the volume of work may be gained from the following table, which shows the number of pages involved in the pamphlet laws, appropriations and vetoes of the various legislative sessions from the Special Session of 1932 to and including the Regular Session of 1939:

TABLE XX-C

DEPARTMENT OF STATE
VOLUME OF LEGISLATIVE PUBLICATIONS, 1932-39

Session	Publication	Number of Pages
1932 Special	Pamphlet Laws	111
	Vetoes	41
1933 Regular	Pamphlet Laws	1,563
	Appropriations	218
	Vetoes	22
1933 Special	Pamphlet Laws	295
	Vetoes	26
1934 Special	Pamphlet Laws	10
1935 Regular	Pamphlet Laws	1,372
	Appropriations	117
	Vetoes	12
1936 First Special	Pamphlet Laws	142
	Vetoes	6
1936 Second Special	Pamphlet Laws	30
1937 Regular	Pamphlet Laws	2,882
	Appropriations	115
	Vetoes	5
1938 Special	Pamphlet Laws	121
1939 Regular	Pamphlet Laws	1,216
	Appropriations	97
	Vetoes	16

4. Commission Bureau

The Commission Bureau prepares for signature and issues commissions covering the elected and appointed officers as provided in the Administrative Code[26] and numerous other laws.

Commissions are issued to all officials elected by popular vote, who, by law, are entitled to receive them. State officials, judges of the various courts, county officers, aldermen and justices of the peace come under this head, and these commissions are issued upon receipt of the election returns.

Appointed officials, such as departmental officers, trustees of State hospitals, members of various State boards, commissioners of deeds, notaries public, policemen, offi-

cers to fill vacancies in elected office, etc., are commissioned only upon written orders from the Governor, and for such terms as are fixed by law. Commissions are issued to 20 department heads and members of approximately 170 boards, commissions, etc. Copies of commissions are retained in a record book, together with full information concerning the persons, their names, addresses, terms of office, date of filing oath, etc.

Fees are collected for the issuing of commissions, as detailed in the Act of May 17, 1933 (P. L. 800). Examples of the fees imposed, which are collected by Recorders of Deeds for the use of the Commonwealth, are shown in Table XX-D, following.

TABLE XX-D

DEPARTMENT OF STATE
SAMPLE FEES IMPOSED AND COLLECTED
BY RECORDER OF DEEDS

Source	Fee
Railroad Police Commissions	$5.00
Commissioners of Deeds	10.00
Magistrates	5.00
Justices of the Peace	3.00
County Officers	2.00
Notary Public Bonds	2.00

In addition to the issuing of commissions, warrants are issued through this Bureau upon requisitions from Governors of other states for the return of fugitives from justice, when approved by the Governor and the Attorney General of this Commonwealth. The Bureau also issues requisitions upon Governors of other states for the return of fugitives based on applications made by district attorneys in this Commonwealth, upon approval of the Governor and the Attorney General. Blank forms of applications for this purpose are furnished by the Department of State upon request. The executive minutes covering all official actions of the Governor in making appointments and issuing commissions, extradition papers, death warrants, arrests, paroles, commutations, etc., are written and recorded in this Bureau. Table XX-E shows the total number of extradition papers issued per year since and including 1933:

TABLE XX-E

DEPARTMENT OF STATE
TOTAL NUMBER OF EXTRADITION PAPERS ISSUED
EACH YEAR, 1933 to 1939

Year	Requisitions on Governors of other States	Warrants on Requisitions by Governors of other States
1933	134	93
1934	112	99
1935	120	87
1936	87	74
1937	128	93
1938	94	76
1939	79	86
Total	754	608

5. State Employes' Retirement Board

The State Employes' Retirement System, created in 1923[27] is administered by the State Employes' Retirement Board, the only administrative Board within the Department of State. This Board was transferred to the Treasury Department by Act of June 21, 1937[28] and retransferred to the Department of State by Act of June 1, 1939.[29]

The State Employes' Retirement Board consists of the Secretary of the Commonwealth as Chairman, the State Treasurer, one member appointed by the Governor and two members of the State Employes' Retirement Association elected from their number for terms of three years. All members serve without pay. The Commonwealth pays the expenses and other costs of the Board.

The Board administers the payments to the system made by the members, keeps a record of each member and his payments, and is authorized to invest the funds in approved securities, which are kept on deposit in the vaults of the State Treasurer. The Board also interprets the Retirement Act to the members and approves all applications for annuities and disability claims.

The Secretary of the Commonwealth, with the approval of the Governor, may appoint a secretary, an actuary, and such medical, clerical and other employes as may be necessary for the proper administration of the system. He also fixes the compensation of such persons in accordance with the standards established by the Executive Board.

The purpose of the system is to provide annuities for State employes payable on retirement due to age or disability, or "upon withdrawal from State service not voluntary." As variously amended, the law requires all persons employed by the State and paid on a yearly or monthly basis to become members of the system, excepting those persons covered by the Public School Employes' Retirement System. Membership in the State system is optional with elected and appointed officials of the Commonwealth. Certain other groups have been made eligible such as employes of Pennsylvania State College, Unemployment Compensation Division, Department of Labor and Industry, Workmen's Insurance Fund, General State Authority and Pennsylvania Motor Police. Since 1930 judges also come within the terms of the act.

The retirement fund, which is built on a sound actuarial basis, consists of moneys contributed by the State, the employes and interest earnings on these contributions. At present the amounts contributed by the State and the employes are substantially equal, although the State made the entire contribution for service prior to January 1, 1924, the date the system became effective.

The acturial system is built on superannuation retirement at the age of sixty, and where a person retires at a lesser age his annuity is reduced to its present value. Employes having ten years or more of service who retire involuntarily may elect to take an annuity or to take a refund of their contributions with interest earned. Upon retirement, either voluntary or involuntary, the allowance or annuity received is calculated upon the final salary of the applicant, the length of service with the State, the amount of money contributed to the fund, and the age of the member upon retirement.

The allowance consists of two annuities, the State annuity and the member's annuity. The State pays a definite annuity, which consists of 1/100 of the final average

salary for each year of total service and each year of prior service. The member's share is paid by deductions by the State Treasurer from each salary payroll. The rate of contribution is fixed as of the age at the time of joining the system and remains constant thereafter. It varies between 4.28% at the age of 20, to 10.18% at 59 years on the salary received.

At the time of retirement an employe has a right to exercise one of the number of options including the payment of the retirement allowance, after the death of the employe, to a person having an insurable interest in the life of the employe, or the payment to a beneficiary or to his estate of the unused portion of the annuity. In such cases the annuities are adjusted on an actuarial basis.

Employes who have been members of the system five years or more may be retired for disability, but they cannot retire for disability after age 60. If disabled after such age, they must retire for superannuation. The disability retirement allowance, while varying in certain cases, is usually 30% of the salary.

In the event an employe dies while in service, his contributions to the fund with interest at 4% compounded semi-annually, are paid to his beneficiary or estate. If an employe leaves the service when not entitled to annuity, he may receive his contributions to the fund with interest at 4% compounded semi-annually.

The following, Table XX-F, shows the number of contributors, annuitants, and amount of annuities paid from and including the year 1933:

TABLE XX-F

DEPARTMENT OF STATE
NUMBER OF CONTRIBUTORS TO STATE EMPLOYES' RETIREMENT SYSTEM, ANNUITANTS AND ANNUITIES PAID
1933 TO 1940

Year	Contributors	Annuitants	Annuities
1933	12,200	610	$393,552.66
1934	12,474	718	497,323.02
1935	13,360	855	604,321.10
1936	12,463	1,222	810,804.83
1937	17,077	1,351	966,024.15
1938	27,051	1,450	1,081,900.95
1939	29,590	1,424	1,221,754.07
1940	34,000*	1.427	1,125,893.48

* Approximate.

D. PERSONNEL

The personnel of the Department of State and its bureaus as of June 1, 1940, is shown in Table XX-G:

TABLE XX-G

DEPARTMENT OF STATE
NUMBER OF EMPLOYES AND ANNUAL SALARIES OF EACH DEPARTMENTAL UNIT, AS OF JUNE 1, 1940

Organization Unit	Number of Employes	Annual Salary
Administrative Bureau	9	$27,000
Election and Legislative Bureau	4	6,180
Commission Bureau	2	3,000
Corporation Bureau	25	31,380
State Employes' Retirement Fund	20	30,380
Total	60	$97,940

One employe in the Administrative Bureau takes care of the duties of the Civil Rights Division. The Legislature made no specific appropriation to carry on the work of this Division during the 1939-1941 Biennium.

E. FINANCES

In reviewing the finances of the Department of State, it should be kept in mind that the appropriations to this Department fall into two major classes, namely, appropriations for the direct administrative expenses of the Department and its bureaus, and subsidies for the operation of the State Employes' Retirement System. The actual expenditures for the 1937-39 biennium and the appropriation to the Department of State for the 1939-41 biennium, broken down into the above classifications, is shown in Table XX-H immediately following:

TABLE XX-H

DEPARTMENT OF STATE
EXPENDITURES FOR 1937-39 BIENNIUM, AND APPROPRIATIONS FOR 1939-41 BIENNIUM

Purpose	Expenditures 1937-39	Appropriations 1939-41
Administrative Expenses		
Salary of Secretary	$20,000	$20,000
General Department	156,831	165,900
State Retirement Board	.....*	80,000
Bureau of Civil Rights	17,500	.....
Publishing Constitutional Amendments	30,000†	30,000
Total Administrative	$224,331	$295,900
Subsidies		
Pensions of Retired Employes	$25,228	$23,620
Pensions and Gratuities	1,848	1,850
Contributions for Retirement of State Employes	.....*	1,582,000
Total Subsidies	$27,076	$1,607,470
Total	$251,407	$1,903,370

* State Employes' Retirement Fund located in Treasury Department during 1937-39 biennium.
† Underestimated to extent of $10,454.79 advanced from Administrative Fund and restored by deficiency item in Appropriation Act No. 3A approved March 13, 1939.

The revenue obtained by the Commonwealth from the operations of the Department of State exceeds the cost of operating the Department, with the exception of the State Employes' Retirement Fund. Income secured through Department of State activities for the past three bienniums is detailed in Table XX-J.

TABLE XX-J

DEPARTMENT OF STATE
REVENUES RECEIVED
BIENNIUMS 1933-35, 1935-37 and 1937-39*

Source	Biennium 1933-35	1935-37	1937-39
Domestic Bonus	$286,195.88	$645,087.89	$443,705.98
Corporation, Commission and Filing Fees	499,832.01	380,045.20	348,017.14
Recorder of Deeds Fees	19,648.00	22,586.00	20,064.00

Voting Machine Fees	450.00	.....	.....
Total	$806,125.89	$1,047,719.09	$811,787.12

* Source—Department of State.

FOOTNOTES

[1] Constitution—Article IV, Section 1.
[2] Constitution—Article IV, Section 8.
[3] Constitution—Article IV, Section 18.
[4] Constitution—Article IV, Section 9.
[5] 1337, P. L. 1688.
[6] 1939, P. L. 609.
[7] Administrative Code—Section 703-c.
[8] Administrative Code—Section 802-a.
[9] Administrative Code—Section 802-b.
[10] 1937, P. L. 2747.
[11] Administrative Code—Section 805.
[12] Administrative Code—Section 806.
[13] Administrative Code—Section 806.
[14] 1933, P. L. 624.
[15] Administrative Code—Section 703-d.
[16] Administrative Code—Section 809.
[17] 1923, P. L. 858.
[18] Administrative Code—Section 405.
[19] Administrative Code—Section 406, 1207
[20] Administrative Code—Section 428.
[21] 1937, P. L. 1688.
[22] 1931, P. L. 497.
[23] 1933, P. L. 364, Section 1001.
[24] 1937, P. L. 1333, Section 913.
[25] 1933, P. L. 946.
[26] Administrative Code—Section 809
[27] 1923, P. L. 858.
[28] 1937, P. L. 1865.
[29] 1939, P. L. 245, Administrative Code—Section 808, as amended June 6, 1939.

CHAPTER XXI

PENNSYLVANIA MOTOR POLICE

By an Act of the Legislature passed in 1937[1] the Pennsylvania State Police and the State Highway Patrol were consolidated into one organization to be known as the Pennsylvania Motor Police. The chief executive officer is the Commissioner of the Pennsylvania Motor Police, is appointed by the Governor with the consent and advice of two-thirds of the Senate, and receives a salary, specified by the Act, of $8,000 per annum. A Deputy Commissioner of the Pennsylvania Motor Police, serving under the Commissioner, is appointed by the Commissioner with the approval of the Governor, and receives a salary, specified by the Act, of $7,500 per annum. The Motor Police force consists of such number of officers and men and is organized in such manner as the Commissioner of Motor Police may determine. The Act specifies that the total number of officers and men shall at no time exceed 1600 persons. Compensations of officers and men are fixed by the Commissioner, with the approval of the Governor, and must conform with the standards established by the Executive Board.

A. FUNCTION

The chief function of the Pennsylvania Motor Police is to assist the Governor and, with his approval, to assist any administrative department, board, or commission of the State Government in the enforcement of the laws of the Commonwealth. It is charged with the preservation of the peace, detection of crime, keeping of records relating to crime, enforcement of Vehicle Codes and Laws regulating the use of highways, the enforcement of the laws regulating the handling and storage of inflammable liquids, and the abatement of fire hazards.

B. POWERS AND DUTIES

In performing its functions as a law enforcing agency, the Department of Motor Police, through its police force, has two major responsibilities with power to act, as follows:

1. To make arrests, without warrant, for all violations of the law, including laws regulating the use of the highways, which they may witness, and to serve and execute warrants issued by the proper local authorities.

2. To act as game protectors, and as forest, fish, or game wardens. In these capacities, officers are empowered to:

(a) Seize all guns, boats, decoys, traps, dogs, game, fish, shooting paraphernalia, or hunting or fishing appliances or devices, used, taken, or had in possession, contrary to the laws of this State. Any article so seized shall be held subject to such disposition as the Commissioner of Fisheries or the Executive Director of the Pennsylvania Game Commission or the Secretary of Forests and Waters may respectively determine.

(b) Seize and take possession of all birds, animals, or fish, which have been taken, caught or killed, or had in possession, or under control, or which have been shipped, or are about to be shipped, contrary to any law of this State.

(c) Search without warrant any boat, conveyance, vehicle, or receptacle, when there is good reason to believe that any law has been violated, the enforcement or administration of which is imposed on or vested in the Board of Fish Commissioners or the Pennsylvania Game Commission, or in the Department of Forests and Waters.

(d) Serve subpoenas issued for any examination, investigation, or trial.

(e) Purchase game or fish for the purpose of securing evidence.

C. ORGANIZATION AND OPERATIONS

The organization of the Motor Police Department, for administrative purposes, is shown on Chart XXI-1, page 7036.

Because of the diversified duties encompassed within the sphere of Motor Police activities, numerous administrative problems involving jurisdiction, responsibility, economy of operation, etc., are continually arising. A condensed presentation of divisional administrative procedures, and problems involved, is given below under topical headings.

1. Enforcement of the Laws Related to Crime And the Operation of Motor Vehicles

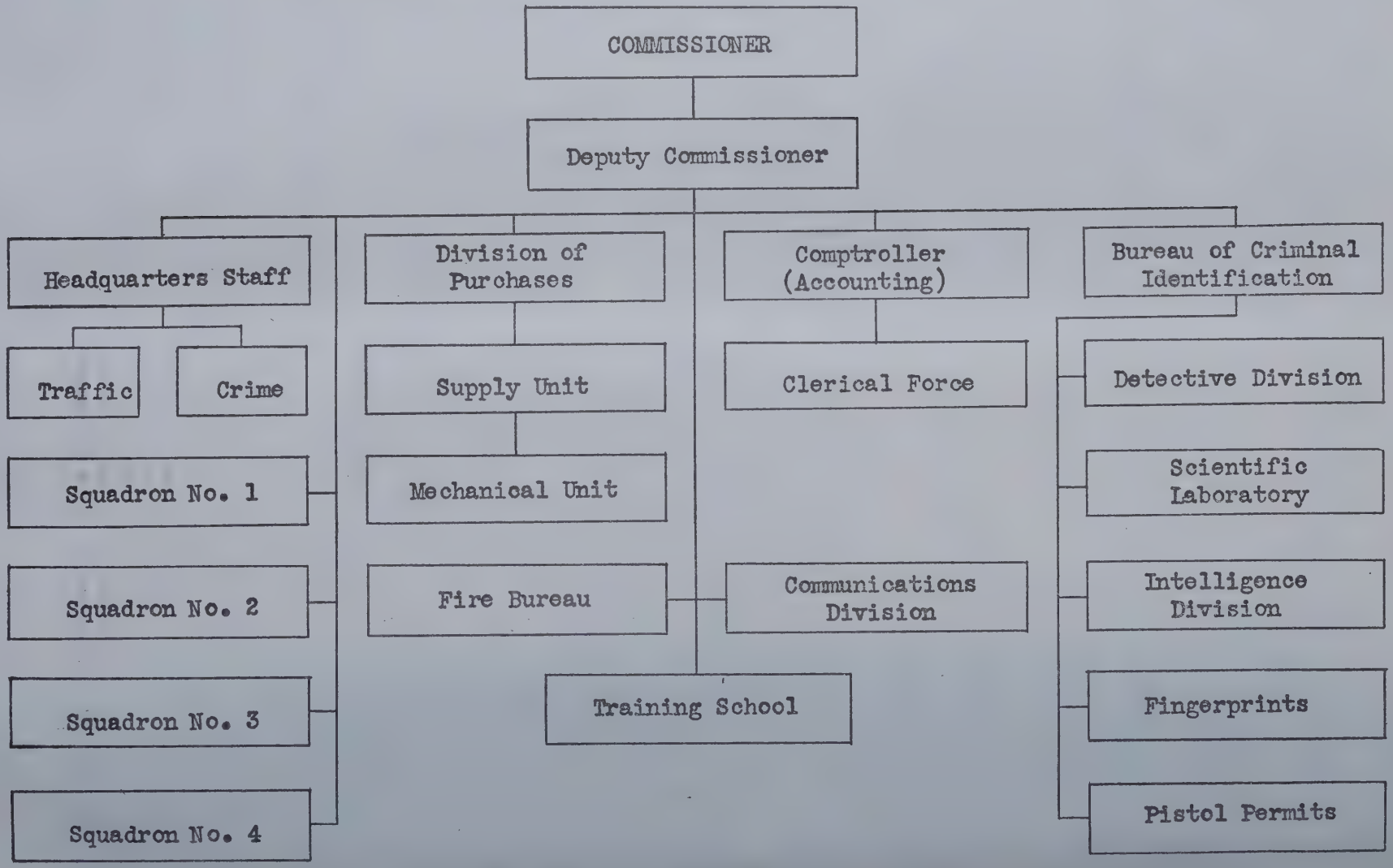
The Pennsylvania Motor Police now functions as a consolidated unit, assisting the Governor, as well as any administrative department, and cooperating with counties and municipalities, in the enforcement of the law. Before the merger in 1937, the Pennsylvania State Police and the Highway Patrol, operating as separate heads, performed related policing duties. Consolidation under a single head has resulted in greater efficiency and economy. Shortly after the merger, the Highway Patrol force was increased by five hundred men. This naturally increased the cost. Subsequent reductions, however, changed the situation, bringing the total down from 1600 to 1404 men. Maximum number, set by statute, is 1600 men.

Recognizing fundamental differences in policing activities related to crime and those related to traffic, two divisions have been created under the headquarters staff, one

[1] Footnotes on page 7041.

CHART XXI-1

ORGANIZATION OF THE PENNSYLVANIA MOTOR POLICE



known as the Crime Division, and the other as the Traffic Division. Officers most familiar with crime detection have been assigned to the Crime Division, and those most familiar with, or suited to, the duties of traffic regulation have been assigned to the Traffic Division. The work of the two divisions is, however, closely coordinated. For example, a traffic officer on duty in a remote part of the State is the first man assigned to investigate when a crime or law violation is reported from that part of the State. Effective use of the teletype, in conjunction with the telephone in such instances, shortens greatly the elapsed time between the report of a crime or law violation and the hour of an investigator's arrival. Also, a patrolman of the Traffic Division traveling along a highway and seeing a crime committed, is authorized to act without the necessity of calling a State policeman.

For administrative purposes, the State is divided into four districts. Each district comes under the jurisdiction of a Major who is the chief executive officer in charge of the Squadron controlling that district. Each Squadron comprises a varying number of Troops with Captains, Lieutenants, Sergeants, Corporals, Privates and Detectives assigned to each Troop. Squadron headquarters and Troop locations are shown in the following table:

TABLE XXI-A

SQUADRON HEADQUARTERS AND TROOP LOCATIONS PENNSYLVANIA MOTOR POLICE

SQUADON No. 1, Headquarters—Greensburg, Pa.
- Troop "A" Greensburg
- Troop "B" Washington
- Troop "C" Punxsutawney
- Troop "D" Butler
- Troop "E" Erie (Lawrence Park)

SQUADRON No. 2, Headquarters—Harrisburg, Pa.
- Troop "A" Harrisburg
- Troop "B" Chambersburg
- Troop "C" Hollidaysburg
- Troop "D" Williamsport

SQUADRON No. 3, Headquarters—Wyoming, Pa.
- Troop "A" Hazleton
- Troop "B" Wyoming
- Troop "C" Towanda
- Troop "D" Olyphant, Blakely Borough

SQUADRON No. 4, Headquarters—Philadelphia, Pa.
- Troop "A" Philadelphia
- Troop "B" Lancaster
- Troop "C" Reading
- Troop "D" Bethlehem
- Troop "E" Pottsville

Training School—Hershey, Pa.

2. Policing Policy in Incorporated Areas

It is the policy of the Pennsylvania Motor Police not to interfere with or transgress upon the policing prerogatives of local authorities in incorporated areas. When requested by local authorities, however, assistance is rendered. Full cooperation between the two authorities has been and is the rule.

Patroling of highways is usually restricted to the rural areas. Since State highways pass through cities, coinciding with city streets (the City of Philadelphia has 150 miles of State highways forming a part of its street system), the question of responsibility is often raised. As indicated above, the policy is to avoid the overlapping of authority.

3. Bureau of Criminal Identification

This Bureau is comprised of five functional divisions, all concerned with the detection and recording of evidence used in solving crime, or proving guilt. They are the detective division, the scientific laboratory, the intelligence division, the fingerprinting division, and the pistol permits division.

The fingerprints file, in this Bureau, is very extensive. On May 31, 1940, it comprised approximately one and one-quarter million fingerprints, representing 274,753 individuals.

Issuance of pistol permits is, by law, a responsibility of the Secretary of the Commonwealth. By agreement, however, issuances are handled by the Motor Police, including regulations covering all firearms for fishermen and hunters. Under the Firearms Act,[a] Sheriffs of counties and Chiefs of City Police may issue pistol permits. Copies of permits must be sent to the Motor Police for filing and checking. When permits were first issued it was required that the number of the weapon be recorded. A ruling by the Attorney General (Formal Opinion No. 322, dated February 27, 1940), specified that the licensing was not of the weapon but of the person to carry a weapon. As a result of this ruling, no record of the weapon itself is now required; hence, the original purpose of the Act is defeated insofar as recording of weapon numbers for use in identifying firearms used maliciously or criminally is concerned.

4. Fire Bureau

Functionally, primarily as an agency for the prevention of fires, this bureau, under a Fire Marshall, has assigned to it a number of State Policemen, in scattered areas, whose duties include investigations of arson cases, regulation of dry cleaning establishments, and all other activities pertaining to the sale, use, and storage of gasoline and other inflammable materials. Jurisdiction in these activities covers the entire State with the exception of the cities of Philadelphia and Pittsburgh, who have their own fire marshals. One phase of fire prevention work, however, comes by statute under the department of Labor and Industry. That phase has to do with fire prevention and safety regulations in connection with the erection and use of public buildings such as assembly halls, theatres, etc. Because this latter activity necessitates the use of specially trained inspectors and technicians is the apparent reason for placing it under the control of the Department of Labor and Industry rather than under the Fire Bureau of the Motor Police Department.

5. Communications Division

This Division handles the transmission of messages, orders, etc., between the headquarters office and the field office. Use of teletype machines, in conjunction with telephones, expedites transmissions and automatically furnishes typed copies of all orders and messages for record filing in the various offices.

Equipment used in the teletype system is rented to the Commonwealth by the American Telephone and Telegraph Company and the Bell Telephone Company of Pennsylvania. Tariffs or rental charges are regulated by the Federal Communications Commission and the Pennsyl-

vania Public Utility Commission. New tariffs became effective July 1, 1937, which materially changed some former rates.

Rental charges are based on schedules involving fixed charges for different types of instruments, services and mileages. The rental charges for machines now vary from $20.00 to $30.00 per month. Monthly charges of the Bell Telephone Company of Pennsylvania are $3.75 per mile for Duplex Channels and $3.00 per mile for Main Line Circuits.

Drop charges are $10.00 each and local loop airline charges are $4.00 per mile. The connections with the States of Ohio and New York vary from airline charges of $2.50 to $2.50 plus 25% per mile, with additional monthly equipment rentals of $20.00 per machine.

Average number of receiving stations is 110. Messages transmitted during the past four bienniums varied from 146,935 to 289,852.

Table XXI-B, which follows, shows the cost of operating the teletype system during the past three bienniums and the first year of the current biennium.

TABLE XXI-B

Cost of Operating Teletype System During Bienniums 1933-35 to 1939-40

Item	1933-35	1935-37	1937-39	1939-40
Printing, Stationery ..	$ 6,953.22	$ 5,774.99	$ 8,442.58	$ 3,920.78
Material, Supplies ...	198.64	248.97	298.12	156.51
Freight, Express	819.88	996.41	138.87	182.87
Telephone and Telegraph	474.80	516.76	367.64	92.86
Repairs	.....	.....	32.86	.....
Rent of Equipment ..	379,400.00	366,175.79	310,104.57	155,139.62
Equipment and Mach.	330.53	293.04	2,889.29	.....
Total	$388,177.47	$374,005.96	$322,273.93	$159,492.64

6. Training School

The Pennsylvania Motor Police Training School, located in Hershey, exists for the purpose of training men for the two major branches of the service, police work and traffic work. Classes vary in number between 45 and 50 and are held when the needs of the service require the use of additional men, or to replace men separated from the service. Average training time required is three months for traffic duty and six months for police duty. It is the rule, however, to train all men for both branches of the service whenever possible.

Local authorities are permitted by law to request training of their policemen in the Training School. Many municipalities avail themselves of that privilege. No charge is made for the training but board must be paid for by the municipalities. There is some objection to paying for board, on the basis that no services are being rendered to the municipalities while the men are in training. Absorption of the entire cost by the Commonwealth has been suggested, but the size of the added burden which would be involved is given as the probable reason for no change in policy to date.

The cities of Philadelphia and Pittsburgh maintain their own training schools. When these are in session, officers from the Pennsylvania Motor Police usually assist in the training, without charge to the city.

7. Division of Purchases

The Division of Purchases includes the supply unit and the mechanical unit. Functions performed are the usual routine activities associated with the acquisition of necessary equipment and supplies. The mechanical unit operates as a repair shop for minor repairs, and day by day servicing of motorcycles and automobiles. Complete overhaul jobs are done on order by outside agencies.

Purchase of insurance protection (property, real estate, automobile, etc.) is not handled by this division, but by the Department of Property and Supplies, upon receipt of applications submitted by the Department of Motor Police.

8. Accounting and Clerical Division

This division is under the supervision of the Comptroller. Functions performed include the maintenance of fiscal accounts, making up payrolls, internal auditing, keeping of office records, and general correspondence.

9. Services Rendered by the Motor Police

To Other Governmental Departments

Since 1938, services rendered by the Motor Police to other governmental departments have increased very rapidly, indicating marked coordination and cooperation. The following tabulation, Table XXI-C, shows the extent of such services, computed by departments on a man-hour basis, for the fiscal years 1937 to 1940, inclusive.

TABLE XXI-C

MOTOR POLICE SERVICES PERFORMED FOR OTHER STATE DEPARTMENTS ON A MAN-HOUR BASIS, 1937 TO 1940, INCLUSIVE

Department	Man Hours 1937	1938	1939	1940
Agriculture	4,576	4,671	3,385	3,675
Auditor General	176	.....	1	26
Banking	715	260	435	625
Fish Commission	17	32	129	121
Forests and Waters	255	24	650	265
Game Commission	996	532	4,814	1,977
Governor's Office	8,529	10,336	18,050	20,182
Health	8,468	4,485	8,528	7,477
House of Representatives .	25	.....	1,610	.....
Highways	451	264	1,015	1,318
Insurance	72	159	93	137
Internal Affairs	7	.....	26	216
Justice	3,804	2,313	10,630	21,837
Labor and Industry	251	1,119	689	1,119
Liquor Control Board	198	176	1,049	2,333
Military Affairs	450	3	299	87
Milk Control Board	.....	264	155	.....
Mines	.....	.....	260	82
Property and Supplies	502	537	809	154
Public Assistance	36	349	2,157	4,433
Public Utility Commission	15	4	2,690	2,455
Public Instruction	2,166	321	623	864
Revenue	1,043	1,137	39,676	96,164
Securities Commission ...	.....	.....	38	1,361
Senate	1,643	6,216	851	.....
Treasury	1,688	688	1,181	1,450
Welfare	10,008	7,158	15,818	9,974
Total	46,091	41,048	115,661	178,332

D. PERSONNEL

The following table summarizes the departmental personnel as of June 1, 1940:

TABLE XXI-D

SUMMARY OF EMPLOYES IN DEPARTMENT OF MOTOR POLICE JUNE 1, 1940

Classification	Number
Executive Office—Staff	11
Accounting, Secretarial and Clerical Division	93
Quartermaster, Mechanical and Service Division	61
Bureau of Criminal Identification and Information	22
Detective Division	9
Communications Division	14
Bureau of Fire Protection	8
Squadron:	
No. 1	385
No. 2	340
No. 3	253
No. 4	331
Training School	17
Total	1,544

Detailed listing of personnel, including officers, enlisted men, and other employes, together with salaries paid, is shown in Table XXI-E, below:

TABLE XXI-E

NUMBER OF OFFICERS, ENLISTED MEN, AND EMPLOYES BY PERSONNEL TITLE AND ANNUAL SALARY JUNE 1, 1940

Title	Number of Personnel	Total Annual Salaries
Commissioner	1	$ 8,000
Deputy Commissioner	1	7,500
Majors	4	17,360
Major and Medical Officer	1	3,000
Captains	11	42,240
Police Inspectors	2	7,200
Lieutenants	20	60,800
Lieutenants	11	32,120
Lieutenant	1	2,800
First Sergeants	10	28,400
First Sergeants	9	24,480
Detective Sergeant	1	2,840
Detective Sergeant	1	2,720
Sergeants	26	66,040
Sergeants	42	101,640
Sergeant	1	2,300
Sergeant	1	1,940
Corporals	32	74,880
Corporals	93	206,460
Corporals	22	46,200
Corporal	1	2,040
Detectives	3	7,620
Detectives	9	21,780
Privates 1st Class	9	20,160
Privates 1st Class	167	354,040
Privates 1st Class	126	252,000
Privates 1st Class	72	139,680
Privates 1st Class	79	148,520
Privates 1st Class	126	221,760
Privates 2d Class	3	4,320
Privates 2d Class	479	632,280
Privates 2d Class	41	49,200
Comptroller	1	4,500
Accountant	1	3,000
Accountant	1	2,400
Sr. Statistician	1	2,500
Supervising Clerk	1	2,100
Supervising Police Clerks	9	20,520
Supervisnig Police Clerks	8	16,800
Principle Police Clerks	11	21,780
Advanced Police Clerks	6	10,800
Sr. Police Clerk	1	1,500
Sr. Police Clerks	15	20,700
Police Clerk	1	1,260
Police Clerk	1	1,200
Police Clerks	5	5,700
Principal Statistical Clerk	1	1,980
Sr. Steno-Secy.	1	1,620
Prin. Stenographers	4	5,520
Prin. Steno-Clerks	3	4,140
Sr. Steno-Clerks	3	3,780
Sr. Steno-Clerk	1	1,200
Sr. Steno-Clerks	2	2,280
Sr. Stenographer	1	1,380
Sr. Stenographers	8	9,120
Sr. Payroll Clerk	1	1,380
Sr. Drafting Clerk	1	1,380
Head File Clerk	1	1,380
Advanced File Clerk	1	1,260
Advanced File Clerks	2	2,280
Sr. File Clerks	2	2,280
Voucher Clerk	1	1,140
Record Clerk	1	1,200
Sr. Clerk-Typists	2	2,160
File Clerk	1	1,020
Asst. Chf. Quartermaster	1	2,280
Safety Examiner	1	2,400
Prin. Mechanics	3	6,120
Head Mechanics	6	11,880
Advanced Mechanic	1	1,860
Advanced Mechanic	1	1,620
Sr. Mechanic	1	1,620
Sr. Mechanics	3	4,680
Sr. Mechanic	1	1,380
Mechanic	1	1,200
Mechanic	1	1,140
Head Carpenter	1	1,920
Head Firemen	2	2,760
Fireman	1	1,140
Head Cooks	3	4,140
Cooks	2	2,040
Housekeeper	1	1,320
Caretaker	1	1,140
Janitors	3	3,060
Kitchen Helper	1	780
Waiters	5	3,900
Total	1,544	$2,811,960

Table XXI-F, which follows, gives the salary ranges, by rank, of all members of the Motor Police:

TABLE XXI-F

SALARY RANGES OF THE PENNSYLVANIA MOTOR POLICE

Rank	Salary Range
Major	$3,500 to $4,340
Captain	3,000 to 3,840
Lieutenant	2,200 to 3,040
First Sergeant	2,000 to 2,840
Detective Sergeant	2,000 to 2,840
Sergeant	1,700 to 2,540
Detective	1,700 to 2,540
Corporal	1,500 to 2,340
Private 1st Class	1,400 to 2,240
Private 2d Class	1,080 to 1,320
Student Recruit	360 to ....

In addition to salaries received, members (excepting the Commissioner and the County Commissioner) are entitled to $40.00 per month ($480 per year maximum) subsistence allowance when living away from barracks. When living in barracks, subsistence allowance is not given but food and lodging are furnished. Uniforms including hats, shoes, shirts, blouses, and breeches are furnished, and issued periodically on a graduated scale.

On July 22, 1940, the Commissioner of Motor Police reported that quarters and meal allowances of $40.00 per month, or $1.30 per day, were being paid to 342 members of the force. In addition, board and lodging were being furnished to approximately 1,050 other members. Cost of meals and lodging is regularly charged to traveling expenses. Total traveling expenses, including the above charges, vary monthly from $64,500 to $67,000.

Officers and enlisted men, in continuous service, receive salary increases per the following schedule:

TABLE XXI-G

SCHEDULE OF SALARY INCREASES

Length of Service	Amount
After one year's service, each year for four years	$120
For each of the next two years	60
After the tenth year	120
After the fifteenth year	120
Maximum increase after 16 years of continuous service	840

Total personnel varies from year to year, and season to season, with changes in demands made for Motor Police services. For example, extraordinary increases in licensing and registering of motor vehicles and operators makes increases in personnel necessary, and the opposite situation makes reductions possible. The tendency appears to be in the direction of adding to the sum total of Motor Police duties and responsibilities. In spite of that fact, however, total personnel, as indicated in the summary of employes, is well below the maximum limit of 1600 men set by statute.

Table XXI-H following shows personnel changes since June 1, 1933, including functional comparisons between the Pennsylvania Highway Patrol, the Pennsylvania State Police. and the Pennsylvania Motor Police.

E. FINANCES

1. Appropriations and Allocations

Appropriations and allocations for the biennium 1937-39 were as follows: Tabe XXI-J, next column).

TABLE XXI-H

PERSONNEL CHANGES IN THE PENNSYLVANIA HIGHWAY PATROL AND STATE POLICE JUNE 1, 1933 TO MAY 31, 1937 AND THE PENNSYLVANIA MOTOR POLICE, JUNE 1, 1938 TO MAY 31, 1940

PENNSYLVANIA HIGHWAY PATROL

	Administrative and Clerical		Field Force	
Year	Appointments	Withdrawals	Appointments	Withdrawals
1933	..	..	55	38
1934	..	..	64	69
1935	..	10	102	84
1936	9	..	121	68
1937	2	1	132	98

PENNSYLVANIA STATE POLICE

	Administrative and Clerical		Field Force	
Year	Appointments	Withdrawals	Appointments	Withdrawals
1933	1	3	55	127
1934	..	5	5	10
1935	2	..	26	25
1936	..	1	3	24
1937	1	3	33	26

PENNSYLVANIA MOTOR POLICE

	Administrative and Clerical		Field Force	
Year	Appointments	Withdrawals	Appointments	Withdrawals
1938	91	28	594	97
1939	37	29	63	68
1940	16	16	..	77

TABLE XXI-J

APPROPRIATIONS AND ALLOCATIONS FOR BIENNIUM 1937-39

Appropriations		
From the General Fund ..	$1,000,000.00	
From the Motor License Fund	8,070,000.00	
Total Appropriations		$9,070,000.00
Allocations		
Department of Revenue ..	$129,881.15	
Department of Property and Supplies	1,097.87	
Total Allocations		$130,979.02
Total		$9,200,979.02

2. Expenditures

The following tables (Tables XXI-K, XXI-L, XXI-M, XXI-N) show comparative expenditures of the State Police, Highway Patrol, and the Motor Police for the past four bienniums:

TABLE XXI-K

State Police and Highway Patrol Expenditures Biennium 1933-35

Purpose	State Police	Highway Patrol Dept. of Revenue	Totals
Salaries	$1,750,532.22	$1,405,727.95	$3,156,260.17
Wages	.....	441.00	441.00
Fees	10,888.21	2,516.41	13,404.62
Printing	15,658.46	9,384.34	25,042.80
Food and Forage	25,147.44	53,122.89	78,270.33
Material and Supplies	54,750.70	72,392.85	127,143.55
Traveling Expense	268,606.11	512,381.88	780,987.99
Motor Vehicle Sup. and Rep.	78,516.15	229,336.50	307,852.65
Freight, Express and Crtg. ..	2,907.96	6,006.56	8,914.52
Postage	8,838.38	15,115.43	23,953.81
Telephone and Telegraph ..	18,801.79	31,751.24	50,553.03
Light, Gas, Water, etc.	27,227.12	17,473.51	44,700.63
Contracted Repairs	9,557.67	2,857.37	12,415.04
Rent of Real Estate	28,224.90	42,610.38	70,835.28
Rent of Equipment	379,425.00	8.68	379,433.68
Insurance	17,457.05	37,348.09	54,805.14
Other Main., Serv. and Exp. ..	5,596.97	4,064.32	9,661.29
Motor Vehicles	33,387.41	54,839.15	88,226.56
Livestock	5,240.00	.....	5,240.00
Equipment and Machinery ..	17,440.51	10,180.09	27,620.60
Contracted Bldg and Constr.	.....	42.00	42.00
Total	$2,758,204.05	$2,507,600.64	$5,265,804.69

TABLE XXI-L

State Police and Highway Patrol Expenditures
Biennium 1935-37

Purpose	State Police	Highway Patrol Dept. of Revenue	Total
Salaries	$1,732,203.57	$1,537,523.79	$3,269,727.36
Wages	.....	5,873.28	5,873.28
Fees	10,725.69	2,939.43	13,665.12
Printing	13,344.65	7,449.99	20,794.64
Food and Forage	21,430.61	61,635.63	83,066.24
Materials and Supplies	51,904.20	122,470.86	174,375.06
Traveling Exp.	273,548.95	610,435.47	883,984.42
Motor Veh. Sup. and Rep.	76,384.77	255,121.79	331,506.56
Freight, Express, Crtg.	2,858.96	8,649.64	11,508.60
Postage	7,685.20	22,702.06	30,387.26
Telephone and Telegraph	18,484.18	38,241.04	56,725.22
Light, Gas, Water, etc.	26,352.65	17,520.54	43,873.19
Contracted Repairs	4,200.25	8,549.48	12,749.73
Rent of Real Estate	31,892.86	42,688.15	74,581.01
Rent of Equipment	366,207.48	213.90	366,421.38
Insurance	17,198.85	67,259.34	84,458.19
Other Main., Serv., Exp.	12,770.31	3,620.67	16,390.98
Motor Vehicles	65,860.79	131,964.20	197,824.99
Livestock	1,330.00	.....	1,330.00
Equip. and Mach.	14,085.02	14,126.20	28,211.22
Total	$2,748,468.99	$2,958,985.46	$5,707,454.45

TABLE XXI-M

Motor Police and Highway Patrol Expenditures
Biennium 1937-39

Purpose	Motor Police	Highway Patrol Dept. of Revenue	Total
Salaries	$4,702,049.75	$69,726.87	$4,771,776.62
Wages	39,656.33	286.08	39,942.41
Fees	43,369.65	98.00	43,467.65
Printing	50,446.35	346.82	50,793.17
Food and Forage	23,958.20	1,134.65	25,092.85
Materials and Supplies	238,043.07	4,243.10	242,286.17
Traveling Expenses	1,356,695.52	35,922.90	1,392,618.42
Motor Veh. Sup. and Rep.	478,322.13	11,296.75	489,618.88
Freight, Express, Crtg.	7,593.46	517.37	8,110.83
Postage	29,443.21	16.45	29,459.66
Telephone and Telegraph	65,486.36	2,154.90	67,641.26
Light, Gas, Water, etc.	54,576.81	828.93	55,405.74
Contracted Repairs	48,763.39	322.42	49,085.81
Rent of Real Estate	99,477.96	1,796.34	101,274.30
Rent of Equipment	313,621.66	.....	313,621.66
Insurance	102,755.69	518.83*	102,236.86
Other Main., Serv. and Exp.	15,933.31	118.37	16,051.68
Motor Vehicles	323,653.71	.....	323,653.71
Livestock	2,015.00	.....	2,015.00
Equipment and Machinery	86,754.21	1,590.03	88,344.24
Sub-total			$8,212,496.92
Unpaid Commitments to Date			37,000.00
Total	$8,082,615.77	$129,881.15	$8,249,496.92

* Deduction.

TABLE XXI-N

Motor Police Expenditures for Fiscal Year Ending May 31, 1939 and 1940

Purpose	Fiscal Years Ending May 31 1939	1940
Salaries	$2,733,251.84	$2,800,115.97
Wages	31,811.07	527.12
Fees	30,936.27	6,032.20
Printing, Binding, Stationery	32,952.82	14,321.13
Food and Forage	8,263.59	9,817.94
Materials and Supplies	174,087.97	40,934.93
Traveling Expenses	808,740.86	789,583.40
Motor Vehi., Sup. and Rep.	327,486.66	271,701.05
Freight, Express and Cartage	3,834.85	1,605.60
Postage	19,988.66	12,316.38
Telephone and Telegraph	36,554.00	28,440.68
Light, Gas, Water and Fuel	29,477.33	21,724.84
Contracted Repairs	47,052.43	4,922.84
Rent of Real Estate	57,117.12	47,130.29
Rent of Equipment	158,043.62	155,182.10
Insurance Bonds	63,215.30	44,821.55
Other Maintenance Services	10,746.37	5,507.92
Motor Vehicles	96,623.68	45,080.45
Livestock	1,075.00	1,550.00
Equipment and Machinery	65,829.82	7,956.98
Advance Requisitions	.....	16,000.00
Total	$4,737,089.26	$4,325,273.37

FOOTNOTES

[1] 1937, P. L. 2436.
[2] 1931, P. L. 497

CHAPTER XXII

DEPARTMENT OF WELFARE

A. FUNCTION

Public Welfare administration comprises the administration of functions involving the prevention and correction of dependency, delinquency and defectiveness, and the relief, care and custody of all persons in and out of institutions who fall within these categories of incompetence. In short, public welfare involves conservation of the human resources of the State.

To administer the above functions in Pennsylvania the Legislature created, in 1921,[1] a Department of Welfare. The creation of this department served to coordinate welfare activities formerly carried on by the Board of Public Charities, established in 1869; the Committee on Lunacy, established in 1883; the Mothers' Assistance Fund, established in 1913;[2] and the Prison Labor Commission, established in 1915.

B. POWERS AND DUTIES

In general, the current activities of the Department, as set forth in the Administrative Code,[3] are of a supervisory, inspectional and regulatory nature.

1. Supervisory Powers

The supervisory functions of the Department relate to:

a. All State institutions, viz., penal, reformatory or correctional institutions and hospitals for the insane, feeble-minded, epileptic persons, or for juvenile delinquents and dependents, and charitable institutions, maintained in whole by the Commonwealth, and whose boards of trustees are departmental administrative boards within the Department of Welfare.

b. All supervised institutions comprising those receiving financial assistance from the Commonwealth, either directly or indirectly, and to which the Governor does not appoint any member of the board of inspectors, managers, trustees or directors. In this field of supervision is included all children's institutions and maternity homes and hospitals; all homes or hospitals for crippled children except the State Hospital for Crippled Children at Elizabethtown[4]; all prisons, jails, hospitals, almshouses, or poorhouses, maintained by any county, city, borough, township or institution districts; all houses or places within the Commonwealth in which any person of unsound mind is detained; and all institutions, associations or societies into whose care the custody of delinquent, dependent or neglected children may be committed, and all houses and places in which such children may be kept or detained.

c. All children's institutions which comprise any incorporated or unincorporated organization, society, corporation or agency, public or private, which may receive or care for children or place them in foster family homes either at board wages or free; or any individual who for hire, gain or reward, receives for care a child, unless he is related to such child by blood or marriage within the second degree, or any individual, not in the regular employ of the court or of an organization, society, association or agency, duly certified by the department who in any manner becomes a party to placing of children in foster homes, unless he is related to such children by blood or marriage within the second degree or is the duly appointed guardian thereof.

[1] Footnotes on page 7053.

d. All maternity homes and hospitals which means any house, home, or place in which, within a period of six months, any person received for care or treatment during pregnancy, or during or immediately after parturition, more than one woman, except women related to such person by blood or marriage within the second degree.

e. Any labor or system of labor carried on in the penal, correctional or reformatory institutions of the State.

f. Any system of reparation provided by the Commonwealth for relief from conditions caused by mine caves, fire, flood or other casualty and constituting a menace to public safety and welfare.

g. All boarding homes for children which have been licensed by the State.

2. Inspectional Powers

The Department of Welfare is required to visit, examine and inspect, at least once in each year, all State and State-supervised institutions for the purpose of inquiring into their methods of instruction, discipline, detention, imprisonment, care or treatment, and the government or management of their inmates or those committed thereto. In this work, the Department of Welfare through its representatives has full access to the grounds, premises, and buildings, and to all the records, books or papers and has the authority to interrogate or interview any inmate or person committed to these institutions for care or treatment.

If, during these inspections, any condition is observed which is unlawful, unhygienic, or detrimental to the proper maintenance and discipline of these institutions, the Department has the authority to direct the proper officers to correct these objectionable conditions in the manner and within the time specified by the Secretary of Welfare. If these orders are not complied with, the Secretary is empowered to request the Department of Justice to institute the proper legal proceedings which will enforce compliance, or the Department may withhold any State money available for such institution until the orders are complied with.

3. Regulatory Powers

The regulatory powers of the Department comprise the authority to enact and enforce rules and regulations:

a. To provide for the licensing of all houses or places in which any person can be lawfully detained as an insane person, or a person of unsound mind in which compensation is paid for care, and also of all houses, places and institutions in which more than one insane person or persons of unsound mind are detained or reside, other than a jail or prison, with the right to exempt any State institution, or municipal authority, or any other institution.

b. To insure the proper care and treatment of persons of unsound mind, detained in any house, place, or institution, whether licensed or not; to guard against the improper or unnecessary detention of such persons; to regulate the manner of their detention and restraints imposed and all matters relative to their welfare; to regulate their means of communication with relatives, friends, and other persons outside of the house, place, or institution of detention; and to insure to them the admission of all proper visitors, who are members of their families or personal agents or attorneys.

c. To regulate the forms to be observed relating to the commitment, transfer of custody, and discharge of all insane persons, other than those committed by order of a court of record, and as to these, with the consent of the presiding judge of the court under whose order the person is detained.

d. To regulate psychopathic wards maintained by hospitals for the reception and care of persons suffering from mental disorders.

C. ORGANIZATION AND OPERATIONS

Chart XXII-1 indicates that, for the purpose of administering the aforementioned powers and duties, the operations of the Department of Welfare are divided among: (1) the Executive Office, (2) the Bureau of Community Work, (3) the State Council for the Blind, (4) the Bureau of Mental Health, (5) the Bureau of Institutional Management, and (6) the Bureau of Corrections.

1. The Executive Office

The entire organization of the Department is directed through the Executive Office by the Secretary of Welfare, who is appointed by the Governor. In administering the affairs of the Department the Secretary is assisted by a Deputy Secretary and an executive staff consisting of a comptroller, in charge of accounting functions, a supervisor of research and statistics, a supervisor of printing and records, a head file clerk and a secretarial staff. The executive staff is vested with the job of preparing biennial reports to the Governor on the condition, management and financial affairs of the Department.

a. Accounting Division

The accounting branch of the Executive Office maintains an accounting system for the Department, and supervises the accounting functions in five State penal institutions and nine mental hospitals; ten State medical and surgical hospitals; and four institutions for the mentally deficient and epileptics. It also prepares and supervises the preparation of the Department's budgets and maintains a system of budgetary control.

b. Division of Research and Statistics

Within the Division of Research and Statistics is placed the task of tabulating, assembling and disseminating statistical data obtained from State-owned, State-aided and State-supervised institutions. It also prepares statistical information for the various bureaus and divisions of the Department.

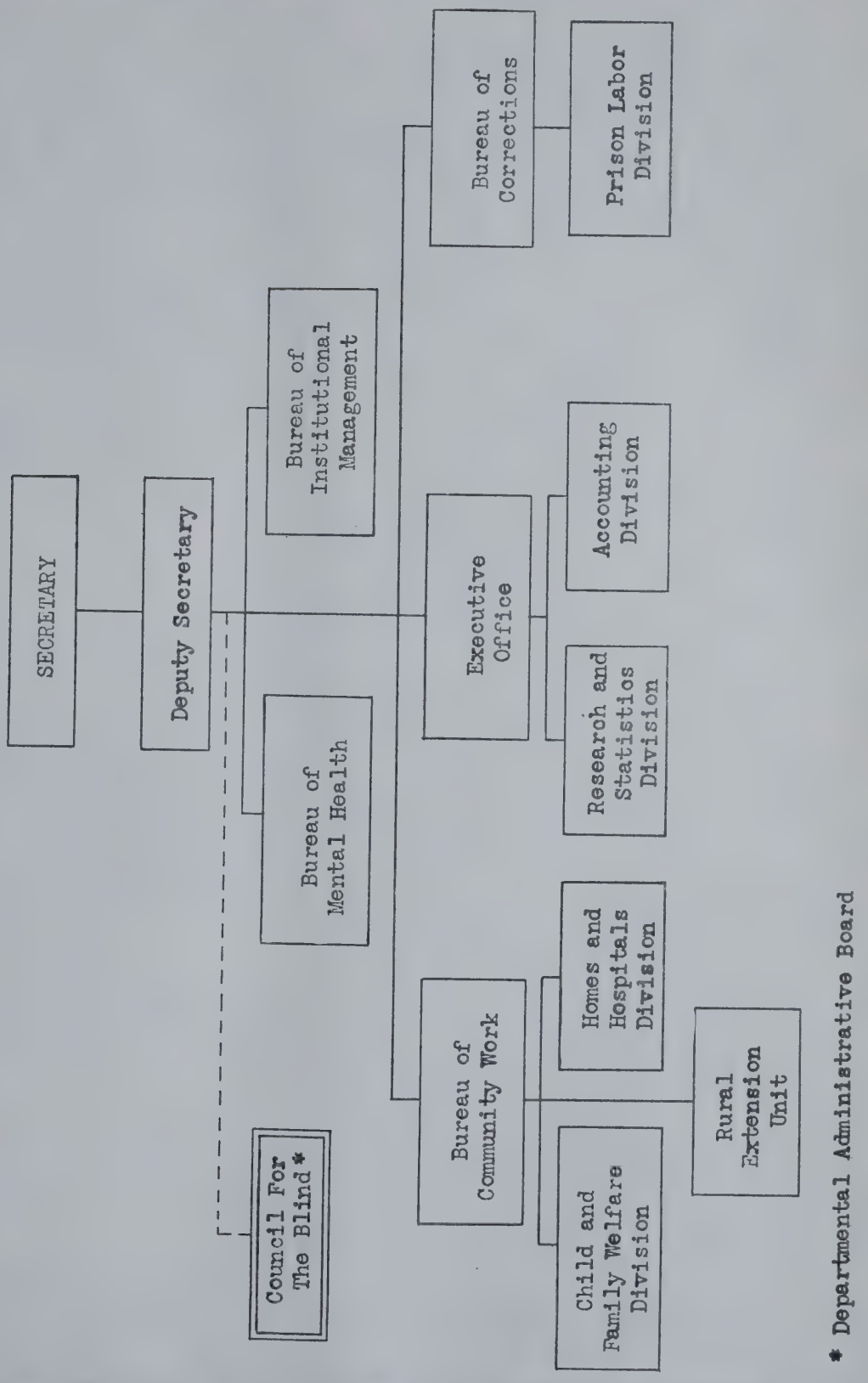
The Division maintains active individual records for 36,247 mental patients, 20,750 penal inmates, 1,000 boys and girls in training schools, and 11,910 inmates in county homes and institutions. It also collects and summarizes reports on the activities of child care institutions, persons under the care of county commissioners and criminal court records by counties. In addition, monthly reports containing pertinent statistical data on engineering, farm activities, etc., are obtained from the State-owned institutions for use in comparative studies. Much of the statistical data compiled by the Division is prepared and distributed as departmental bulletins in the form of annual statistical reports.

2. Bureau of Community Work

The Bureau of Community Work was created in 1933 for the purpose of consolidating the services formerly carried on by the Bureau of Assistance and the Bureau of Children. At the present time, the Bureau consists of four divisions, namely, the Division of Family and Child

CHART XXII-1

ORGANIZATION OF THE DEPARTMENT OF WELFARE



Welfare, the Division of Homes and Hospitals, the Rural Extension Unit and the State Council for the Blind.

In general, the work of this Bureau is principally one of supervision looking toward a setting of uniform standards of administration with respect to institutions and agencies caring for dependent and delinquent children, maternity homes, homes for the aged and institutions for the physically handicapped. The broad scope of the Bureau's supervisory functions is set forth in Table XXII-A.

TABLE XXII-A

DEPARTMENT OF WELFARE
AGENCIES AND INSTITUTIONS SUPERVISED BY BUREAU OF COMMUNITY WORK
JUNE 1, 1940

Type of Agency or Institution	Number Supervised	Percent of Total
Children's Agencies	90	12.5
Institutions for Dependent Children	154	21.3
Institutions for Delinquent Children	24	3.3
Imported Children	84	11.6
County Institution Districts	53	7.3
Juvenile Courts	67	9.3
Detention Quarters	39	5.4
Boarding Homes	67	9.3
Maternity Homes	15	2.1
Day Nurseries	35	4.8
County Homes	65	9.0
State-aided Homes for the Aged	21	2.9
Institutions for Physically Handicapped	9	1.2
Total	723	100

The Bureau of Community Work also handles the special procedure required for the incorporation of certain charitable and eleemosynary institutions in the Commonwealth.[5] Certifications from the Department of Welfare as to the necessity for the proposed corporations in the communities affected are required by the courts before approval of the articles of incorporation is granted.

a. Division of Family and Child Welfare

The Division of Family and Child Welfare has supervision of all public and private child caring institutions in the Commonwealth. It has no direct relationship with children. Rather, it maintains only supervisory and advisory relationships with the institutions caring for dependent and neglected children. On December 31, 1938, there were 43,927 children reported under care by all institutions, including 67 county institution districts and 67 juvenile courts.

The field representatives of the Division have the responsibility of conducting annual supervisory visits to county institution districts for the purpose of discussing with and advising county commissioners on problems relating to the care of children and dependent adults.

The Division of Family and Child Welfare also administers the Act governing the importation of children from other states,[6] and licenses boarding homes where more than one child under three years of age is cared for. The original Act[7] requiring that such homes be licensed did not set up a fee to be charged by the Department. However, an amendment to the Act provided that a fee of $5.00 be charged for all original licenses and required a similar charge for all renewals to be made annually.[8] Table XXII-B indicates the number of licenses issued annually during a seven year period:

TABLE XXII-B
DEPARTMENT OF WELFARE
NUMBER OF LICENSES ISSUED TO INFANT BOARDING HOMES, 1934 TO -940

Fiscal Year Ending May 31	Number
1934	65
1935	58
1936	38
1937	48
1938	57
1939	59
1940	77

b. Division of Homes and Hospitals

The Division of Homes and Hospitals is vested with the task of licensing and regulating private nursing homes and hospitals throughout the State; the licensing and supervision of maternity homes and hospitals; the supervision of State-aided homes for the aged; and the inspection and supervision of 171 State-aided general hospitals. Representatives of the Division visit all State-aided hospitals and examine their financial records relating to free service and, where necessary, "spot check" the authenticity of claims by individuals who apply for this service. Table XXII-C indicates an increase in the number of State-aided hospitals with a resultant increase in the volume of inspection and supervision work on the part of the Division.

TABLE XXII-C

DEPARTMENT OF WELFARE
Number of State-Aided Hospitals, Bienniums 1931-33 to 1939-41 Inclusive

Biennium	State-Aided Hospitals: Number	State-Aided Hospitals: Percent Increase Over 1931-33
1931-33	158	..
1933-35	163	3.1
1935-37	164	3.7
1937-39	165	4.4
1939-41	171	8.2

Another phase of the work conducted by the Division of Homes and Hospitals relates itself to the supervision of homes and agencies receiving State aid for care of children, the aged, and blind persons. An examination of Table XXII-D reveals the number of State-aided homes during a period of five bienniums. Particularly notable is the reduction of 14.1 percent in the number of homes receiving State aid in 1939-41 as compared with 1931-33.

TABLE XXII-D

DEPARTMENT OF WELFARE
Number of State-Aided Homes, Bienniums 1931-33 to 1939-41 Inclusive

Biennium	State-Aided Homes: Number	State-Aided Homes: Percent Decrease Over 1931-33
1931-33	78	...
1933-35	77	1.3
1935-37	76	2.6
1937-39	76	2.6
1939-41	67	14.1

According to testimony submitted by representatives of the Department of Welfare, the reduction in the number of State-aided homes is in large part due to a more careful evaluation of the needs of individual homes, viz., their income and expenses. In view of the fact that State aid is given on the basis of deficiencies—excess of expenditures over income—representatives of the Division make a thorough evaluation of the purposes for which expenditures are made and the available sources of revenue.

The supervisory control of the Division over local welfare agencies and institutions involves the licensing of all maternity hospitals[9] and private homes and hospitals.[10] The charge for such licenses, for both originals and annual renewals, is $15.00. In Table XXII-E is presented a report on the number of licenses issued for maternity hospitals and private homes and hospitals during the seven year pediod 1934 to 1940, inclusive.

TABLE XXII-E

DEPARTMENT OF WELFARE

Number of Licenses Issued to Maternity Hospitals and Private Homes and Hospitals, 1934-1940 Inclusive

Fiscal Year Ending May 31	Number of Licenses Issued	
	Maternity Hospitals	Private Homes and Hospitals
1934	32	57
1935	32	81
1936	17	73
1937	39	116
1938	37	91
1939	35	116
1940	22	169

c. Rural Extension Unit

The Rural Extension Unit in the Bureau of Community Work was created in 1936 and is under the immediate direction of the Director of the Bureau of Community Work. It conducts Pennsylvania's part of the program involved in Title V of the Federal Social Security Act. In general, this work relates to the strengthening and extension of child welfare services in counties of the State which are predominantly rural and in areas of special need. Specifically, it is the function of this Unit to supervise and improve the standard of care given children in or out of their homes or wherever care out of the normal circumstances is necessary; establish child welfare services in counties where they do not exist; and carry out a State-wide program of child welfare cooperation.

The services enumerated above are made available in cooperation with commissioners or other local officials throughout the State. At the present time, the program is operating in 13 counties which are operating with paid secretaries in charge of the work. A qualified, trained State staff is provided including a supervisor of the Rural Extension Unit, county organizers, and supervisors of the county staffs and stenographers. The staff in the State office is selected by the Secretary of Welfare, while county employes are selected by the county commissioners.

The program of the Rural Extension Unit is financed 100% by the Federal Government in the matter of salaries. This covers all employes in the State office of the Unit and most of the employes in counties. All expenditures for office equipment, rentals, and maintenance of children in counties are borne by the local officials, while the State pays for expenses incurred in maintaining the Rural Extension Unit in the Department of Welfare and the traveling expenses of field representatives.

d. Solicitation Act of 1925

The Bureau of Community Work also administers the State Solicitation Act,[11] which serves to protect residents of Pennsylvania from dishonest solicitors of funds for alleged charitable purposes. The Department is empowered to issue or refuse certificates of registration to agencies, associations or organizations who desire to solicit funds in the State for charitable, benevolent, humane or patriotic purposes. A fee of $10.00 is charged for these certificates. In Table XXII-F is shown the number of certificates issued annually during the past seven years.

All fraternal organizations, incorporated under the laws of Pennsylvania, labor unions, religious organizations raising money for religious purposes, colleges, universities or schools, municipalities and charitable institutions or agencies receiving financial assistance from the State, are exempt from the provisions of the Solicitation Act.

TABLE XXII-F

DEPARTMENT OF WELFARE

Number of Solicitation Certificates Issued 1934 to 1940, Inclusive

Fiscal Year Ending May 31	Number of Certificates
1934	182
1935	205
1936	233
1937	314
1938	353
1939	367
1940	406

3. Council for the Blind

The State Council for the Blind, a departmental administrative board, was created in 1925[12] as an integral part of the Commonwealth's welfare activities. The Council consists of the following seven members: Secretary of Welfare, Superintendent of Public Instruction, Secretary of Labor and Industry, and four others appointed by the Governor, one of whom is by preference a blind person. The Council has the duty of formulating a general policy and program for the prevention of blindness and for the improvement of the condition of persons with impaired vision. This function involves supervision over the expenditure of State funds allocated to agencies doing work for the blind, except in those cases in which such supervision is by law placed within the jurisdiction of some other department, board or commission of the State Government.

Specifically, the Council is to be considered as a clearing house in the State for information on the subject of blindness and as motivating force in the work of preventing blindness. It publishes reports and pamphlets on the subject, and performs outstanding work in the conservation of the vision of school children. In cooperation with school authorities, the Council has sent its representatives into many school districts to test the vision of pupils and, as a result, has discovered numerous cases of seriously impaired vision. In such cases, school officials have cooperated in providing adequate facilities for educating these children.

In many counties the Council has conducted surveys for the purpose of locating blind people. This activity has unearthed many educable blind children who were receiving no training, for whom the necessary facilities

were later provided. Representatives of the Council follow up those cases of blind children and, in addition, conduct a constructive program of assisting the adult blind by providing training facilities and suitable opportunities for employment. In this work, the Council serves as a coordinating body in securing the cooperation of local health and welfare agencies throughout the State.

In carrying out its function of serving as a clearing house for information, the Council maintains an active file of blind persons and those with seriously impaired vision. With respect to these cases, the records contain data concerning causes of blindness, possibilities of improving vision, physical and mental condition, financial status, earning ability, and capacity for education and vocational training.

The Council maintains a close relationship with the Department of Public Assistance which is the State agency vested with the job of distributing pensions to blind persons in need of financial assistance.[13] The information available in the Council's files on blind persons is made available to the Department of Public Assistance and vice versa. The work of the ophthalmologist in the Council is so arranged as to enable him to devote fifty percent of his time to the Department of Public Assistance. For the Council, the ophthalmologist directs his activities to the program for prevention of blindness, while for the Department of Public Assistance he supervises the program of giving assistance to blind persons who are financially distressed.

4. Bureau of Mental Health

Under the provisions of the State's Mental Health Act[14] the Bureau of Mental Health regulates the admission and commitment of patients to hospitals for mental diseases and institutions for mental defectives and epileptics, and governs the transfer, discharge, interstate rendition and deportation of mental patients. The Bureau supervises State-owned, State-aided and county owned mental hospitals, in addition to licensing and supervising all private hospitals for the mentally ill.

The supervisory functions of the Bureau relate themselves to the activities of 69 State, county and private institutions for mental patients of all types. The records of the Bureau are now being used as the basis for a census of all mental cases in the Commonwealth. There are nine State hospitals for the mentally ill, located at Allentown, Danville, Farview, Harrisburg, Norristown, Philadelphia, Torrance, Warren and Wernersville. In addition, there are three State-owned institutions for mental defectives, namely, the Laurelton State Village for feeble-minded women of child-bearing age; the Pennhurst State School, and the Polk State School, receiving mental defectives of both sexes. The Selinsgrove State Colony for Epileptics is the newest State institution. It is interesting to note that, with the exception of the Torrance and Warren hospitals, and the Polk State School, all of the above institutions are situated in the eastern half of the Commonwealth. A more suitable balance will be obtained with the completion of the Western State Psychiatric Hospital. This institution is being erected on the campus of the University of Pittsburgh and will constitute a State center for psychiatric research, education and training.

In June, 1940, the nine State mental hospitals were caring for a total of 21,848 patients and had 2852 on parole. Many of the latter are eventually discharged as recovered. The Department estimates that the cost of maintaining a patient in the State-owned mental hospitals is approximately $300.00 a year, exclusive of capital outlay.

Table XXII-G indicates the State institutions for care of mental patients and presents a comparison of population as of June 1, 1939 and 1940:

TABLE XXII-G

DEPARTMENT OF WELFARE

Comparative Population of State-Owned Mental Hospitals, June 1, 1939 and 1940 (Exclusive of Patients on Parole)

Mental Hospital	Number of Inmates			
	June 1 1939	Percent of Total	June 1 1940	Percent of Total
Allentown	1,612	7.7	1,615	7.4
Danville	1,985	9.5	2,030	9.3
Farview	886	4.2	958	4.4
Harrisburg	2,065	9.8	2,127	9.7
Norristown	3,558	17.0	3,694	16.9
Philadelphia	5,335	25.4	5,716	26.2
Torrance	1,735	8.3	1,812	8.3
Warren	2,328	11.1	2,392	10.9
Wernersville	1,470	7.0	1,504	6.9
Total	20,974	100.0	21,848	100.0

At the present time one of the most pressing problems facing the Bureau is the overcrowded condition existing in the State mental hospitals. On July 31, 1940, the nine hospitals had facilities to house an aggregate of 17,613 patients comfortably. On this date, however, the actual population was 22,047. In brief, despite an increase in bed capacity in mental hospitals as a result of the General State Authority program (see Chapter XXX, page 7110), the above population exceeded comfortable capacity by 25.2 percent. In addition, there were 2,891 inmates on parole as of the above date.

As is shown in Table XXII-H, overcrowded conditions exist in all mental hospitals. The degree of excess population over comfortable capacity ranges from 0.6% at Farview to 64.4% in the Philadelphia Hospital.

TABLE XXII-H

DEPARTMENT OF WELFARE

Comparison Between Comfortable Capacity and Number of Patients in State Mental Hospitals and Excess of Population Over Capacity July 31, 1940

Mental Hospital	Capacity	Number of Patients	Percent Inmates Over Capacity
Allentown	1,514	1,630	7.7
Danville	1,947	2,040	4.8
Farview	968	974	0.6
Harrisburg	1,921	2,136	11.2
Norristown	3,407	3,738	9.7
Philadelphia	3,500	5,753	64.4
Torrance	1,217	1,854	52.3
Warren	1,673	2,390	42.8
Wernersville	1,466	1,532	4.5
Total	17,613	22,047	25.2

On May 31, 1939, the State-owned institutions for epileptics and those mentally defective had an aggregate population of 5,945 patients, with an additional 352 on parole. In the one State-aided institution of this type, namely Elwyn, the population was 1,004 on the above date, exclusive of 5 patients on parole. The population

of each institution on May 31st in 1939 and 1940 is set forth on a comparative basis in Table XXII-J.

TABLE XXII-J

DEPARTMENT OF WELFARE
POPULATION OF STATE-OWNED AND STATE-AIDED INSTITUTIONS FOR MENTALLY DEFICIENT AND EPILEPTICS
COMPARED FOR MAY 31, 1939 AND 1940

Institution	Number of Inmates 1939	1940
Laurelton	693	693
Pennhurst	1,889	2,073
Polk	2,919	2,937
Selinsgrove	444	436
Total (State-Owned)	5,945	6,139
Elwyn (State-Aided)	1,004	1,007
Grand Total	6,949	7,146

In addition, mental patients are cared for in 12 licensed county mental hospitals operated by county institution districts throughout the Commonwealth. Although the treatment and care of mental patients is generally regarded as a State responsibility, Pennsylvania remains as one of the few States in which such care remains a divided responsibility. In 1895, about the time that county care was abolished in some states, it was inaugurated in Pennsylvania. Due to inadequate State provisions for the care of mental patients, it became necessary to license county institutions.

When the Welfare Department was organized in 1921, there were 20 county institutions for mental cases. The Bureau of Mental Health condemned 8 of these institutions as unsuitable and they were closed by October, 1922. Since 1921 one more county institution previously authorized has been opened. In 1938 the State assumed responsibility for the administration of Byberry Hospital in Philadelphia. Thus, there are now 12 licensed hospitals in the State operated by county institution districts for the care of mental patients.

Table XXII-K sets forth a comparison of the number of inmates in these county mental hospitals in 1939 and 1940:

TABLE XXII-K

DEPARTMENT OF WELFARE
NUMBER OF MENTAL PATIENTS IN COUNTY MENTAL HOSPITALS MAY 31, 1939 AND JULY 31, 1940

County Mental Hospital	Number of Patients 1939	1940
Allegheny	2,276	2,204
Blair	333	348
Blakely	147	150
Chester	335	314
Hillside	894	926
Lancaster	429	433
Mercer	226	235
Pittsburgh	3,074	3,143
Ransom	372	375
Retreat	1,098	1,151
Schuylkill	584	567
Somerset	510	492
Total	10,278	10,338

These county institutions vary greatly in size, equipment and personnel. Some of the largest compare favorably with the State-owned mental hospitals. The smallest ones have no resident medical staff; provide practically no treatment or diagnostic facilities; have too few units for classification of patients; and are otherwise purely custodial institutions. About one-third of the State's mentally ill patients (the so-called insane) are cared for in licensed county institutions.

The sentiment towards complete State care for mental patients has grown until at the 1938 special session of the Legislature, a bill was introduced providing for the taking over by the State of all of the licensed county hospitals.[15] However, sufficient State funds have not been available to make this possible.

Besides supervising the institutions for mental patients, the Bureau of Mental Health has important opportunities and responsibilities in the field of prevention of mental illness and the attendant complications through promoting and establishing mental clinics and coordinating such activities. Many patients who would otherwise have had to be committed to an institution are seen early in the course of their illness at the clinics and are enabled to remain in the community.

5. Bureau of Institutional Management

Within the Bureau of Institutional Management is placed the task of coordinating the Department's advisory and supervisory functions relating to the problems arising in connection with the operation and maintenance of State-owned institutions.

It is the aim of the Bureau to enable the various institutions to better meet their responsibilities to the patients and inmates committed to their care. In this respect, it develops, adjusts and correlates policies of institutional procedure, and works to maintain and develop affable relations between the administrators of State-owned mental, epileptic, medical and surgical, and penal and correctional institutions.

The broad scope of the Bureau's program includes the general maintenance of buildings, plants and grounds, and the approval of institutional service as to heat, water, light, sewage, refrigeration and protection from fire. It supervises State institution activities relating to the purchase, preparation and processing of food; housekeeping services in connection with sewing, cleaning and handling of supplies and clothing; laundry planning and service; the operation of farms; the industrial employment for patients and inmates other than those in prison industries, and the in-service training programs for nurses, orderlies and attendants. In addition, the Bureau must approve architectural plans for State-owned institutions, State-aided hospitals, county homes and prisons, agencies caring for the aged and blind, and municipal lock-ups.

At first glance, it would appear that some of the services conducted by the Bureau of Institutional Management duplicate those carried on by other branches of the Department's organization, namely, the Bureau of Mental Health and the Bureau of Corrections. That this situation does not exist is explained by the fact that the latter two branches of the Department operate along the lines of inmate care and treatment, while the Bureau of Institutional Management concentrates on giving expert

advice with respect to problems of operation and maintenance common to all State-owned institutions.

As may be seen from an examination of the Department's organization chart, page 7043, the Bureau of Institutional Management is also vested with the direct supervision of the ten State-owned medical and surgical hospitals. These hospitals, which were originally privately-owned, were taken over by the Commonwealth during the 52 year period from 1871 to 1923. The hospitals are administered by boards of trustees appointed by the Governor. Table XXII-L indicates the various hospitals and shows their location, date established and population as of June 1, 1940. Except for receipts obtained from patients, these hospitals are financed entirely from State appropriations.

TABLE XXII-L

DEPARTMENT OF WELFARE
State-Owned Medical Hospitals
Location, Date Established and Population
June 1, 1940

Medical Hospital	County	Date Established	Population June 1, 1940
Ashland	Schuylkill	1879	179
Blossburg	Tioga	1887	66
Coaldale	Schuylkill	1911	89
Connellsville	Fayette	1891	83
Hazleton	Luzerne	1887	136
Locust Mountain	Schuylkill	1923	55
Nanticoke	Luzerne	1907	104
Phillipsburg	Centre	1891	88
Scranton	Lackawanna	1871	118
Shamokin	Northumberland	1907	104

6. Bureau of Corrections

The Bureau of Corrections exercises supervision over the Commonwealth's penal and correctional institutions, 69 county prisons and workhouses, and city, borough and township lock-ups. Under the authority vested in the Department of Welfare, the Bureau inspects all of the above institutions and promulgates standards for the care of inmates. It is empowered to supervise the transfer of inmates between State penal and correctional institutions, or from State to county prisons.

The Bureau is also charged with obtaining from the proper officials full information concerning the number and type of crimes reported in the State, the number, age, sex, color, nativity and offenses of criminals and delinquents arrested and tried and otherwise disposed of, the sentence imposed and whether executed or suspended, and the number placed on parole. The statistics obtained are compiled and published as part of the Department's annual statistical reports. From time to time, the Bureau advises with county officials on prison farm projects, and acts as a motivating force in the development of community programs for crime prevention.

a. Prison Labor Division

This Division, within the Bureau of Corrections, supervises the establishment and maintenance of industries in State-owned penal and correctional institutions. In its efforts to provide wholesome occupation, and to furnish a type of training which will enable inmates to become skillful at some gainful occupation, the Division is authorized to determine the amount and kind of machinery to be installed and the nature of the industries to be carried on. It handles the sale of products of these industries, all of which are restricted to the Commonwealth or any of its subdivisions, or to any State, educational or charitable institutions receiving financial aid from the Commonwealth. In addition, the Prison Labor Division may sell surplus prison labor products to the Federal Government or to any other state, where such sales are not prohibited by state legislation.

The task of selling products produced by the prison industries is handled by four salesmen employed by the Division. Information submitted by the Department of Welfare revealed that these four salesmen sold products valued at $761,977 during the fiscal year 1938-39. The cost to the State, in salaries, commissions and traveling expenses to make the above sales, totaled $17,299.51. This information is set forth in detail in Table XXII-M.

From this table it is apparent that there is no direct relationship between the amount of sales made by salesmen and their earnings. This is particularly noticeable in the matter of commissions. For example, salesman No. 1 sold products amounting to $179,239 for which he received $2,219.31 in commissions. However, salesman No. 3 returned $216,334 in sales and his commissions totaled $1,943.50. In brief, salesman No. 3 sold almost 21% more than salesman No. 1, but his commissions were 13% less.

TABLE XXII-M

DEPARTMENT OF WELFARE
Sales of Prison Industries Products and Salaries, Commissions and Traveling Expenses by Salesmen, 1938-1939

Salesman	Total Sales	Salary	Commissions	Travel Expense	Total Earnings
No. 1	$179.239	$1860.00	$2,219.31	$1.680.75	$5,760.06
No. 2	176.116	1860.00	1,432.89	531.40	3.824.29
No. 3	216.334	1860.00	1,943.50	34.75	3.838.25
No. 4	190,288	1860.00	1,101.46	915.45	3,876.91
Total	$761,977	$7440.00	$6,697.16	$3,162.35	$17,299.51

Wide variations are also shown in the travel expenses paid salesmen. For example, salesman No. 2 incurred travel expenses of $531.40 to produce $176,116 in sales, while salesman No. 1 sold only $3,123 more but was paid expenses totaling $1,680.75.

All equipment for the prison industries is purchased from funds available in the Manufacturing Fund of the Commonwealth. All receipts from the sale of products are placed in this fund. In addition, all expenses in connection with the conduct of the industries are paid from the fund, including wages payable to inmates for performing labor while in prison. The amount of wages allowed prisoners is fixed by the Department, but these cannot be less than ten cents a day.

Most of the inmates are paid on an hourly basis, although some are paid on piece work in shops which manufacture articles for State agencies. The primary market for the articles produced is found in the State's welfare institutions, although a large share of the work done relates itself to the production of automobile license tags and highway markers. It is the purpose of the Department of Welfare not to make large profits from the prison industries. Rather, an attempt is made to keep the selling price—mainly to State agencies—down to the point where the industries themselves are self-supporting.

7. State Welfare Commission

The State Welfare Commission is an advisory body com-

ed of the Secretary of Welfare, ex-officio, and eight er members appointed by the Governor with the advice l consent of the Senate. The Secretary of Welfare is o chairman of the Commission. Although the Com- sion is an unsalaried body, it is empowered and re- red to advise the Secretary of Welfare on such matters the Secretary may bring before it, or, as the Commis- n may require the Secretary to bring before it for con- eration. It has general supervision over the policies the Department, and may approve or disapprove the es and regulations of the Department.

Departmental Administrative Boards

All of the State-owned institutions of a mental, penal d correctional, and medical and surgical character in e Department (exclusive of the new Western State sychiatric Hospital, Pittsburgh, and the New Industrial School for Boys at White Hill, Cumberland County) are administered by local boards of trustees consisting of ne members appointed for a term of four years by the overnor.

Each Board of Trustees is a Departmental Administrative oard within the Department of Welfare and is vested th the following powers and duties:[16]

a. General direction and control of the property and management of each institution.
b. Subject to approval by the Governor, to elect a superintendent or warden for the particular institution.
c. On nomination by the superintendent or warden, to appoint such officers or employes as may be necessary.
d. To fix the salaries of institutional employes in conformity with standards established by the Executive Board.
e. Subject to approval by the Secretary of Welfare, to make such by-laws, rules and regulations for the management of the institutions as the Board may deem wise.

Each Board also annually elects a president and vice- esident from among its members, and a secretary and easurer, who need not be members of the Board. Board embers are not paid salaries, but receive payment for ecessary expenses incurred in connection with their work.

D. PERSONNEL

To conduct the functions discussed in the preceding ages, the Department of Welfare, on June 1, 1940, em- loyed a personnel of 168 on its payroll (exclusive of tate-owned institutions) at an aggregate annual salary f $342,685. A portion of this annual payroll, or $32,620 or 15 employes in the Federal Rural Extension Unit, is nanced entirely by the Federal Government.

In Table XXII-N is presented a summary of Depart- ental employes, by bureau and division, on June 1, 1940. Table XXII-O sets forth a detailed statement showing he employes according to bureau and division, and indi- ates each employe by personnel title and annual salary.

TABLE XXII-N

DEPARTMENT OF WELFARE
SUMMARY OF EMPLOYES AND ANNUAL SALARIES BY BUREAU AND DIVISION, JUNE 1, 1940

Bureau and Division	Number of Employes	Annual Salaries
Executive Office		
Secretary's Office	7	$22,440
Accounting Division	23	35,340
Library, Mail & Files	4	4,860
Research & Statistics	7	9,750
Bureau of Community Work		
Division of Child and Family Welfare	13	24,120
Division of Homes and Hospitals	5	9,720
Rural Extension Unit	15	32,620†
Council for the Blind	10	16,875
Bureau of Mental Health	7	17,540
Bureau of Institutional Management	8	20,900
Bureau of Corrections	6	13,820
Prison Labor Division	63	134,700‡
Total	168	$342,685

† Financed from Federal Funds.
‡ And Commissions.

TABLE XXII-O

DEPARTMENT OF WELFARE
NUMBER OF EMPLOYES AND ANNUAL SALARIES BY BUREAU, DIVISION, AND PERSONNEL TITLE JUNE 1, 1940

Bureau and Division	Number of Employes	Annual Salaries
EXECUTIVE OFFICE:		
Secretary and Deputy Secretary's Office		
Secretary	1	$10,000
Deputy Secretary	1	5,000
Advanced Stenographer-Secretary	1	1,860
Stenographer-Secretary	1	1,380
Principal Stenographer-Clerk	1	1,380
Stenographer-Clerk	1	1,020
Advanced Chauffeur	1	1,800
Sub-total	7	$22,440
Accounting Division		
Comptroller	1	$4,500
Senior Institutional Disbursement Acct.	1	3,000
Junior Institutional Disbursement Acct	2	4,200
Advanced Personnel Clerk	1	1,620
Personnel Clerk	1	1,140
Junior Personnel Clerk	1	1,020
Bookkeeper	1	1,620
Disbursement Bookkeeper	1	1,620
Disbursement Clerk	1	1,320
Advanced Stenographer-Clerk	1	1,380
Senior Stenographer-Clerks	2	2,280
Stenographer-Clerk	1	1,020
Senior Clerk-Typist	1	1,020
Senior Account Clerk	1	1,380
Statement Clerk	1	1.140
Senior Verifier Clerks	2	2,340
Supervisor Tabulating Machine Operator	1	1,680
Key Punch Operators	2	2,040
Senior File Clerk	1	1,020
Sub-total	23	$35,340
Library and Files, Mail		
Head File Clerk	1	$1,620
Senior File Clerks	2	2,220
Senior Mail Clerk	1	1,020
Sub-total	4	$4,860

Bureau and Division	Number of Employes	Annual Salaries
Research and Statistics		
Supervisor, Research and Statistics	1	$3,150
Senior Statistical Clerk	1	1,380
Senior Tabulating Machine Operator	1	1,140
Junior Code Clerk	1	1,020
Junior Stenographer Clerk	1	1,020
Key Punch Operators	2	2,040
Sub-total	7	$9,750
Total—Executive Office	41	$72,390
BUREAU OF COMMUNITY WORK:		
Division of Child and Family Welfare		
Director	1	$3,600
Senior Institutional Investigator	1	2,400
Institutional Investigators	5	10,500
Interracial Consultant	1	1,860
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerks	2	2,340
Stenographer-Clerk	1	1,020
Junior Stenographer-Clerk	1	1,020
Sub-total	13	$24,120
Division of Homes and Hospitals		
Chief of Homes and Hospitals	1	$2,400
State-Aided Hospitals Investigator	3	6,300
Senior Stenographer-Typist	1	1,020
Sub-total	5	$9,720
Federal Child Welfare Unit		
Assistant Chief, Family Welfare	1	$3,300
Standards Consultant	1	3,000
Field Representative, Delinquency Study	1	2,700
Field Representative, Community Organization	2	5,400
Case Supervisor, Rural Extension Unit	1	2,700
Director, Child Guidance Clinic	1	4,000
Psychiatric Social Worker	1	2,700
Psychologist	1	2,400
Advanced Stenographer-Clerk	1	1,380
Senior Stenographer-Clerks	3	3,480
Stenographer-Clerk	1	1,080
Janitress	1	480
Sub-total	15	$32,620*
Total—Bureau of Community Work	33	$66,460
COUNCIL FOR THE BLIND:		
Chief	..	.....
Vision Conservation Advisor	1	$2,400
Junior Conservation Advisor	1	2,100
Blind Industries Advisor	1	2,175
Junior Industries Advisor	1	1,860
Senior Inspector	1	1,860
Census Survey Clerk	1	1,620
Principal Stenographer-Clerk	1	1,620
Stenographer-Clerks	2	2,040
Ophthalmologist (part time)	1	1,200
Total	10	$16,875
BUREAU OF MENTAL HEALTH:		
Director	1	$8,000
Psychologist	1	2,520
Deportation Investigator	1	2,100
Principal Stenographer-Clerk	1	1,620
Senior Stenographer-Clerk	1	1,260
Stenographer-Clerk	1	1,020
Clerk-Typist	1	1,020
Total	7	$17,540
BUREAU OF INSTITUTIONAL MANAGEMENT:		
Director	1	$5,000
Architect	1	3,000
Junior Maintenance Engineer	1	3,000
Nursing Consultant	1	3,300
Nutrition Consultant	1	3,000
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Typist	1	1,200
Stenographer-Typist	1	1,020
Total	8	$20,900
BUREAU OF CORRECTIONS:		
Director	1	$5,000
Senior Prison Inspector	1	2,400
Institutional Investigators	2	4,200
Senior Stenographer-Typists	2	2,220
Total	6	$13,820
Prison Labor Division		
Acting Superintendent	1	4,200
Supervisor of Production	1	3,150
Supervisors of Industries	3	11,400
Assistant Supervisor of Industries	1	1,620
Assistant Accountant	1	1,860
Head Bookkeeper	1	2,100
Bookkeeper	1	1,620
Senior Disbursement Clerk	1	1,380
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerks	2	2,340
Stenographer-Clerk	1	1,080
Senior Typist-Clerk	1	1,080
File Clerk	1	1,020
Senior Messenger	1	1,020
Supervisor of Shoe Department	1	3,120
Supervisor of Shoe Cutting	1	2,520
Supervisor of Finishing Shop	1	2,400
Supervisor of Weaving Shop	1	3,120
Assistant Supervisor of Weaving Shop	1	2,400
Assistant Supervisor of Weaving Shop	1	2,550
Supervisors of Clothing Shop	2	6,000
Assistant Supervisor of Clothing Shop	1	1,860
Assistant Supervisor of Hosiery Shop	1	2,400
Assistant Supervisors of Printing Shop	2	4,950
Supervisor of Storeroom	1	2,100
Supervisor of Sewing Shop	1	2,400
Supervisor of Canning	1	2,175
Supervisor of Tag Shop	1	4,200
Assistant Supervisor of Tag Shop	1	2,100
Assistant Supervisor of Metal Shop	1	2,400
Supervisor of Auto Shop	1	2,400
Assistant Supervisor of Industries	1	2,550
Senior Truck Driver	1	1,380
Truck Driver	1	1,440
Supervisor of Furniture Shop	1	2,100
Advanced Furniture Shop Foreman	1	1,920
Senior Furniture Foreman	5	8,460
Supervisor of Coffee Roasting Plant	1	2,400
Supervisor of Truck Gardening	1	2,250
Advanced Machinist	1	1,620
Principal Machinist	1	1,860

Bureau and Division	Number of Employes	Annual Salaries
Supervising Clerk	1	2,100
Assistant Supervising Clerk	1	2,175
Salesman	4	7,440 & Commissions
Overseer	3	6,120
Guard	4	6,540
Sub-total	63	$134,700
Total—Bureau of Corrections	69	$148,520
Grand Total Departmental Employes	168	$342,685

* Paid entirely by Federal Funds.

In addition to the above personnel, there were, on June 1, 1940, a total of 6,487 persons employed in the various State institutions administered by the Department of Welfare. Table XXII-P presents a summary of these by type of institution.

TABLE XXII-P

DEPARTMENT OF WELFARE
SUMMARY OF THE NUMBER OF EMPLOYES BY TYPE OF STATE INSTITUTIONS, JUNE 1, 1940

Types of Institution	Number of Employes
Penal and Correctional	978
Mental Hospitals	3,874
Mentally Defective and Epileptic	877
Medical and Surgical Hospitals	758
Total	6,487

E. FINANCES

1. Income

Income earned by the Department of Welfare falls into two classes, namely (a) receipts from licenses and fees, and (b) amounts paid to the State for the maintenance of patients in institutions administered by the Department.

a. Licenses and Fees

In order to operate in Pennsylvania, all infant boarding houses, maternity hospitals and private nursing homes and hospitals must be licensed by the Department of Welfare. In addition, all agencies, associations or organizations desiring to solicit funds in the State for charitable, benevolent, humane or patriotic purposes must be certified by the Department.

The annual earnings of the Department from licenses and Solicitation certificates, together with the charges made for each, are set forth in Table XXII-Q for a seven year period. Of particular interest is the fact that receipts during the 1939-41 fiscal year more than doubled those in 1933-34. The principal basis of this increase is found in the greater number of licenses issued to private homes and hospitals, and additional fees earned under the Solicitation Act of 1925.

b. Institutional Receipts

The second and largest source of income derived by the State, through the operations of the Department of Welfare, is received from payments made for the care of inmates in State-owned mental hospitals, penal and correctional institutions, and medical and surgical hospitals. During the biennium 1937-39, the State's receipt from these institutions amounted to $10,431,924.64, which was collected through the Bureau of Institutional Collections in the Department of Revenue. A detailed presentation of these receipts is set forth in Table XXII-R, which shows the institutions from which earnings were returned to the State by source of income.

TABLE XXII-Q

DEPARTMENT OF WELFARE
Annual Earnings from Licenses and Fees by Type of Licenses and Certificates 1934 to 1940, Inclusive [1]

Fiscal Year Ending May 31st	Type of Licenses and Certificates: Infants Boarding Houses ($5.00)	Maternity Hospitals ($15.00)	Private Nursing Homes and Hospitals ($15.00)	Solicitation Fees ($10.00)	Grand Total
1934	$325.00	$480.00	$ 855.00	$1,820.00	$3,480.00
1935	290.00	485.00	1,215.00	2,050.00	4,040.00
1936	190.00	255.00	1,095.00	2,330.00	3,870.00
1937	240.00	585.00	1,740.00	3,140.00	5,705.00
1938	285.00	555.00	1,365.00	3,530.00	5,735.00
1939	290.00	525.00	1,740.00	3,670.00	6,225.00
1940	385.00	330.00	2,535.00	4,060.00	7,310.00

[1] Source: Department of Welfare.

2. Expenditures

The administration of welfare services by the Department of Welfare cost the people of Pennsylvania $37,483,725 during the 1937-39 biennium. In Table XXII-S is presented a statement of the manner in which funds were expended in 1937-39.

TABLE XXII-R

DEPARTMENT OF WELFARE
STATE RECEIPTS FOR CARE OF INMATES IN STATE-OWNED INSTITUTIONS 1937-39 BIENNIUM [1]

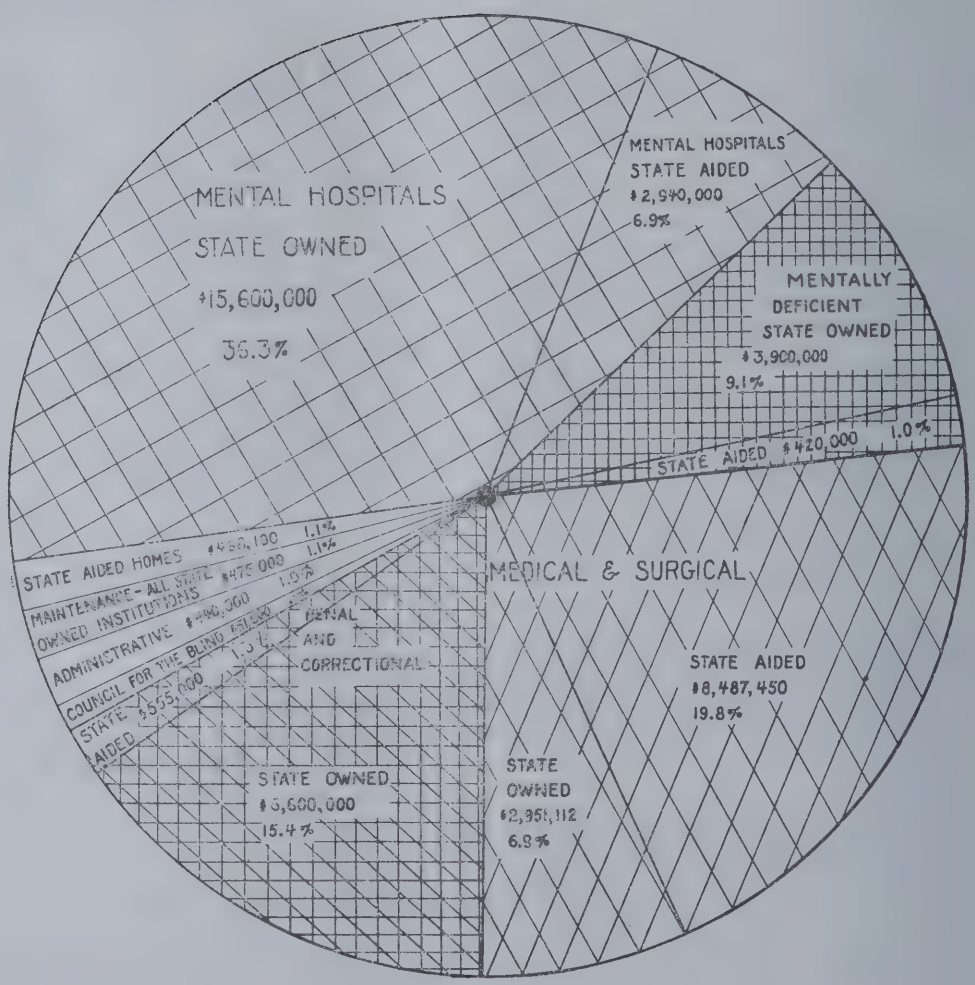
Type of Institution and Source of Receipts	Receipts
MEDICAL AND SURGICAL HOSPITALS	
Compensation	$104,164.76
Interest on Overdue Accounts	1.25
Patients—Out	76,537.87
Private	179,114.20
Semi-Private	171,145.38
Ward—Full Pay	197,745.51
Ward—Part Pay	59,138.88
Sundry Revenue	2,114.88
Sub-total	$789,962.73
MENTAL HOSPITALS	
Counties and Poor Districts	$3,900,768.71
Interest on Overdue Accounts	1,248.09
Patients	1,253,901.89
Sale of Surplus Products	3,292.74
Sundry Revenue	13,506.68
Sub-total	$5,172,718.11
FEEBLE-MINDED AND EPILEPTIC INSTITUTIONS	
Counties and Poor Districts	$410,354.95
Interest on Overdue Accounts	376.14
Patients	113,868.89
Sale of Surplus Products	1,844.49
Sundry Revenue	2,010.47
Sub-total	$528,454.94

CHART XXII-2

DEPARTMENT OF WELFARE 1/

1939-1941 APPROPRIATIONS

$42,888,662



WHERE THE WELFARE DOLLARS GO

1/ As presented in Fifth Annual Report of Department of Welfare 1939, Bulletin No. 80, Section C.

PENAL AND CORRECTIONAL INSTITUTIONS	
Counties	$3,929,409.09
Interest on Overdue Accounts	1,586.17
Sale of Surplus Products	859.83
Sundry Revenue	8,933.77
Sub-total	$3,940,788.86
Grand Total	$10,431,924.64

[1] Source: Biennial Report of the Auditor General June 1, 1937 to May 31, 1939, pp. 73-74.

In brief, $37,029,479, or 98.8 percent of the money spent by the Department of Welfare was used for State-owned and State-aided institutions, while 1.2 percent was spent for the Department's administration expenses. Particularly notable is the fact that $13,384,134, or 36.1 percent of institutional expenditures were allocated in the form of State-aid, chiefly to mental, and medical and surgical hospitals. The balance, or $23,645,345, was expended for the operation and maintenance of State-owned institutions.

TABLE XXII-S

DEPARTMENT OF WELFARE

PURPOSE OF EXPENDITURES FOR THE 1937-39 BIENNIUM, TOGETHER WITH PERCENTAGE DISTRIBUTION OF AMOUNTS SPENT[1]

Purpose	Expended 1937-39	Percent of Total
Administration:		
Department of Welfare	$405,992.00	1.1
Council for the Blind	48,254.00	0.1
Medical and Surgical Hospitals:		
State-owned	2,747,899.00	7.3
State-aided	8,374,200.00	22.4
Penal and Correctional Institutions:		
State-owned	6,425,466.00	17.1
State-aided	554,931.00	1.5
Mental Hospitals:		
State-owned	11,248,100.00	30.0
State-aided	3,556,000.00	9.5
Schools for Mental Defectives:		
State-owned	3,223,880.00	8.6
State-aided	404,826.00	1.1
State-aided Homes	494,177.00	1.3
Total	$37,483,725.00	100.0

[1] Source: Department of Welfare.

For the present biennium, 1939-41, appropriations to the Department of Welfare amounted to $42,888,662. In Chart XXII-2, "Where the Welfare Dollars Go," is shown the amount and percentage distribution of the above appropriation.

During the 1940 special session of the Legislature, the amount of $958,000 was transferred from the Department's appropriation shown on the accompanying chart. However, the chart is based upon the original appropriation, since this represents the regular budget requirements of the Department for 1939-41.

FOOTNOTES

[1] 1921, P. L. 1144.
[2] Functions Transferred to Department of Public Assistance.
[3] Administrative Code, Sections 2303, 2304, and 2308.
[4] Under Department of Health.
[5] 1933, P. L. 289, Article VII, Section 707; and Article IX, Section 902 (5).
[6] 1939, P. L. 436.
[7] 1925, P. L. 234.
[8] 1933, P. L. 95.
[9] 1929, P. L. 1561, as amended by 1933, P. L. 100.
[10] 1931, P. L. 510, as amended by 1933, P. L. 1075.
[11] 1925, P. L. 644, as amended by 1935, P. L. 358.
[12] 1925, P. L. 760.
[13] The administration of blind pensions is discussed in the chapter on the Department of Public Assistance.
[14] 1923, P. L. 998.
[15] 1938, P. L. 53, Special Session.
[16] Administrative Code, Article IV, Section 2318.

PART IV

AGENCIES OPERATING AS SPECIAL FUNDS

CHAPTER XXIII

DEPARTMENT OF BANKING

The United States has two banking systems: the National Banks which are under the supervision of the Federal Government at Washington, and the State Banks which are regulated by the various States.

In Pennsylvania the agency which regulates State Banks is known as the Department of Banking, which was created in 1891 and its powers and duties enlarged and extended in 1895. These Acts remained in effect until 1919 when a new Act was passed, which in turn was repealed by the Banking Act of 1923.[1] This Act was a reenactment of the Act of 1919 with changes made to conform to the Administrative Code.

A code covering the powers and duties of the Banking Department, which had been in the process of drafting for two years, was enacted in the session of 1933 and is now in effect.

A. FUNCTION

The function of the Department of Banking is the supervision of banking institutions and building and loan associations to secure the utmost protection for depositors, creditors and shareholders dealing therewith and for the public generally. It also seeks to prevent distribution of fraudulent securities, and to make impossible the charging of unlawful interest rates upon loans made by financial institutions. When banking institutions or building and loan associations fail, the Department liquidates their affairs for the benefit of the depositors, creditors and shareholders.

B. POWERS AND DUTIES

The powers and duties of the Department are set forth in detail in the Department of Banking Code,[2] the Banking Code[3] and the Building and Loan Code,[4] which require that all persons or institutions under its supervision shall obey the laws pertaining to them or their businesses. This applies to the following:

1. All corporations and persons which are authorized to receive or do receive in this Commonwealth money on deposit or for safekeeping, or which are authorized to engage or which engage in the Commonwealth in a banking business, and all corporations which are authorized to act or which do act in this Commonwealth as trustees, guardians, execu-

[1] Footnotes on page 7059.

tors, administrators, or in other fiduciary capacities, including banks, bank and trust companies, trust companies, private banks of which there are 16 in the State, savings banks, and mutual savings funds; but not including hotels or clubs which receive money from guests or members for temporary safekeeping, express, steamship, or telegraph companies which receive money for transmission, and attorneys-at-law, real estate agents, and attorneys-in-fact, who are not engaged in the business of receiving moneys in this Commonwealth for deposit or for transmission but receive and transmit moneys only as an incident to their general business or profession, brokers licensed under the laws of the Commonwealth, holding membership in a lawfully constituted brokerage exchange, who do and have authority to do only such banking as is incidental to their brokerage business.

2. All national banking associations, incorporated under the laws of the United States, which are authorized to act and which do act in the Commonwealth as trustees, guardians, executors, administrators, or in any other fiduciary capacity to the extent to which supervision by State authorities is or may be permitted under the laws of the United States.
3. All building and loan associations authorized to transact or transacting business in this Commonwealth.
4. Credit unions organized under the provisions of the Act of May 26, 1933, as amended.
5. Small loan companies engaged in the business of lending in sums of $300.00 or less, organized under the Act of June 17, 1915, as amended.
6. Consumer discount companies engaged in the business of lending sums of $1,000 or less, organized under the Act of April 8, 1937.
7. Pawnbrokers licensed to do business under the Act of April 6, 1937.
8. Supervision, registration, and regulation of corporations and persons engaged in the sale of investment securities.
9. Supervision of banking institutions and building and loan associations under the Department of Banking which are taken into possession for liquidation and for which the Secretary of Banking acts as receiver.

However, when any corporation subject to the supervision of the Department of Banking is also engaged in a title insurance business or a mortgage guarantee business subject to the supervision of the Insurance Department, such branch of its business is subject to the supervision of the Insurance Department and not of the Department of Banking.

The Department of Banking has the power and is required to examine all institutions under its supervision thoroughly at least once each year or more frequently if it deems such action necessary or advisable, to safeguard the interests of depositors, creditors or shareholders.

Whenever it appears to the Department that a provision of the charter or of any other law regarding the business of such institution is being violated or that such institution is conducting business in an unsafe and unsound manner, the Department has the power to issue a written order under seal, directing that such violation of law or such unsafe and unsound practice be discontinued.

The Department also has the power through the Banking Board and Building and Loan Board to remove attorneys, officers, employes, or directors of institutions, who continue to violate the law or continue unsafe and unsound practices in conducting the business of their institutions. The law provides that the above mentioned Boards shall first give any person a hearing before removing him or declaring his office or position vacant.

The Department of Banking is also charged with the duty to institute criminal proceedings for violations of the Codes relating to banking institutions and building and loan associations.

The Pennsylvania Securities Commission, in addition to its power to license and register dealers or salesmen of investment securities in Pennsylvania, also has the right to revoke such registration. The Commission is vested with the power to institute criminal proceedings for violations of the Pennsylvania Securities Act and may bring action in the name of the Commonwealth against any person or corporation and may enjoin them from doing any acts in violation of the provisions of the Securities Act.

The Secretary of Banking as a receiver of closed banks and buildings and loan associations has all the rights, powers and duties of a receiver appointed by any court of equity in the Commonwealth. In this capacity he is a representative of the depositors, creditors and shareholders.

C. ORGANIZATION AND OPERATIONS

As is indicated by Chart XXIII-1, the functions administered by the Department of Banking are distributed among various bureaus and divisions, and departmental administrative boards. Of the latter there are three; namely, the Banking Board, the Building and Loan Board, and the Pennsylvania Securities Commission. The Secretary of Banking is chairman and a member of the first two Boards, and a member ex-officio of the Securities Commission.

1. Executive Bureau

The organization of the Department is directed through the Executive Bureau by the Secretary of Banking, who is appointed by the Governor. The Executive Bureau defines and administers the general policies of the Department, maintains personnel records, general correspondence and mail files of the Department. The Bureau coordinates the work of the Department and facilitates the Secretary's supervision.

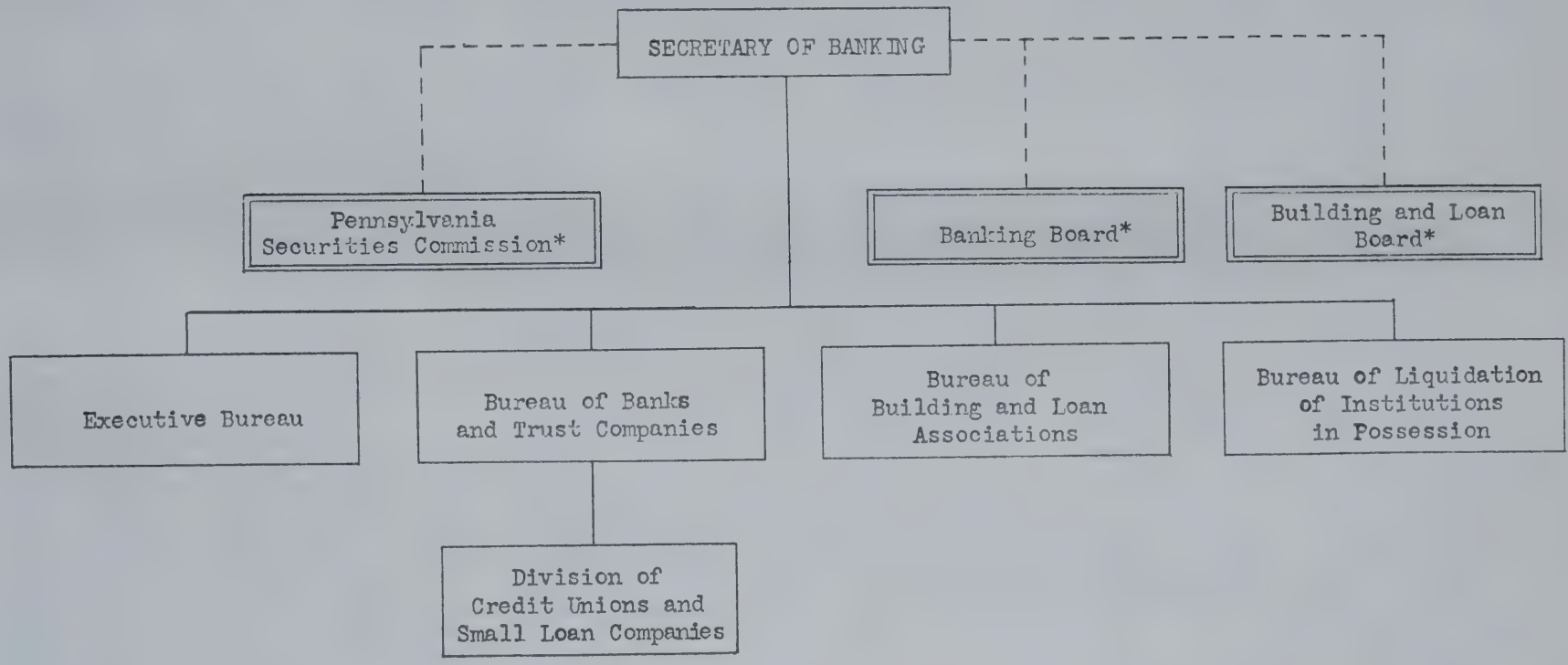
2. Bureau of Banks and Trust Companies

The Bureau of Banks and Trust Companies examines all banks in accordance with the Department of Banking Code of 1933,[2] which requires that each bank shall be examined at least once in each calendar year. In order that the work may be carried on efficiently, the State has been divided into three districts with offices in Philadelphia, Pittsburgh and Harrisburg. In addition to each district, the Bureau maintains a clerical force in Harrisburg to study reports of the examiners, to analyze and interpret such reports and to carry on correspondence. The periodic reports submitted by the banks themselves are also studied. This Bureau maintains an Accounting and Budget Section, taking care of the departmental accounting functions.

The Bureau of Banks and Trust Companies consists principally of bank examiners. They examine every

CHART XXIII-1

ORGANIZATION OF THE DEPARTMENT OF BANKING


SECRETARY OF BANKING
Pennsylvania Securities Commission*
Banking Board*
Building and Loan Board*
Executive Bureau
Bureau of Banks and Trust Companies
Bureau of Building and Loan Associations
Bureau of Liquidation of Institutions in Possession
Division of Credit Unions and Small Loan Companies

* Departmental Administrative Board.

bank, bank and trust company, private bank and savings bank in the State, of which there are four hundred, with assets of over three billions, and trust assets of nearly five billions.

All national banks are examined by national bank examiners, and all State banks and trust companies by the State Department of Banking and the Federal Deposit Insurance Corporation. If, however, the bank and trust company is a member of the Federal Reserve System it is not examined by the Federal Deposit Insurance Corporation but is examined by the Federal Reserve Bank of which it is a member and by the State Department of Banking.

The number of banks, trust companies, private and savings banks under the jurisdiction of the Banking Department totaled 728 on June 1, 1929. During the three ensuing years a drastic reduction occurred in the number of banking institutions so that on June 1, 1932, the number under supervision dropped to 498. From 1932 up to the present date (June 1, 1940), the reduction was more gradual. There are now 402 institutions under supervision of the Department.

The Department of Banking classifies banking institutions into four groups, A, B, C, and D, according to the condition of the institutions as reflected by the reports of examination. This classification, however, does not in itself determine how often the institutions involved will be examined within any one year. The particular factors or problems which contribute to the final classifications are more important in determining the frequency of examination, special examination, investigation, special reports and conferences which are arranged in addition to the one regular examination conducted each year.

The costs of the Bureau of Banks and Trust Companies are assessed against all the banking institutions of the State on a sliding scale proportionate to the total assets of the commercial department and the total assets of the trust department. A minimum charge of fifteen dollars covers the first $100,000 of assets up to a certain point; then it drops down to five dollars for each $100,000 additional up to $2,000,000 and then four dollars up to $5,000,000, then three dollars for each $100,000 up to $10,000,000, then two dollars for each $100,000 over $10,000,000.

a. Division of Credit Unions and Small Loan Companies

It is the function of the Division of Credit Unions and Small Loan Companies to supervise all credit unions, consumer discount companies, small loan companies and pawnbrokers. Examinations must be made at least once a year of all credit unions and small loan companies, while consumer discount companies and pawnbrokers may be examined whenever the Secretary of Banking deems such a procedure necessary.

3. Bureau of Building and Loan Associations

The Department is given jurisdiction over active building and loan associations and also over building and loan associations which are being liquidated voluntarily by liquidating trustees elected by the shareholders. The function of this Bureau is to examine and supervise these associations. The State has been divided into two districts, with offices in Philadelphia and Harrisburg. Two thirds of the number of associations are located in the southeastern part of the State. The Bureau is under the direction of a chief and the two district offices have in their employ office assistants, examiners, stenographers and clerks.

The Department of Banking determines the frequency of an examination according to the particular factors or problems within each association which require special attention. These factors or problems determine the number of special examinations, investigations, special reports and conferences arranged in addition to the one regular examination held in each year.

On June 1, 1929, there were 4,235 building and loan associations subject to supervision by the Department of Banking. As of June 1, 1940, the number of these associations totaled 2,412, or a reduction of 43.0%.

4. Bureau for Liquidation of Institutions in Possession

This Bureau has the supervision of all closed banks and buildings and loan associations. Those in possession of the Department for purposes of liquidation pay the costs incurred in their behalf the same as active banks.

As of May 1, 1940, the Secretary of Banking acted as receiver for 122 banks, with appraised assets of over $40,000,000 and receiver of 274 building and loan associations with appraised assets of over $3,000,000. Nine of the banks and 116 of the building and loan associations will in all likelihood not be able to pay further dividends, and final accounts will be filed in court for these institutions.

Most of the closed banks have been in receivership for approximately nine years and most of the building and loan associations for approximately five years. The receivers have collected during this period those debts which were most easily collectible and have sold the most easily disposable assets, leaving for collection the most difficult debts, and for sale the most unsalable properties.

Obviously, it will be more difficult as time goes by to collect debts owed to the closed institutions or to make advantageous settlements or to sell real estate at a profit. Consequently, the cost of liquidation, per unit, must naturally rise.

There are approximately 32,680 persons and corporations who have not yet paid their debts to the closed banks and approximately 21,770 who owe the closed building and loan associations. There are 1,386 individuals or corporations, each of whom owe one or more closed banks over $10,000. These 1,386 debtors owe the closed banks $43,000,000.

Real estate owned by closed banks and by closed building and loan associations has an estimated market value of approximately $20,000,000.

In the liquidation of closed banks and closed building and loan associations there are three types of expenditures involved:

1. General overhead, such as the salaries of employes of the Liquidation Division itself, which supervises the liquidation of all closed banks and building and loan associations.
2. Expenses incurred by the Secretary of Banking as receiver and the employment of a deputy receiver and in the employment of others who are directly

and solely engaged in connection with winding up the affairs of the particular closed banks and closed building and loan associations.

3. Expenses incurred by the Secretary of Banking for services engaged for the benefit of more than one institution in the possession of the Secretary as receiver.

The expenses involved in item 2 are paid out of the assets of the particular closed institution. The expenses involved in items 1 and 3 are equitably distributed among the several banking institutions and building and loan associations in the possession of the Secretary as receiver. The division and apportionment of the expenses in items 1 and 3 are based on the inventory and appraisement of the closed banks. Each bank and building and loan association is required to pay the expenses in the same proportion that the value of their inventory and appraisement bears to the total values of all the inventories and appraisements of the several closed banks and building and loan associations in the possession of the Secretary as receiver. This practice is followed by the Secretary of Banking and is authorized by the Department of Banking Code of 1933.[2]

In 1939, the Legislature appropriated $10,000 to the Department of Banking which was designated as a revolving fund for use in liquidating closed building and loan associations. This revolving fund was deemed necessary because many closed associations were in an unliquid position and were therefore unable to pay their proportionate share of the expense. In such situations the revolving fund made advances on behalf of these associations of their shares of the expense, and when the assets of the associations were reduced to liquid form the associations reimbursed the revolving fund. This revolving fund is now down to around $1,000, most of it having been advanced to cover the situations indicated.

5. Departmental Administrative Boards

a. Pennsylvania Securities Commission

The Pennsylvania Securities Commission, a departmental administrative commission in the Department of Banking, was created by an amendment to the Administrative Code approved April 13, 1927,[5] and was vested with the power to administer and enforce the provisions of the Securities Act of 1927 as amended from time to time. In 1933 there was placed under its supervision the enforcement of Act No. 113, P. L. 788, which transferred from the Department of Banking the rights and duties relating to the licensing and regulating of corporations, co-partnerships, associations and individuals engaged in the investment business. The 1939 session of the Legislature passed a new "Pennsylvania Securities Act" which was approved by the Governor June 24, 1939,[6] and repealed the Act of 1927.

The function of the Commission is to protect residents of Pennsylvania in the purchase and sale of securities. It registers dealers and salesmen who wish to engage in the business of offering securities to the public in Pennsylvania and who undertake to dispose of securities for the public. After a hearing, it may revoke the registration of any dealer or salesman who has violated any of the provisions of "The Pennsylvania Securities Act" or who has been guilty of any fraud or fraudulent practice thereunder. Refusal or revocation of registration by the Commission is made subject to appeal to the Court of Common Pleas of Dauphin County. The Commission is also vested with authority to institute criminal prosecution for violations of the provisions of "The Pennsylvania Securities Act" and may bring an action in the name and on behalf of the Commonwealth of Pennsylvania against any person to enjoin such person from doing any act or acts in violation of the provisions of "The Pennsylvania Securities Act" or Act No. 113, 1933, P. L. 788. With respect to this latter Act, the Commission is given power to require the registration of entities engaged in the business of selling or offering for sale installment or single payment contracts under which all or part of the total amount received is to be repaid at some future time and wherein the contracts are "not secured by adequate property."

The Commission is composed of three Commissioners, one of whom is designated as Chairman by the Governor, and the Secretary of Banking is an ex-officio member. The Chairman receives an annual salary of $7,500, while the remaining two commissioners receive $7,000. All employes, agents and investigators for the Commission are appointed by the Secretary of Banking with the approval of the Governor. The work of the Commission falls into four general classifications; namely, secretarial, examination, registration and investigation. The secretarial staff has charge of office routine and sees to the execution of the orders of the Commissioners. The examiners employed by the Commission check upon the qualifications of all applicants for registration before presentation to the Commissioners for action, while the investigators handle complaints coming before the Commission and assist in the prosecution of violators of "The Pennsylvania Securities Act."

The Commissioners pass upon the applications for registration of dealers and salesmen, hold hearings on dealers' and salesmen's applications, revocations, and refusals to register, scrutinize prospectuses describing securities, order investigations, and in general supervise all activities of the Commission. The Commission supervises the registration of all dealers and salesmen. There are at present 527 dealers and 2,700 salesmen registered. The filing fee for dealers is $10 and the registration fee for dealers is $40. The registration fee of $40 is reduced by one-half on and after July 1st of each year. The filing fee for salesmen is $10 and the registration fee is $10 for each salesman. The qualifications of all applicants for registration are checked by the Commission's examiners before their applications are submitted to the Commission for consideration.

The offering of all corporate securities through registered dealers is passed on by the Commission before they are sold in the Commonwealth. No control is exercised over Federal, State or municipal securities. There are two methods by which the sale of securities is regulated: (1) by requiring the filing of a prospectus with the Commission through a registered dealer, and (2) by licensing as a dealer the issuing company to sell its own securities. In the latter case the entire financial setup is investigated. In the former, the Commission's primary interest is in the full disclosure in the prospectus of all the facts upon which a prospective purchaser can base his judgment of the security offered. This includes disclosure of

the margin of profit given to the dealer in the form of commissions, etc., by the corporation whose securities are being offered to the public. The Commission has the right to refuse to sanction the sale of securities if, in its judgment, the plan of business is "unfair, unjust, or inequitable." Under "The Pennsylvania Securities Act" the Commission is given the power to use practically any method it may deem necessary to determine the true financial condition of the applicant.

The facilities of the Pennsylvania Motor Police have been added to those of the Commission in making investigations. If a complaint is made to the Commission relative to an illegal sale of securities by an unregistered dealer or salesman, an investigation is made by the Motor Police at the request of the Commission. The report of such an investigation is turned over to the Commission for scrutiny and, if it is apparent that the law is being violated, a Commission investigator prepares information for warrants of arrest and assists in the prosecution of the case. In addition, the following organizations cooperate in keeping the Commission informed regarding securities schemes in violation of the law: the State Chamber of Commerce, the Pennsylvania Bankers' Association, Investment Bankers' Association, and the Better Business Bureaus. The local members of these organizations answer quarterly questionnaires prepared and sent out by the Commission which provide the Commission with current information from all over the State.

b. The Banking Board

The Banking Board,[7] a departmental administrative board, is vested by the Legislature with the following distinct powers:

(1) It may upon recommendation by the Secretary of Banking and after hearings, remove any officer, director, trustee, attorney or employe of any banking institution under the jurisdiction of the Department found guilty of unsound banking practice or violation of the law.

(2) The Board must also pass upon establishment of branch banks under the Banking Code in any community where establishment of branches was prohibited prior to January 1, 1935.

(3) In the case of reserves which banking institutions have to maintain against deposits, the Department of Banking may, with the approval of the Banking Board, alter the amount which is now set up by the Banking Code. The right to increase the required reserves is limited and, once increased, may later be decreased but not below what the Code itself prescribes.

(4) In the case of common trust funds maintained by bank and trust companies or trust companies for the collective investment of trust funds, the Department of Banking may, with the approval of the Banking Board, issue regulations pertaining to their establishment and operation.

The Banking Board has no power to initiate any matters, its functions being only to pass upon certain matters approved by or initiated by the Department of Banking.

The Act creating the Board provides that six of the nine members must be appointed by the Governor from a panel of nominees presented by the Pennsylvania Bankers' Association. These members can be removed only for absence from six consecutive meetings of the Board without excuse. If any member is removed, the Governor must appoint a substitute from the same geographical area represented by the original member. The three remaining members consist of the Secretary of Banking, who acts as chairman and ex-officio member, and two persons appointed by the Governor.

c. The Building and Loan Board

The Building and Loan Board[8] is vested by the Legislature with the power, upon recommendation by the Secretary of Banking and after hearings, to remove any director, officer, attorney or employe of any building and loan association under the jurisdiction of the Department found guilty of violation of the law relating to building and loan associations, or of unsafe or unsound practices in conducting the business thereof.

The Act creating the Board provides that six of the nine members thereof shall be appointed by the Governor from a panel of nominees presented by the Pennsylvania League of Building and Loan Associations. These members can be removed only for absence from six consecutive meetings of the Board without excuse. The three other members consist of two appointed by the Governor at large, and the Secretary of Banking, who acts as chairman and ex-officio member.

D. PERSONNEL

On June 1, 1940, the Department of Banking (including the Pennsylvania Securities Commission) employed a total of 218 persons to perform the Department's functions discussed on preceding pages. The aggregate annual payroll for these employes totaled $535,370. Table XXIII-A shows the distribution of these employes and total salaries paid according to Bureau.

TABLE XXIII-A

DEPARTMENT OF BANKING
NUMBER OF EMPLOYES AND SALARIES PAID
JUNE 1, 1940

Bureau	Number of Employes	Annual Salaries
Executive	63	$135,000
Banks and Trust Companies	66	176,810
Building and Loan Associations	66	164,780
Credit Unions—Small Loan Companies	6	13,260
Liquidation of Closed Institutions	3	8,400
Pennsylvania Securities Commission	14	37,120
Total	218	$535,370

E. FINANCES

As indicated previously, the Department of Banking assesses banking institutions and building and loan associations for expenses incurred by the Department in its supervisory and examining capacity. Hence, exclusive of appropriations to the Securities Commission, the Banking Department is self-supporting and does not receive appropriations from the Legislature, except for a small sum ($10,000 for the 1939-41 biennium) used as a revolving fund for liquidation expenses in connection with building and loan associations.

In Table XXIII-B, page 7059, is shown, by function performed, the gross cost of operating the Department of

Banking, together with revenues derived during the two bienniums 1935 to 1939 and the first year of the 1939-41 biennium. Although certain functions are not on a self-supporting basis, the following analysis indicates that aggregate revenues amply pay for the expense involved in operating the Department.

TABLE XXIII-B

DEPARTMENT OF BANKING

GROSS COSTS AND REVENUES DERIVED

BIENNIUMS 1935-37 TO 1939-41

Function Performed	Biennium					
	1935-37		1937-39		1939-1941[b]	
	Gross Cost	Revenue	Gross Cost	Revenue	Gross Cost	Revenue
Overhead expenses applicable to supervision of banks and trust companies	$307,923.51	$367,057.65	$357,897.05	$363,116.31	$141,620.57	$180,609,35
Examination of banks and trust companies	517,167.15	508,625.81	530,925.39	541,580.12	250,511.75	258,532.91
Examination of building and loan associations	368,403.31	324,373.40	321,065.13	302,054.71	132,506.09	132,269.33
Supervision and examination of private banks and small loan companies	33,972.69	73,002.12	49,057.10	131,219.95	17,664.41	69,263.41
Liquidation of closed institutions[a]	31,248.86	31,248.86	33,151.67	33,151.67	9,018.25	9,018.25
Overhead expenses applicable to supervision of building and loan associations	142,154.18	150,150.03	132,301.25	125,679.18	54,543.68	56,257.70
Registration and supervision of security dealers and salesmen	118,032.92	200,648.19	136,322.30	220,419.94	45,722.30	84,933.25
Total	$1,518,902.62	$1,655,106.06	$1,560,719.89	$1,717,221.88	$651,587.05	$790,884.20

[a] Including bank examiners used as temporary special deputies until permanent special deputies were appointed.
[b] One year only.

FOOTNOTES

[1] 1923, P. L. 809.
[2] 1933, P. L. 565.
[3] 1933, P. L. 624.
[4] 1933, P. L. 457.
[5] 1927, P. L. 273.
[6] 1939, P. L. 748.
[7] 1937, P. L. 337.
[8] 1937, P. L. 337.

CHAPTER XXIV

DEPARTMENT OF HIGHWAYS

The first Act creating a Highway Department in Pennsylvania was passed in 1903.[1] This Act provided for the appointment of a Highway Commissioner and necessary assistants to cooperate with counties, townships and boroughs in the improvement and maintenance of public highways in the Commonwealth. Financial aid was extended to counties, townships and boroughs for the construction of highways in an amount not to exceed 66-2/3% of the cost. No roads were taken over as State highways, and the initiative for construction projects lay with the local political units. Up to the end of 1909, 724.7 miles of township roads had been constructed through State aid at a cost of $8,221,279.

The Sproul Act of 1911 established the State Highway Department, and provided for taking over as State highways some 8,835 miles of first and second class township roads, comprising 269 specified routes connecting important centers of population, and providing through routes from north to south and east to west.[2]

Improvement and maintenance of these highways became the sole responsibility of the State. The State aid program was continued, but the share of funds contributed by the State was reduced to 50%, and greater supervision was exercised over local maintenance operations. A turnpike purchase program was instituted. The licensing of motor vehicles was made a responsibility of the Highway Department, and continued in this Department until 1929, when this function was transferred to the Department of Revenue.

Additional miles of road were transferred to the State Highway System in succeeding years as shown in Table XXIV-A, immediately following.

TABLE XXIV-A

DEPARTMENT OF HIGHWAYS

Original State Highway System and Additions Thereto Up to May 15, 1940

Mileage As Of			Total Miles
December 31, 1911	Miles created June 1, 1911 by Act of 1911	8,835	
	Miles added June 1, 1915 by Act of 1913 ..	1,365	
December 31, 1913	.....		10,200
	Due to corrections and a more accurate survey during 1923, the State Highway System was increased	67	
December 31, 1923	.....		10,267
	Miles added June 1, 1926 by the Omnibus Road Bill, Act of 1925	1,172	
	Corrections and Resurveys	17	1,189
December 31, 1926	.....		11,456
	Miles added July 1, 1928 by Omnibus Road Bill	1,214	
	Amendments	85	
		1,299	

[1] Footnotes on page 7070.

Mileage As Of			Total Miles
	Shortening of mileage through relocation, resurvey, etc	5	1,294
July 1, 1928			12,750
	State-aid miles added by Act 584, May 16, 1929		553
			13,303
	Corrections and Resurveys		8
May 16, 1929			13,311
	Township Reward roads added by Act 584, May 16, 1929	78	
	Amendments added by Acts 493, 494, 495, 496	36	114
			13,425
	Shortening of mileage through relocations, resurveys, etc.		21
May 15, 1930			13,404
	Shortening of mileage, relocations, resurveys		20
May 15, 1931			13,384
	Miles of former State-aid roads added to system by Act 340, June 25, 1931		139
	Amendments added September 1, 1931		10
			13,533
May 15, 1931	Less State-aid applications, maintained 100% by State, taken over on Rural Road System	4	
	Less State Reward roads taken over on Rural Road System (concrete)	3	7
			13,526
	Less Corrections and Resurveys		5
	Total State Highway System		13,521
August 15, 1931	Rural roads added by Act 203, June 22, 1931		20,156
	City streets connecting State highway routes, Act 262, June 22, 1931		312
	Total		33,989
August 15, 1931	State Highways in cities, Act 326, June 3, 1933		125
	State Highways in boros., Act 290, June 1, 1933		622
	Abandoned Turnpike, Act 327, June 3, 1933		657
	Additional State Highways, Act 289, June 1, 1933		6
	Additional State Highways, Act 292, June 1, 1933		28
	Rural Route Amendments, Act 291, June 1, 1933		26
			35,453
	Less Corrections and Resurveys		66
May 16, 1934			35,387
	Omnibus Road Bill, Act 301, July 12, 1915		2,426
	State Highways in cities, Act 297, July 12, 1935		48
	State Highways in boros., Act 295, July 12, 1935		19
May 16, 1936			38,044
	Less Corrections and Resurveys		12
May 16, 1936			38,032
	Omnibus Road Bill, Act 437, June 25, 1935		2,193
	State Highways in boros., Act 440, June 25, 1937		110
	State Highways in cities, Act 444, June 25, 1937		21
	State Highways in Phila., Act 135, May 7, 1937		15
			40,511
	Less Corrections and Resurveys		29
May 16, 1936			40,482
	Plus Corrections		40
May 16, 1940			40,522

It will be seen that State highway mileage increased gradually from the original 8,835 miles as of December 31, 1911, to 13,521 miles as of May 15, 1931. This is generally referred to as the "Old State Highways System."

With the advent of the Pinchot Administration in 1931, however, 20,156 miles of rural roads (known as the "Rural Road System") were added to the State Highway System. The insistent public demand for smoother and wider highways, as well as additional through routes has increased the centralization of control of highways with the State, as is evidenced by the growth of the State Highway System to the present 40,522 miles, shown above in Table XXIV-A.

In 1917 the Township Reward System was instituted to stimulate local expenditures for highway improvement. Under this plan, the State granted a bonus to townships constructing roads of certain specified improved types.

From administration to administration there have been many changes in policy with regard to highway construction and reconstruction. In the administration of Governor Sproul, the policy was to build all new construction of the best and most expensive type. A survey of the highway system, made by the Commission on Finances appointed by Governor Pinchot in 1922, pointed out the excessive cost and length of time which would be required to complete the highways of the State if this policy were continued. The survey established the idea of distinguishing between primary or trunk line highways, and secondary or feeder highways. It was pointed out that the more expensive types of construction should be confined to primary routes, and that by utilizing less expensive types of construction on secondary highways, in keeping with the demands of traffic, it would be possible to pave the remaining portions of the State Highway System in shorter time, and at reduced cost. Although the traffic on all highways has grown steadily, this principle has guided the administration of the Department since 1923.

A. FUNCTION

The present functions of the Pennsylvania Department of Highways are to maintain, construct, and reconstruct the 40,522 mile State Highway System, and 17,299 bridges located on this system. Included in these functions are snow removal, installation and approval of signs, signals, markings and other traffic services, and approval of highway expenditures by counties, townships and other sub-divisions of the Commonwealth as authorized by specific statutes.

B. POWERS AND DUTIES

The Department of Highways is empowered and charged with the responsibility of carrying out the following duties:[3]

1. To mark, build, rebuild, relocate, fix the width of, construct, repair and maintain the highways designated by law as State highways.
2. To have exclusive authority and jurisdiction over all State highways.
3. To superintend, supervise, and control the work of building, rebuilding, maintaining and repairing State-aid highways.
4. To enter into contracts for constructing, repairing or maintaining State highways.
5. To divide the State into suitable highway districts or divisions or both, and place in charge of each division or district an employe selected by the Secretary of Highways to carry out duties prescribed by the Department.

6. To make a survey of all the roads of the State and a general highway plan of the State, and to compile statistics and collect information relative to the mileage, character and condition of the roads in the townships and counties of the State.
7. To investigate and determine upon the various methods of road construction best adapted to the various sections of the State, and to establish standards for the construction and maintenance of highways in various sections, taking into consideration the topography of the country, natural conditions and the character and ability of the townships and counties to build and maintain roads as provided by law.
8. To advise the proper county, city, borough, incorporated town or township officers relative to the construction, repair, alteration and maintenance of highways and bridges.
9. To prepare and compile useful information relative to road building and maintenance, which may be disseminated by means of printed bulletins, for the promotion of road improvement throughout the State.
10. To cause to be published maps, showing complete road surveys of each county, which shall be kept on sale in the Department at the cost of publication.
11. To call State, county or township road meetings or conventions at such times and places as the Department shall deem wise, and to assist in the formation of county associations of township officers and be represented at their conventions.
12. To have general supervision over all township highways and bridges constructed, improved or maintained, in whole or in part, by the aid of State moneys, and to approve all agreements made by township supervisors for the expenditure of moneys appropriated by the State for road purposes.
13. To approve plans, specifications and estimates for the erection and repair of township bridges and culverts, and for the construction and maintenance of township highways. Such plans and specifications shall not be approved unless they meet the standards of the Department and no contract shall be valid unless it is in accordance with plans prescribed or unless plans, specifications and estimates have been prepared or approved by the Department.
14. To furnish bulletins of instruction to the boards of township supervisors throughout the State for building, repairing, maintenance and improvement of township roads and bridges, and to furnish additional information when called upon to do so. The Department may also furnish, free of charge, standard plans and specifications for permanent improvements in the building of bridges and culverts, establish all grades, proper drainage, and such other matters as may be deemed essential.
15. To prescribe the method of keeping township accounts and record of moneys received and expended for highways, machinery, bridges, tools, implements and for miscellaneous purposes; from time to time to cause examination of all such accounts and records to be made, and to furnish and supply to the several township officers all necessary books, blanks, forms and supplies which shall be necessary for the proper conduct of the road work of the township.
16. To administer the State Reward Fund, as provided by law.
17. To acquire, on behalf of the Commonwealth, by purchase or otherwise, turnpike or toll roads, or any parts thereof, or toll bridges, in such manner and subject to such terms and conditions as provided by law.
18. To prepare plans for and rebuild county bridges over navigable rivers and other streams, where such bridges have been destroyed by flood, fire, or other casualty: Provided, however, that such bridges shall be rebuilt only if and when the General Assembly shall have specifically appropriated funds for such purpose.
19. Through the State Bridge and Tunnel Commission to acquire, maintain, and operate intra-state toll bridges, and for the purpose of acquiring such bridges, to enter into such agreements, issue such revenue bonds or other securities, and perform such other functions as shall, from time to time, be prescribed by law.

In order to carry out its assigned duties, the Department is authorized, within limits prescribed by law, to own or lease necessary machinery, equipment, lands and buildings.

C. ORGANIZATION AND OPERATIONS

The Department of Highways is organized functionally as shown in Chart XXIV-1, page 7062. There follows a general description of the operations and functions of the Department by organizational units, as shown in the organization chart.

1. Secretary of Highways

The Secretary of Highways is the executive head of the Department. He is appointed by the Governor with the advice and consent of two-thirds of the members of the Senate. By virtue of his office he is a member of the Geographic Board in the Department of Forests and Waters, which assigns official proper names to creeks, mountains, valleys, etc.; a member of the Highway Mining Commission, which regulates mining activities under State Highways; a member of the Pennsylvania Turnpike Commission, which constructed and now operates the new Pennsylvania Turnpike; and a member of the State Bridge and Tunnel Commission.

2. Administrative Staff Reporting Directly to Secretary of Highways

Executive control of the Department is maintained by the Secretary through the following officers of the Department who report directly to him:

a. The Comptroller

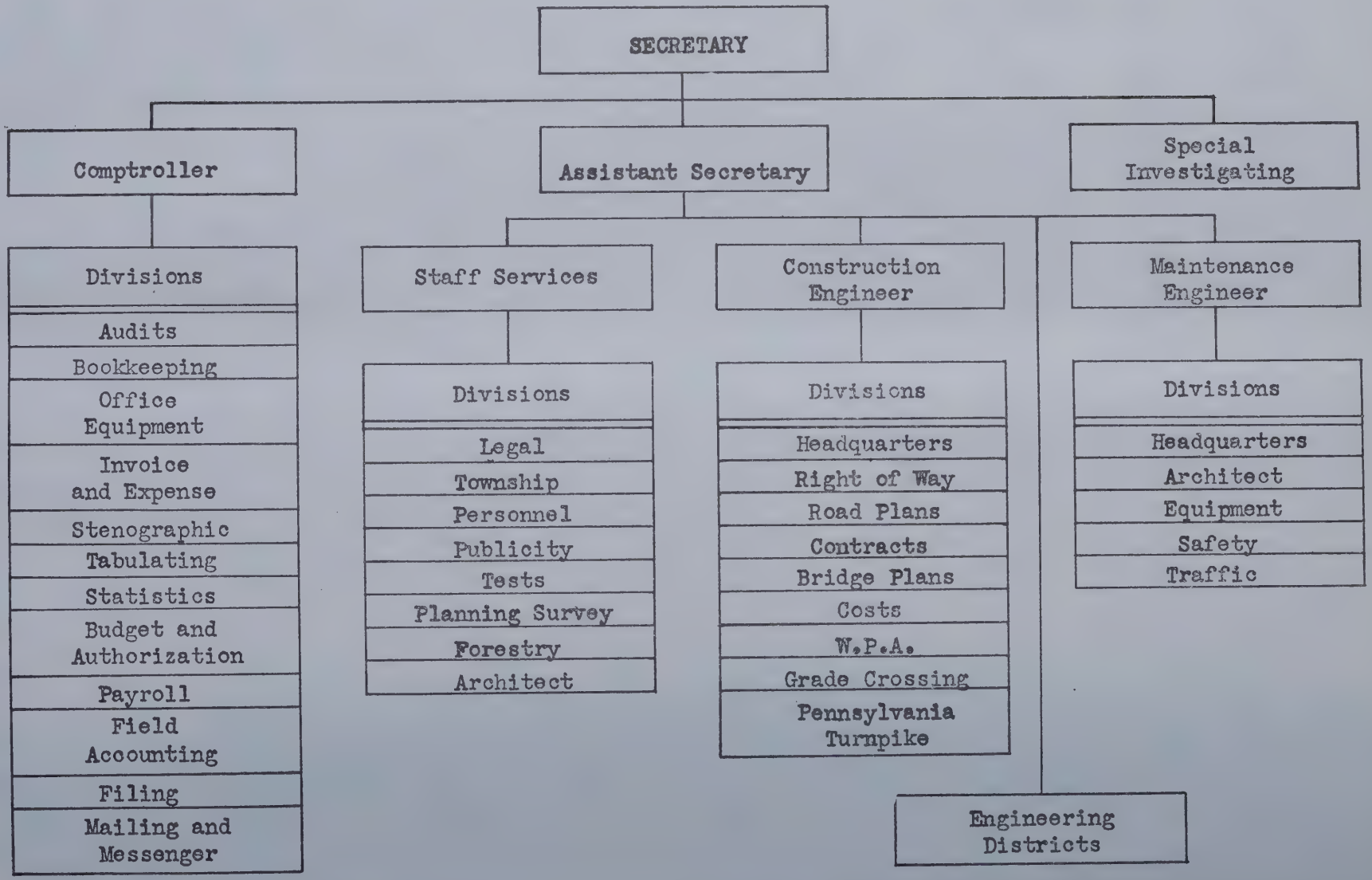
The Comptroller is in charge of all financial matters connected with new construction, reconstruction, maintenance, equipment and snow removal work, and the allocation of funds to each county and to each job. In addition he exercises jurisdiction over the auxiliary or housekeeping agencies within the Department. Reporting to the Comptroller through an Assistant Comptroller are the following divisions: auditing, (performing both field and office audits), bookkeeping, office equipment, stenographic, statistics, filing, mailing and messenger, invoice and expense control, tabulating, budget and authorization, payroll, field accounting and clerical forces.

The Comptroller secures regular reports from field employes, maintains a check on field employes to ascertain whether or not their expenditures are in accordance with the budget allocations. A number of headquarters and field auditors serve under the Comptroller to check on materials, audit accounts and requisitions, enforce accounting procedure and prevent payroll and expense account padding. All expenditures are closely checked by the Comptroller's staff, and the following procedure has been established to prevent overdrafts:

A book account is set up for each authorization for

CHART XXIV-1

ORGANIZATION OF THE DEPARTMENT OF HIGHWAYS



field construction or maintenance work. The account is credited with the amount of the authorization, and invoices and payrolls are charged against the account as they pass through for payment, so that the balance available can be determined quickly at all times. The same procedure is followed in the field offices and the central office. No posting is made which would create an overdraft of the funds budgeted. If the posting of a bill would cause an overdraft, no posting is made, but a form is prepared and forwarded to the office involved, stating that payment has been stopped on the account due to shortage of funds. In order that the work may be completed, additional funds are requested of the Comptroller and arrangements are made to pay the bills on hand or contracted for.

No transfers of funds may be made by the field office, and each account must reflect the true status of a work project at all times. Any funds required to complete a particular job in excess of the amount originally authorized can only be secured through proper explanation to and authorization by the central office.

It will be seen that there is a complete separation of the financial and operating organizations, thus assuring absolute control of all funds appropriated or allocated to the Department.

b. Special Investigating Division

Also reporting directly to the Secretary and responsible only to him is a Special Investigating Division with the job of preventing and detecting misappropriation of highway materials and equipment, and collusion between Department employes and private contractors. These investigators operate somewhat in the manner of Federal Post Office Inspectors.

c. Chief Engineer

The Chief Engineer of the Department works directly with the Secretary to assist him in the administration of technical affairs.

d. Assistant Secretary of Highways

All of the functions of the Department which have not been discussed above are under the supervision of the Assistant Secretary of Highways, who acts in a capacity similar to a General Manager, and absorbs much of the field and office routine detail for the Secretary.

3. Departmental Functions under the Direction of the Assistant Secretary of Highways

The supervision and coordination of the activities of the headquarters and field organizations, covering both line and staff functions, is centralized in the office of the Assistant Secretary of Highways. The major line functions are highway construction and maintenance, under a Chief Construction Engineer and a Chief Maintenance Engineer, respectively. Staff units provide such services as legal counsel, supervision of township aid, personnel, publicity, tests, planning survey, forestry, and building construction architect.

a. Construction

Complete jurisdiction over the construction of State highways and bridges is placed in the Chief Construction Engineer. Table XXIV-B, which shows the Department expenditures for capital improvements by contract forces during the years 1939 and 1940 by highway districts, pictures the volume of work handled by this Division.

TABLE XXIV-B

DEPARTMENT OF HIGHWAYS
Expenditures for Capital Improvements on Contracts Awarded or Executed by Highway Districts
1939 and 1940

District Number	Miles	Contract Value
1	110.28	$5,009,384.85
2	72.13	3,642,986.97
3	77.68	4,251,075.89
4	99.16	5,835,083.98
5	74.77	4,048,676.76
6	58.17	3,718,416.63
8	80.42	4,037,577.13
9	41.45	4,279,048.40
10	90.81	4,461,477.07
11	60.05	5,706,418.03
12	43.05	2,774,048.91
Sub Total	807.97	$47,764,194.62
Additional in December Letting not included above	6.15	3,600,000.00*
Total	814.12	$51,364,194.62

* Estimated

The Chief Construction Engineer is assisted by a staff of technical assistants, clerks, and stenographers, operating in divisions as follows:

(1) Headquarters Construction Division

The Headquarters Construction Division is headed by an office engineer, supervising and coordinating actual construction work details.

(2) Right-of-Way Division

The Right-of-Way Division handles all matters pertaining to the location and right-of-way of all State highways and property damage claims.

(3) Road Plans Division

All drawings for highway construction are prepared by the district offices and submitted to the Road Plans Division, headed by a Design Plans Engineer, for checking. The design of State highways is based on the character and amount of traffic which will use the highway, taking into consideration the normal volume of traffic, and also providing for peak loads.

Particular attention is paid to the following factors in completing the design of a highway:

(a) Width of Road surface
(b) Width of graded roadway
(c) Type and depth of road material selected, taking into consideration soil conditions and character of local native materials available
(d) Anticipated speed of vehicles operating on the completed highway.

Recommendations for type of construction to be used on any highway originate in the district offices and are submitted to the Chief Engineer of the Department for final approval.

(4) Contract Division

The Contract Division supervises the advertising for bids, prepares contracts in final form and submits them to the Attorney General for approval. The standard procedure as outlined by the Department in the manual of specifications is as follows:

Bids are advertised, submitted, opened by the Chief Construction Engineer, tabulated, and the award made to the lowest bidder by the head of the Department. The specifications set forth in the advertisements are drawn by the Department's engineers. Specifications and drawings are sold to prospective bidders at $2.50 a copy. Bids when submitted are deposited in a steel box with a combination safe lock.

(5) Bridge Plans Division

The Bridge Engineer and his designing organization prepare plans and specifications for State highway bridges and incidental structures. Standard designs are used whenever possible, but in many cases a special design is necessary. Since bridges represent a very high initial cost per mile, and are fixed in position and of long-lived construction, they must be designed with consideration of the expected traffic needs for 50 years or more, and to possible future improvement of the highway beyond the limits of the structure.

Reviewed briefly, the following are some of the principal steps involved in bridge planning:

(a) Determine location, width and right-of-way.
(b) Determine amount of free waterway opening or clear span to be provided, considering stream velocity, rapidity of run-off, possible flood heights, shallows and bends in stream, etc. In some cases the stream channel is relocated to provide for more effective use of the bridge opening.
(c) Assure compliance with all State and Federal laws affecting bridges over streams, over or under railroads and other public utilities. This requires approval of the Water and Power Resources Board for the waterway opening, of the Fish Commission for stream channel changes, and of the State Arts Commission for the artistic appearance of the structure.
(d) Secure approval of the United States War Department for horizontal and vertical clearance when crossing navigable streams.
(e) If a bridge is over or under a railroad or other public utility, the approval of the Public Utility Commission must be secured.
(f) If Federal moneys are to be used in the construction, approval must be secured on line, grade, and plans by the Federal Public Roads Administration.

The examples mentioned are not intended to cover the work of this Division completely, but are cited to show the range of problems handled.

During 1940, contracts for constructing 497 bridges were awarded at a total cost of $6,765,061. In addition, 219 bridge projects for construction by department forces at a total estimated cost of $568,158 were approved. The latter consists mostly of repairs, but does include the construction of a number of small span bridges.

(6) Costs and Estimates Division

Costs and estimates on all projected construction work are prepared in this Division, which is under the direction of the Cost Engineer.

(7) W.P.A. Cooperation Division

The W.P.A. Engineer coordinates the programs of the Highway Department and the Works Progress Administration to prevent useless projects and duplication of work, and indicates to the Federal authorities where relief labor could be profitably put to work on public roads within the State.

Department funds required for the sponsor's share of each specific project are definitely allocated to that project and represent the definite limit of departmental participation. Participation is limited to materials incorporated into, and which become a component part of the completed work, together with a definite proportion of road building equipment costs. The balance of equipment as well as all labor costs are furnished by the W.P.A. authorities.

(8) Grade Crossing Division

The Grade Crossing Engineer and his assistants secure data on railroad crossings from highway field organizations and railroads, make personal investigations, and compile the data and studies. After consultation with railroad engineers, projects are selected and included in a program for which a definite amount of money has been alloted. In the past six years the Federal Government has made millions of dollars available for use in undertaking grade separation projects.

According to law, all matters involving grade crossing eliminations or protection must be approved by the Pennsylvania Public Utility Commission. Proceedings against existing crossing conditions are prepared and instituted through this Division. General construction drawings showing the location of existing conditions and the proposed improvement are prepared. Where the improvement requires a bridge, the overhead structures carrying the highway over the railroad are designed by the Bridge Plans Division. Undergrade structures carrying the railroad over the highway are designed by the railroad engineers.

Upon completion, the various plans are submitted for review of the Public Utility Commission, the local municipalities and any public utility company involved. A sufficient time is permitted for study of the drawings, after which a conference is called on the ground, to discuss the various engineering features and to consider the effect which might be produced on local communities. Final decision rests with the Public Utility Commission as to whether the plan prepared by the Highway Department or any other party is the best method of promoting safety for the users of the highway and the railroad.

Federal funds are not available for the payment of property damage claims resulting from the improvement, and such costs must be assumed by the State, railroads and local parties. If the parties cannot agree on the division of these costs, the Public Utilities Commission may allocate the cost among the parties affected.

Plans are reviewed, checked and revised, and estimates prepared to show the cost of the proposed improvement. Agreements between the Department of Highways and the railroads are also made up to indicate and definitely prescribe the parties who will perform the work, how the costs will be paid and which parties shall maintain the

completed improvement. When all these data have been assembled, they are submitted to the Federal authorities for their approval in regard to Federal moneys involved, and upon receipt of such approval, bids are asked.

(9) Turnpike Division

The survey for the route of the Pennsylvania Turnpike was made by the Department of Highways, for which the Department was reimbursed by the Commission. Supervision of the survey, and the handling of matters involving the Department while construction was in progress, was handled by this Division. The Secretary of Highways, as a member of the Turnpike Commission, exercises continuing control over the operation and maintenance of the Turnpike, and details of these matters are handled in this Division.

b. Maintenance

All maintenance activities of the Department are under the direction of the Chief Maintenance Engineer. Throughout its history the Department has placed a broad interpretation upon the legislative authorization to maintain highways. A list of maintenance activities drawn up by the Department in 1930 includes: resurfacing, surface treatment of macadam roads, oiling of earth roads, snow removal, repairs to bridges, erection and maintenance of guard rails and signs, pavement markings, roadside plantings and repairs of a general nature, such as patching of pavements, maintenance of shoulders and drainage features. In recent years, the definition of maintenance has been enlarged to include erection of improved structures to house district personnel and equipment, and also an intra-departmental safety program.

Table XXIV-C shows the total cost, mileage, and cost per mile of general and special maintenance, excluding surface treatment and snow removal, by highway districts for 1939:

TABLE XXIV-C

DEPARTMENT OF HIGHWAYS

General and Special Maintenance Expenditures Excluding Snow Removal and Surface Treatment 1939

District Number	Total Cost	Mileage	Cost Per Mile
1	$ 818,181.60	3,695	$221
2	526,120.71	2,999	175
3	643,107.46	3,834	168
4	904,924.75	4,520	200
5	825,515.00	3,415	242
6	1,348,427.00	3,455	390
8	1,215,040.96	5,795	210
9	616,137.15	3,010	205
10	741,575.32	3,540	210
11	889,851.58	3,046	292
12	728,187.05	3,236	225
Total	$9,257,068.58	40,545	$228

An increasingly important phase of the Department's maintenance activity has been the snow removal program, which has increased in cost and covered increasing mileage of roads during the past ten years. The miles of road covered by the snow removal program, the average cost per mile, and the total cost of snow removal is shown by years in the following Table XXIV-D:

TABLE XXIV-D

DEPARTMENT OF HIGHWAYS

EXPENDITURES FOR SNOW REMOVAL PROGRAM 1930 TO 1940

Fiscal Year	Mileage Snow Removal	Average Cost Per Mile	Total Cost
1930-31	9,685	$157	$1,519,000
1931-32	10,715	128	1,367,000
1932-33	11,372	106	1,208,000
1933-34	11,839	201	2,388,000
1934-35	12,495	211	2,639,000
1935-36	15,375	376	5,771,000
1936-37	16,729	178	2,970,000
1937-38	17,834	197	3,510,000
1938-39	18,577	263	4,895,000
1939-40	18,215	240	4,380,000

The mileage shown under the snow removal program is that upon which complete snow removal for two-way traffic and anti-skid service on all curves and hills is guaranteed. In addition, all other roads are opened for one-way traffic, but this service is not definite and must await action until the mileage of the snow removal program has been properly serviced.

For the winter of 1940-41, the guaranteed snow removal program has been extended to 19,050 miles, to include all improved roads with a traffic of 100 or more vehicles per day.

From the standpoint of mileage and money expended, Pennsylvania has a larger program of winter service activities and spends more than twice as much as fourteen compared states for this class of work. A statement of the winter service supplied by the above states, as compared with Pennsylvania is shown in Table XXIV-E, below.

TABLE XXIV-E

DEPARTMENT OF HIGHWAYS

COMPARISON OF MILEAGE AND COST OF WINTER ROAD SERVICE BY SELECTED STATES

1938-1939

State	Mileage Serviced	Total Cost
Pennsylvania	18,577	$4,895,000
Ohio	16,314	885,000
Illinois	13,400	593,000
New York	12.674	2,195,000
Minnesota	11,273	1,164,000
Indiana	10,170	317,000
Wisconsin	10,000	1,091,000
Michigan	8,987	1,438,000
West Virginia	5,409	107,000
Connecticut	2,775	622,000
New Hampshire	2,766	933,000
Massachusetts	1,798	2,006,000
Vermont	1,752	445,000
New Jersey	1,593	441,000
Maine	2,633	508,000

An Assistant Chief Maintenance Engineer is responsible for field supervision of maintenance activities, and directs the activities of the following units:

(1) Headquarters Maintenance Division

This Division controls the allocation of maintenance funds to the State Highway Districts and counties, re-

ceives reports, supervises the purchase of materials, and sees that budget allowances are not exceeded.

(2) Architectural Division—Maintenance of Buildings

Headquarters and field office buildings, as well as garages, are maintained under the direction of this Division.

(3) Equipment Division

The close supervision of the 9,395 pieces of numbered equipment owned by the Department is the responsibility of the Equipment Engineer and his staff. Equipment is transferred from county to county according to need, and is so scheduled that the need for renting outside equipment is reduced to a minimum. Repairs to equipment and disposition of obsolete equipment are also a function of this Division.

(4) Safety Division

The purpose of the Safety Division is to reduce the number of accidents to the highway laboring force, which in turn reduces the cost of compensation insurance and other forms of expense incidental to accidents.

In addition to devising methods for the prevention of accidents to highway employes, the Safety Division representatives conduct classes in first aid, investigate and report accidents to employes to the central office, where a coding system covering age, occupation, time employed, agency, accident type, unsafe act, mechanical defect, personal defect, nature and location of accident is used in classifying accident causes.

For the fiscal year 1939-40 the average weekly highway labor force was 13,727 men and the total number of compensable accidents in the county maintenance organizatons amount to 269, a reduction of 65% from the fiscal year 1938-39 in which the number of compensable accidents was 768. For the first five months of the fiscal year from June 1, 1940 to November 1, 1940, the average weekly labor force was 12,484 men and the total number of compensable accidents was reduced to 63.

The improvement in the Department's accident record, had resulted in a decrease in compensation insurance, which is paid from the Motor License Fund. The compensation insurance rate per $100.00 of payroll in the fiscal year 1938-39 was $2.65, which was reduced to $1.49 in the fiscal year 1939-40, and for the first five months of the fiscal year June 1, 1940 to November 1, 1940 was $1.20 per $100.00 of payroll.[5]

(5) Traffic Division

The Traffic Division was organized in August, 1937 by an amendment to the Motor Vehicle Code, which standardized and regulated all traffic control devices in the Commonwealth. This Division is responsible for determining the standards of and the necessity for warning and direction signs, traffic signals, regulatory devices and pavement markings for traffic control and safety. During the spring and summer seasons of 1940, a total of 6,942 miles of traffic lines were painted, an increase of 2,556 miles over 1938.

c. Staff Services

In addition to the organizations engaged in direct construction and maintenance activities, discussed in the preceding sections, the Assistant Secretary of Highways supervises the work of certain staff units which are charged with specific tasks in carrying on the work of the Department. A discussion of these units follows:

(1) Legal Division

The Legal Division counsels the Department on the application of the law to its work. It handles all work before the Public Utility Commission involving the elimination of grade crossings, and represents the Department in all cases where the Department is either plaintiff or defendant.

The Legal Division handles all claims against the Department, supervises the purchase of land, checks upon all legislation affecting the Department, etc. Since the Department is dependent in many cases upon rulings made by the Attorney General's office, the Legal Division prepares the material for submission to that office, thereby expediting procedure. In the past there has been discussion of the advisability of centralizing this work in the Attorney General's office. However, no action has been taken. The Department is of the opinion that such a course would slow up its work, and it is further believed that the State's General Fund should not bear the expense of this Division.

(2) Township Division

The maintenance of township roads, totaling 44,600 miles, was turned back to the township supervisors under legislation enacted at the 1939 session of the Legislature. Act 9-A, approved May 17, 1939, amended appropriation Act 51-A, approved June 5, 1937, to provide for the allocation of $3,300,000 to second class townships on a mileage basis.

The amended Act provided for the allocations to be expended by the township supervisors of each township, under the supervision and subject to the approval of the Department of Highways, and in compliance with such rules and regulations which the Department of Highways prescribed in carrying out the provisions of the Act.

Act 10-A, approved May 17, 1939, was a companion Act to Act 9-A, and appropriated $8,500,000 for township road work during the two calendar years.

The supervision of the township work authorized under the provisions of Acts 9-A and 10-A was assigned to the Township Division.

The Township Division consists of a central office supervisory unit, headed by a Township Engineer, and a field organization comprising eleven District Township Engineers, one for each engineering district, and, in addition, Assistant District Township Engineers in most of the engineering districts. The duties of the township engineers include general supervision over all township work, and advice to the township supervisors on the repair, maintenance and improvement of township roads and bridges, and the rendering of such assistance as may be necessary to the secretary of the road board in the proper method of keeping the township records and accounts.

Other duties assigned to the Township Division include the issuance of occupancy and special hauling permits, bridge occupancy licenses, bridge lighting, county-aid work, and the approval of township purchase orders for road building materials and equipment.

(3) Personnel Division

The personnel Division of the Department handles all

vacancies and appointments within the Department above the rank of unskilled labor (which is handled on a district basis). The Personnel Bureau in the Governor's office maintains a complete record of all positions, standardizes titles and wages and classifies positions in the Highway Department as in other Departments.

(4) Publicity Division

This Division furnishes information to the press, answers definite inquiries, and prepares and distributes tourist maps and weekly detour maps which are sent to State Legislators, motor clubs, hotels, traffic bureaus and private individuals. A photographic section takes pictures of scenic and technical subjects for records, study and publicity purposes. All money received from the sale of maps, plans, blue-prints or any records of the Department of Highways is deposited in the Motor License Fund.

(5) Testing and Research Laboratory

The Testing and Research Laboratory now located in Harrisburg maintains a branch in Allentown for the testing of cement at the point of shipment, and at Pittsburgh for the testing of steel and cement. The Harrisburg laboratory has acquired an international reputation for its research methods and results.

Every carload of asphalt, stone, gravel, slag or sand is checked by this unit to determine whether or not it complies with specifications. The laboratory tests and investigates all highway materials, studies sources of supply, recommends standards, etc. In addition it conducts tests on finished pavements and investigates the problem of road construction methods.

During previous administration the responsibility for checking, testing and control of materials was divided between the laboratory and the field operating personnel. This has been changed to the extent that complete control of testing and use of all materials is the responsibility of the Testing Engineer and his assistants. There is a Materials Engineer in each engineering district who is responsible directly to the Testing Engineer in the laboratory. This control assures the use of only those materials which meet specification requirements.

(6) Planning Survey Division

The collection and compilation of reports, traffic counts and statistics to be used in planning future highway construction and reconstruction is the responsibility of this Division. The reports of the Planning Survey Division guide the Department in designing the type of highway to be built, and also provide data which is used in planning the Department's maintenance program. The scope of the work includes a rural road inventory, traffic survey and a financial study.

The rural road inventory covers an inventory of mileage, type and width of all existing roads, as well as cultural features and drainage characteristics. A perpetual road inventory is being maintained so that inventory records may be kept up to date continuously.

A blanket count and a main traffic count constitute the traffic survey. Blanket counts are taken at stations located on secondary routes. The main traffic survey is conducted at a State-wide system of key traffic stations, located on the main highways. Weights of heavy trucks are systematically checked.

The financial study includes a detailed analysis of the source of public income, with special attention being given to motor vehicle taxes, and a comparison of motor vehicle taxes with the amount actually spent for roads.

(7) Forestry Division

This Division, under the supervision of the Chief Highway Forester, is charged with the responsibility of roadside planting and roadside improvement in general. The bulk of this work is connected with the maintenance activities of planting slopes to control erosion, seeding and sodding of berms, removal of dead trees, establishing vistas, and evergreen snow fences.

Prior to 1928, when automobile developments and highway designs portended the present day demand for comfort, speed, safety, and beauty, roadside improvement was limited to the planting of occasional straight rows or avenues of trees, usually near town entrances. This work was done under the supervision of foresters employed by the Department of Forests and Waters. In 1928 the Highway Department appointed a Highway Forester, and shortly thereafter a Forestry Division was organized.

The original effort consisted mainly of establishing numerous small, detached plantings of many species of native and exotic trees, shrubs, vines, and grasses. Through constant experimentation, which still continues, techniques have been developed for the natural improvement of the highway area as an integral part of its surroundings.

No conflict arises between the work of this Division and that of the Department of Forests and Waters. Its work might be referred to as a landscaping function, as distinguished from the work of the Department of Forests and Waters which deals with forest care and development.

(8) Architectural Division

This Division prepares the plans for the construction of new departmental buildings, in contrast to the Architectural Division under the direction of the Chief Maintenance Engineer which supervises the remodeling and improved maintenance of buildings already erected.

d. Field Organization

The field administration of construction and maintenance work on the State Highway System is conducted through highway districts. There are eleven such districts in the State, subdivided into various numbers of county maintenanced districts ranging from four to nine in number. The total mileage of the State Highway System has been so divided as to make the eleven districts as nearly equal in size as possible. The mileage in the individual counties varies widely, and with the exception of Cameron and Elk Counties in District No. 2, which have been combined, each county constitutes a maintenance district.

Each of the eleven districts is organized with a District Engineer, an Assistant District Engineer, and an average of two to six staff engineers, the number of staff engineers varying with the volume of technical work at hand.

Most of the drafting and designing work of the Department is done by the field office. Their work is checked and approved in the central office at Harrisburg. Finally, the maintenance engineer has his county superintendents and their assistants as well as a small office force working under his direction.

Table XXIV-F shows the counties comprising each State Highway District and the mileage in each.

TABLE XXIV-F

DEPARTMENT OF HIGHWAYS
COMPOSITION AND MILEAGE OF STATE HIGHWAY DISTRICTS

District Number	County	State Highway Mileage
1	Crawford	962
	Erie	795
	Forest	194
	Mercer	725
	Venango	511
	Warren	508
	Total District No. 1	3,695
2	Centre	577
	Clearfield	803
	Clinton	299
	Cameron	106
	Elk	273
	McKean	425
	Potter	516
	Total District No. 2	2,999
3	Columbia	556
	Lycoming	870
	Montour	174
	Northumberland	552
	Snyder	347
	Sullivan	290
	Tioga	780
	Union	265
	Total District No. 3	3,834
4	Bradford	1,041
	Lackawanna	421
	Luzerne	734
	Pike	316
	Susquehanna	936
	Wayne	711
	Wyoming	361
	Total District No. 4	4,520
5	Berks	1,024
	Carbon	256
	Lehigh	502
	Monroe	491
	Northampton	491
	Schuylkill	650
	Total District No. 5	3,414
6	Bucks	946
	Chester	1,123
	Delaware	438
	Montgomery	793
	Philadelphia	155
	Total District No. 6	3,455
8	Adams	551
	Cumberland	557
	Franklin	590
	York	1,194
	Dauphin	503
	Juniata	325
	Lancaster	1,230
	Lebanon	395
	Perry	450
	Total District No. 8	5,795
9	Bedford	803
	Blair	375
	Cambria	583
	Fulton	332
	Huntingdon	658
	Mifflin	258
	Total District No. 9	3,009
10	Armstrong	717
	Butler	785
	Clarion	560
	Indiana	904
	Jefferson	573
	Total District No. 10	3,539
11	Allegheny	855
	Beaver	592
	Lawrence	403
	Westmoreland	1,196
	Total District No. 11	3,046
12	Fayette	698
	Greene	618
	Somerset	935
	Washington	986
	Total District No. 12	3,237
	Grand Total	40,543

4. State Bridge and Tunnel Commission

The only Board or Commission operating under the fiscal control of the Department of Highways is the State Bridge and Tunnel Commission (name changed from State Bridge Commission by Act of July 12, 1935),[6] which at the present time is not functioning as no funds have been appropriated by the Legislature for its operations.

This Commission is empowered to acquire, maintain and operate intrastate toll bridges, and for the purpose of acquiring such bridges, to enter into such agreements, issue such revenue bonds or other securities, and perform such other functions as shall, from time to time, be prescribed by law.[7]

The Secretary of Highways, the Auditor General and three other persons, of whom two shall be experienced in business, constitute the Commission.

D. PERSONNEL

The number of persons employed by the Department varies widely in keeping with the amount of construction and maintenance work in progress. This applies particularly to the personnel employed on an hourly or per diem basis, both in the central office and in the field, who are engaged as needed for the definite work at hand.

The salaried personnel, in the central and district offices, constitute the continuing organization, and is affected only in a slight degree by the amount of con-

struction or maintenance activity at any particular season of the year.

Table XXIV-G, below, contains a summary of the number of salaried employes and their annual salaries as of June 1, 1940, covering both headquarters and field employes, grouped according to sections and units in which they function.

E. FINANCES

Prior to 1919, all money for the construction and maintenance of State highways was made available to the Department of Highways by legislative appropriations from the General Fund. In that year the Motor License Fund was created for highway purposes, into which were paid the proceeds from motor vehicle registrations and operators' licenses. A liquid fuels tax of one cent per gallon was imposed, one-half cent of which was to be returned to the counties for highway purposes, and the remainder appropriated for the use of the Department of Highways.

TABLE XXIV-G

DEPARTMENT OF HIGHWAYS
SUMMARY OF PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Section and Unit	Number of Employes	Annual Salaries
Headquarters Staff:		
Executive Staff	11	$ 41,000
Engineering Section	131	287,460
Equipment and Maintenance Section	61	105,680
Staff Service Section	164	306,760
Clerical and Accounting Section	172	225,680
Total	539	$966,580
Field Staff:		
District No. 1	185	$301,260
District No. 2	159	250,280
District No. 3	168	265,920
District No. 4	227	385,020
District No. 5	182	281,970
District No. 6	188	303,120
District No. 8	277	429,300
District No. 9	175	271,920
District No. 10	182	287,160
District No. 11	218	359,240
District No. 12	185	285,840
Total	2,146	$3,196,030
Grand Total	2,685	$4,162,610

Also in 1919, a program for financing State highway improvement and construction through issuing bonds was instituted and continued through 1926. In 1927, a further proposed bond issue was defeated by the electors of the State, and since that time highway construction and improvement has been financed out of current revenues to the Motor License Fund. Table XXIV-H shows the detail of the above bond issues for highway improvement and construction, and their present status as shown in the 10th Biennial Budget of the Commonwealth, 1941-43.

TABLE XXIV-H

DEPARTMENT OF HIGHWAYS
STATE HIGHWAY ROAD BONDS
ISSUED AND OUTSTANDING

Date of Loan	Original Amount	Interest Rate	Date of Maturity	Amount Outstanding December 31, 1940
7/1/19	$ 12,000,000.00	4¼%	7-1-49	$ 3,316,000.00
8/2/20	112,000.00	4½%	8-2-23	.....
8/2/21	11,688,000.00	5 %	8-2-51	11,688,000.00
7/1/21	15,000,000.00	5 %	7-1-51	15,000,000.00
12/1/21	11,200,000.00	4¾%	12-1-51	.....
4/1/25	20,000,000.00	4 %	4-1-52	10,000,000.00
9/1/25	20,000,000.00	4 %	9-1-53	11,422,000.00
10/1/26	10,000,000.00	4 %	10-1-54	6,000,000.00
Total	$100,000,000.00			$57,426,000.00

NOTE: The loans floated in 1919, 1925 and 1926 were in the form of serial bonds due at various dates. The 1921 loans will be paid in full at maturity.

Through the provisions of the Act of May 1, 1929,[8] the Department of Highways now secures its revenue out of the Motor License Fund as a continuing appropriation according to the procedure provided in the Act. The Act provides that the residue of Motor License Fund receipts, after the payment of specific appropriations to the Board of Finance and Revenue for sinking fund and interest payments on highway bonds, to the Department of Revenue for the operation of the Bureau of Motor Vehicles, and to the Pennsylvania Motor Police for that portion of the force which performs the duties of the former Highway Patrol, etc., shall be appropriated to the Department of Highways for the purpose of carrying out its functions.

In contrast to administrative departments which are financed by appropriations from the General Fund at each session of the Legislature, allocations are made to the Department of Highways by the Budget Secretary out of Motor License Fund receipts. The Budget Secretary also approves each item in the Department's budget for the expenditure of the funds allocated to it.

The principal sources of revenue for the Motor License Fund are the fees derived from motor vehicle registrations and operators' licenses, receipts from the liquid fuels tax, miscellaneous revenues from the sale or rental of departmental equipment or supplies, and contributions from the Federal Government. At present Pennsylvania collects a tax of 4c per gallon on liquid fuels, of which 2½c per gallon is deposited in the Motor License Fund; ½c per gallon is returned to the counties for local highway use; and 1c per gallon is paid into the State's General Fund to be used for public assistance purposes. An additional tax of 1½c per gallon is collected by the Federal Government.

Table XXIV-J, page 7070, shows Motor License Fund revenues and receipts by principal sources, with the actual amounts shown for the 1937-39 biennium, and actual plus estimated amounts as set forth in the Commonwealth's 10th Biennial Budget.

The actual expenditures of the Department of Highways, classified by purpose of expenditure, with actual figures shown for the 1937-39 biennium, and the funds expended and available for the 1939-41 biennium, are shown in Table XXIV-K, page 7070.

TABLE XXIV-J

DEPARTMENT OF HIGHWAYS

Motor License Fund Revenues and Receipts 1937-1939 and 1939-1941

Source	Actual 1937-1939	Actual and Estimated 1939-1941
Taxes, Penalties and Interest ..	$ 69,934,565.95	$ 74,653,853.00
Motor Licenses and Fees	70,561,606.96	77,895,152.00
Fines and Penalties	49,901.35	* 750.00
Miscellaneous Revenue	1,321,874.42	1,060,059.00
Construction and Maintenance Contributions (Including Fed.)	13,873,359.72	15,990,280.00
Total Revenues	$155,741,308.40	$169,600,094.00

* Motor Law Fines made payable into General Fund, 1937, P. L. 2329, Section 1207.

TABLE XXIV-K

DEPARTMENT OF HIGHWAYS

Actual and Available Expenditures Bienniums 1937-39 and 1939-41*

Purpose	Actual 1937-1939	Per Cent Of Total	Actual and Available 1939-41	Per Cent Of Total
Construction and Reconstruction ..	$46,267,516.90	31.7	$74,960,597.00	46.0
Resurfacing	5,184,650.51	3.6	2,620,037.00	1.6
Maintenance	54,186,608.72	37.1	44,925,490.00	27.6
Special Work	2,244,342.48	1.5	2,529,914.00	1.6
Administration and Miscellaneous ...	17,226,033.40	11.8	13,861,665.00	8.5
Right-of-Way	1,593,390.84	1.1	3,432,000.00	2.1
W.P.A. Sponsorship	14,605,268.17	10.0	17,362,977.00	10.7
Plant and Equipment Acquired ..	4,626,383.33	3.2	3,141,094.00	1.9
Total	$145,934,194.35	100.0	$162,833,774.00	100.0

* Source, 10th Biennial Budget of the Commonwealth. Page 49.
NOTE: The total maintenance and operation costs of plant, equipment, and stores, which amounted to $1,918,493.85 in the 1937-39 biennium, and $1,970,745.00 in the 1939-41 biennium, are distributed to and included in the various functions for which the equipment and stores were used.

FOOTNOTES

[1] 1903 P. L. 188.
[2] 1911 P L. 468.
[3] Administrative Code, Sections 2001 to 2010, inclusive.
[4] C. H. Buckins, The 1939-40 Construction Record of the Pennsylvania Department of Highways, Highway Builder, Volume 19, Number 12, pp 27-31 (1940).
[5] H. R. Moffit, Chief Maintenance Engineer Sees Savings and Economies Effected, Highway Builder, Volume 19, Number 12, pp. 9 and 60 (1940)
[6] 1935 P. L. 735.
[7] Administrative Code, Section 2010.
[8] 1929 P. L. 1046.

CHAPTER XXV

BOARD OF FISH COMMISSIONERS

A. FUNCTION

The Board of Fish Commissioners,[1] an independent administrative board, consists of the Commissioner of Fisheries, who is the President and Executive Officer of the Board and Chief Superintendent of all hatcheries and fish cultural establishments belonging to the State, and seven other citizens of the Commonwealth. All are appointed for terms of six years. The Commissioner receives a salary of $6,000 per annum which is fixed by law,[2] but the other members of the Board serve without pay.

The Commissioner of Fisheries is a member, ex officio, of the Water and Power Resources Board,[3] which regulates the erection of dams and encroachments in the waters of the State, the Sanitary Water Board,[4] which controls stream pollution, and the Pennsylvania State Park and Harbor Commission of Erie.[5] He is thus in direct touch with all agencies of the Commonwealth which might affect the waters thereof.

B. POWERS AND DUTIES

The Board of Fish Commissioners is vested with the following powers and duties:[6]

1. To administer and enforce the laws of the Commonwealth relating to the encouragement, promotion and development of the fishery interests and the protection, propagation, and distribution of fish.
2. To make rules and regulations for the enforcement of such laws.
3. To appoint fish wardens and special fish wardens.
4. To publish, through the Department of Property and Supplies, information respecting the laws relating to the protection of fish and the extent and conditions of the fisheries of the Commonwealth.
5. To acquire by purchase, gift, lease or otherwise, title to or control of lands or buildings within the Commonwealth for the purposes of the Board.[7]

C. ORGANIZATION AND OPERATIONS

The present organization of the Board provides for no separate bureaus. For administrative purposes, however, as is indicated by Chart XXV-1, the work is divided into Divisions of Protection, Propagation, and Public Information, under the direct supervision of the Board.

The administrative work of the Board is under the direction of the Commissioner of Fisheries, and an Administrative Secretary, located in Harrisburg, and a Chief of Fish Culture who is stationed at Bellefonte. A Comptroller and 7 other employes complete the regular personnel in the administrative function. Per diem employes are used as the need arises. All important matters of policy relating to the work of the Board are in direct charge of the Commissioner of Fisheries.

1. Division of Protection

The protection function of the Board is divided between the Warden Service and the Boat Patrol Service. There are 39 wardens in the employ of the Board, 24 on the regular payroll and 15 on a per diem basis. These men patrol the streams in assigned districts to protect the fish against persons violating the law by fishing without a license, using illegal devices, exceeding the limit of any kind of fish or retaining fish below the legal size. The wardens have full police power in the laws relating to fish.[8] In addition to the purely police service, the wardens also make surveys to determine whether streams are suited for certain types of fish which the Board has been requested to plant. They also assist in the distribution of fish when they are stocked in the streams, make special investigations at the instance of the Board, and appear before various associations to explain the work of and aims of the Board of Fish Commissioners.

The Boat Patrol Service consists of two small open boats with outboard motors which operate on Lake Erie, Delaware River, Lake Wallenpaupack, Conowingo Dam, Safe Harbor Dam, Holtwood and Pymatuning Reservoir. The boats are carried on trailers from one location to another.

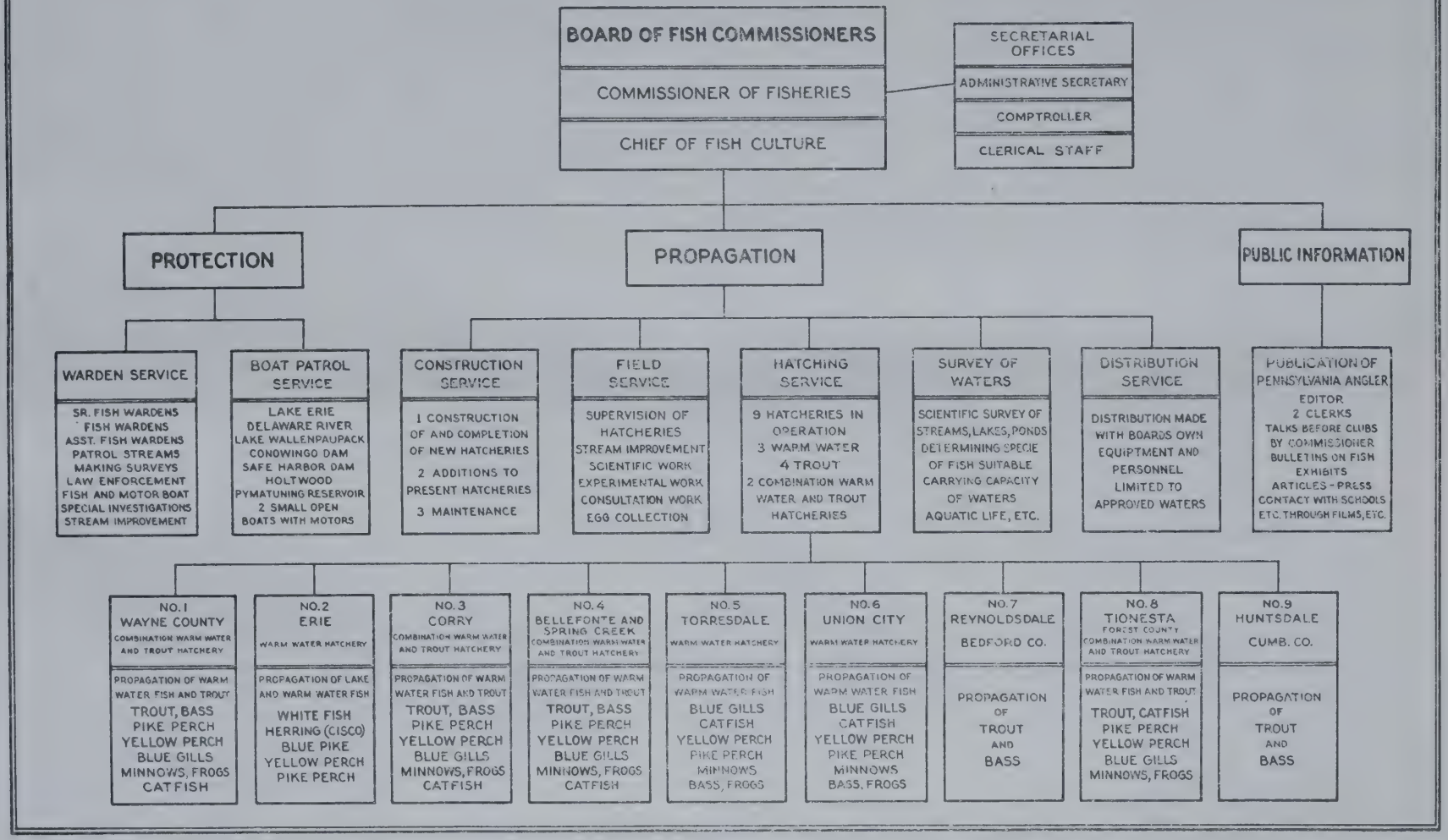
2. Division of Propagation

This function has been organized under five distinct

[1] Footnotes p. 7074.

CHART XXV-I

ORGANIZATION CHART OF THE BOARD OF FISH COMMISSIONERS



services, construction, field, hatching, survey of waters, and distribution.

a. Construction Service

The construction service relates to the erection of new hatcheries, the expansion of existing facilities and the maintenance of all properties under the Board. Two projects are in operation at the present time, according to testimony submitted to the Commission—one at Huntsdale, Cumberland County, and one at Bellefonte, Centre County. The Huntsdale project was subsidized by the Works Progress Administration, the Board furnishing 20% of the cost. The Huntsdale hatchery was increased from 28 ponds to 154 ponds over a period of 2 years. When completed it will be one of the largest in the country.

The Board has the right to acquire lands, buildings, etc., by purchase, gift, lease or otherwise.[7] This privilege had been previously given the Game Commission.

b. Field Service

The field service consists, in part, of securing and analyzing water to determine its type and its condition as to pollution. This is done to prevent loss of fish when stocking streams. In some streams food samples are taken to determine whether the proper food is available for the fish to be distributed there. This work is in the charge of one man, with occasional help from two others. Field Service also includes the supervision of nine hatcheries, scientific work in connection with different species of fish, experimental work covering the problems of the Board or occurring in the waters of the Commonwealth, egg collection, consultation work, and assisting associations, clubs and individuals on fish cultural problems.

c. Hatching Service

The hatching service concerns itself with the actual operation of 9 hatcheries, four combination warm water trout hatcheries, 3 warm water hatcheries, and 2 trout hatcheries. The expansion of hatchery facilities was necessitated by the increase in licensed fishermen and the passage of the Sunday Fishing Law. The location and type of the various hatcheries is shown in the list which follows:

TABLE XXV-A

Hatcheries Operated by Board of Fish Commissioners by Location and Type

Hatchery Number	Location	Type
1	Wayne County	Warm water and trout
2	Erie	Warm water
3	Corry	Warm water and trout
4	Bellefonte and Spring Creek	Warm water and trout
5	Torresdale	Warm water
6	Union City	Warm water
7	Reynoldsville	Trout
8	Tionesta	Warm water and trout
9	Huntsdale	Trout

d. Survey Service

The survey service embraces all streams, lakes and ponds in the Commonwealth in a scientific survey to determine the species of fish most suitable for each and the carrying capacity for those particular waters from the standpoint of the aquatic life.

e. Distribution Service

The distribution service consists of the distribution of the output of the 9 hatcheries comprising the following species:

brown trout	bass	catfish	pickerel
brook trout	sunfish (bream)	blue pike	suckers
rainbow trout	yellow perch	cisco	minnows
lake trout	pike perch	white fish	frogs

The distribution is carried out with the Board's personnel and equipment and is limited to approved waters found suitable under the survey.

Table XXV-B shows the species, size, age, and number of the fish distributed during the calendar year of 1939. The total number stocked was 275,144,614, or approximately 45.2% of the number distributed in 1932.

TABLE XXV-B

Fish Stocked in the Waters of Pennsylvania During 1939

Species	Size	Age	Number Stocked
Brook, Brown and Rainbow Trout	6" to 21"	10 to 48 mos.	1,511,834
Brook, Brown and Rainbow Trout	fingerling		1,864,350
Black Bass	2" to 20"	2 mo. to adult	254,101
Pike Perch	Fry to 16"	Fry to adult	25,714,088
Yellow Perch	Fry to 10"	Fry to adult	219,970,735
Blue Gill Sunfish	1" to 8"	1 mo. to adult	2,020,767
Catfish	2" to 12"	4 mo. to adult	941,447
Minnows	2" to 6"	3 mo. to adult	949,626
Blue Pike (Lake Erie)	Fry	Fry	7,625,000
Cisco (Lake Erie)	Fry	Fry	13,600,000
Pickerel	14" to 18"	Adult	4,717
Suckers	2" to 10"	4 mo. to adult	121,180
Frogs (Embryo)			481,169
Miscellaneous			85,600

This reduction in the number of fish distributed, however, must not be construed as a drop in the service rendered to the fishermen of the State. Rather, the reduction in the number stocked actually means a greater service rendered, since under the present food conditions in the streams of the Commonwealth, many fish planted in the fry stage, as the bulk were planted ten years ago, would not survive. The advanced propagation methods, recognized as the best in the country, make it possible to distribute fish able to care for themselves. This is especially true of trout which range from legal size to 15 inches and larger.

3. Division of Public Information

The function of this service is to acquaint the public, especially the sportsmen, with the scope of the Board's work, the opportunities afforded anglers, etc. The Commissioner of Fisheries addresses Fish and Game Associations, Rotary, Kiwanis and other service clubs throughout the Commonwealth. Regular reports on the work of the Board are compiled and special bulletins on fish culture, scientific matter, exhibits, etc., are prepared and published. Educational features, including motion pictures, are developed for the public schools to give the child a knowledge of conservation. The monthly "Angler" is edited and distributed to all associations throughout the State, while items of general interest are prepared and distributed to the press.

4. Issuance of Licenses

Fishing licenses are now issued by issuing agents appointed by the Department of Revenue[9] instead of through the County Treasurers and their agents. In some cases, the County Treasurer has been designated as issuing agent under the new act.

The result of the new method has been to have 500 to 750 issuing agents, each individually responsible to the Department of Revenue under a $1,000 bond, instead of 67 County Treasurers. This had increased the cost of issuance by $4,000 per year for the Game Commission and Fish Commission combined. This was due to the larger number of licenses necessary to the wider distribution and the impossibility of transferring unissued licenses from one agent to another.

The new method is supposed to have resulted from the unwillingness of some County Treasurers to appoint agents for the handling of licenses, thus compelling all sportsmen to come to the county seat. This attitude was due to the fact that the issuance of licenses added to the work and the expenses of the Treasurer but gave him no compensation. The 10c fee provided "for the use of the County Treasurer" went into the general fund of the county and not to the Treasurer personally.

The present act definitely allots the 10c fee to the issuing agent as "full compensation for services rendered....". Since this provision certainly includes such County Treasurers as are designated "issuing agents" it would seem to remove the former objection. Thus, it appears that simply by designating the 67 County Treasurers as agents and requiring them to appoint sub-agents, where needed, the extra cost would be eliminated.

5. Auditing and Other Overhead Expenses

Prior to the passage of the Fiscal Code, the Board of Fish Commissioners paid for all audits out of the Fish Fund. These audits were performed by private firms at a cost of approximately $3,500 annually. Under the Fiscal Code[10] the Auditor General is charged with making "all necessary audits" and is required to make an annual audit.

The 1933 Legislature enacted legislation setting forth the principle that agencies operating on special funds should share in the cost of auditing,[11] issuing checks,[12] purchases of supplies, rent of space, heat, light, water,[13] etc. Specific authority was given for such payment out of the Motor Fund and the State Workmen's Insurance Fund. The Liquor Control Act was amended[14] to permit such payments from the State Stores Fund.

There may be some sound reason for the exemption of these two special funds from the principle that each fund must pay its share but it is not apparent. Even the Liquor Control Board which produces millions in revenue is not so favored. To the extent that the Fish and Game Funds fail to pay these expenses, they are subsidized by the General Fund. Stated in another way, the general taxpayer pays in part for privileges which he cannot enjoy without additional payment in the form of a license fee.

The principle that the Fish Fund and Game Fund must be used exclusively in the interest of the two sports is well established. Since the funds are so well protected in law and practice, it seems reasonable that they should pay their way in full.

D. PERSONNEL

Table XXV-C showing classification and number of employes, with annual salaries, follows:

TABLE XXV-C

STATEMENT OF PERSONNEL AND ANNUAL SALARIES AS OF JUNE 1, 1940

Classification	Number of Employes	Annual Salary
Administrative		
Commissioner of Fisheries	1	$6,000.00
Administrative Secretary	1	4,200.00
Comptroller	1	3,300.00
Head Record Clerk	1	1,980.00
Senior Bookkeeper	1	1,860.00
Stenographers	3	4,440.00
Total	8	$21,780.00
Field Service		
Chief of Fish Culture	1	$5,000.00
Total	1	$5,000.00
Hatchery Service		
Fish Culturists	8	$11,640.00
Hatchery Superintendents	9	18,660.00
Hatchery Assistants	5	6,120.00
Total	22	$36,420.00
Education and Publicity		
Public Information Editor	1	$2,400.00
Total	1	$2,400.00
Warden Service		
Fish Wardens	24	$36,240.00
Total	24	$36,240.00
Grand Total	56	$101,840.00

E. FINANCES

A summary statement of receipts and disbursements from January 1, 1933 to December 31, 1940, follows:

Balance January 1, 1933 ..... $381,065.72

Calendar Year	Receipts	Disbursements
1933	$369,758.43	$441,234.31
1934	435,651.83	427,455.02
1935	444,693.65	415,104.89
1936	449,227.12	443,923.09
1937	600,913.07	479,453.48
1938	656,872.82	483,348.23
1939	662,699.81	563,591.18
	$3,620,816.23	$3,254,110.20

Excess of Receipts over Disbursements $366,706.03

Balance December 31, 1939 ..... $747,771.75

Thus, during the seven year period receipts have increased 79.2% while expenditures have increased but 27.7%.

Table XXV-D shows a detailed statement of receipts and disbursements for the calendar year of 1939.

TABLE XXV-D

RECEIPTS AND DISBURSEMENTS OF FISH FUND
CALENDAR YEAR 1939

Balance January 1, 1939		$ 648,663.62
RECEIPTS		
Fish Fines	$14,167.68	
Commercial Hatchery Licenses	1,020.00	
Motor Boat Fines	210.00	
Lake Erie Licenses	2,985.00	
Non-Resident Fishing Licenses	14,800.44	
Interest	3,065.30	
Motor Boat Licenses	11,473.75	
Resident Fishing Licenses	596,082.11	
Tourist Fishing Licenses	3,851.70	
Contributions for Restocking Streams	10,422.25	
Sale of Publications	4,314.58	
Eel Chute Licenses	179.00	
Sale of Unserviceable Property	108.01	
Seine Licenses (Tidewater)	10.00	
Miscellaneous	9.49	662,699.31
Total Funds Available		$1,311,362.93
EXPENDITURES		
Administration (Salaries, Wages, Travel, etc.)	41,399.16	
Protection (Salaries & Exp. of Wardens)	104,181.88	
Hatching Service (Hatching, Propagating and Distributing Fish)	335,926.31	
New Construction and Repairs	36,491.50	
By Revenue Department (Print. Fishing Lic., Sal., etc.)	17,920.83	
Publicity and Research	21,854.01	
Boat Patrol (Lake Erie)	56.99	
By State Department (Employe's Retirement Fund)	2,447.50	
Refunded Fish Fines	25.00	
Purchase of Land	3,288.00	563,591.18
Balance January 1, 1940		$ 747,771.75

FOOTNOTES

[1] Administrative Code, Section 302.
[2] Administrative Code, Section 210.
[3] Administrative Code, Section 431.
[4] Administrative Code, Section 439.
[5] Administrative Code, Section 434.
[6] Administrative Code, Section 2702 to 2704.
[7] 1939, P. L. 834.
[8] Administrative Code, Section 2706.
[9] 1937, P. L. 2643.
[10] Fiscal Code, Section 402.
[11] Fiscal Code, Section 408.
[12] Fiscal Code, Section 308.
[13] Administrative Code, Section 2417.
[14] 1935, P. L. 1316.

CHAPTER XXVI

THE PENNSYLVANIA GAME COMMISSION

A. FUNCTION

The Pennsylvania Game Commission, which succeeded the Board of Game Commissioners,[1] consists of "eight competent citizens" fairly representing the several geographic sections of the Commonwealth and "well informed on the subject of wild life conservation and restoration." The term of the commissioners is eight years, staggered so that the terms of two commissioners shall expire in each odd numbered year.

The Commission annually elects a president and a vice-president from among its members. It also appoints and fixes the compensation of the executive director who attends to the administrative work of the Commission and also serves as chief Game Protector. The executive director may not be a member of the Commission nor shall he have served in that capacity within one year of his appointment. The annual salary of the executive director is fixed by the Commission at $10,000 a year.

B. POWERS AND DUTIES

The Pennsylvania Game Commission, an independent administration commission, is vested with the following powers:[2]

1. To protect, propagate, and preserve the game, fur-bearing animals, and protected birds of the Commonwealth, and to enforce the law relating to the same.
2. To appoint game protectors and deputy game protectors.
3. To issue special deer licenses, special licenses for scientific purposes and other special licenses upon payment of such fees as may be provided by law.
4. To acquire land by purchase, lease or gift and to establish and maintain State Game Refuges and Game Farms, State Game Propagation Areas and Special Preserves.

C. ORGANIZATION AND OPERATIONS

For the purposes of administration, the Commission is divided into General Administration and the Bureau of Field Operations. As is indicated by Chart XXVI-1 on page 7075, the former includes the Executive Office, and Division of Accounting and Budget, the Division of Lands, Public Information and Training, the two latter being service units. The Bureau of Field Operations is broken down into three divisions, Propagation and Research, Law Enforcement, and Game Land Management.

This organization is the result of a comprehensive study by the special Organization Analysis Committee of the Commission. In this work, the Committee had the benefit of advice and assistance from experienced business organization analysts who served in a consulting capacity without charge. The change was made in the interest of efficiency and operating economy.

The functions of the various divisions of the Commission are discussed below:

1. General Administration

The Executive Director has complete control of all staff and field forces. He has direct charge of the administrative functions of the Commission through the Division Chiefs and of the field force through the Assistant Executive Director.

a. Division of Accounting and Budget

This Division has charge of all accounting and auditing, controls expenditures, and prepares budgets, payrolls, personnel records and statistics. It also handles mailing service, printing, departmental supplies, special game permits, payment of bounties and other miscellaneous duties. The chief of this Division is the Comptroller, who acts as control officer governing all purchases.

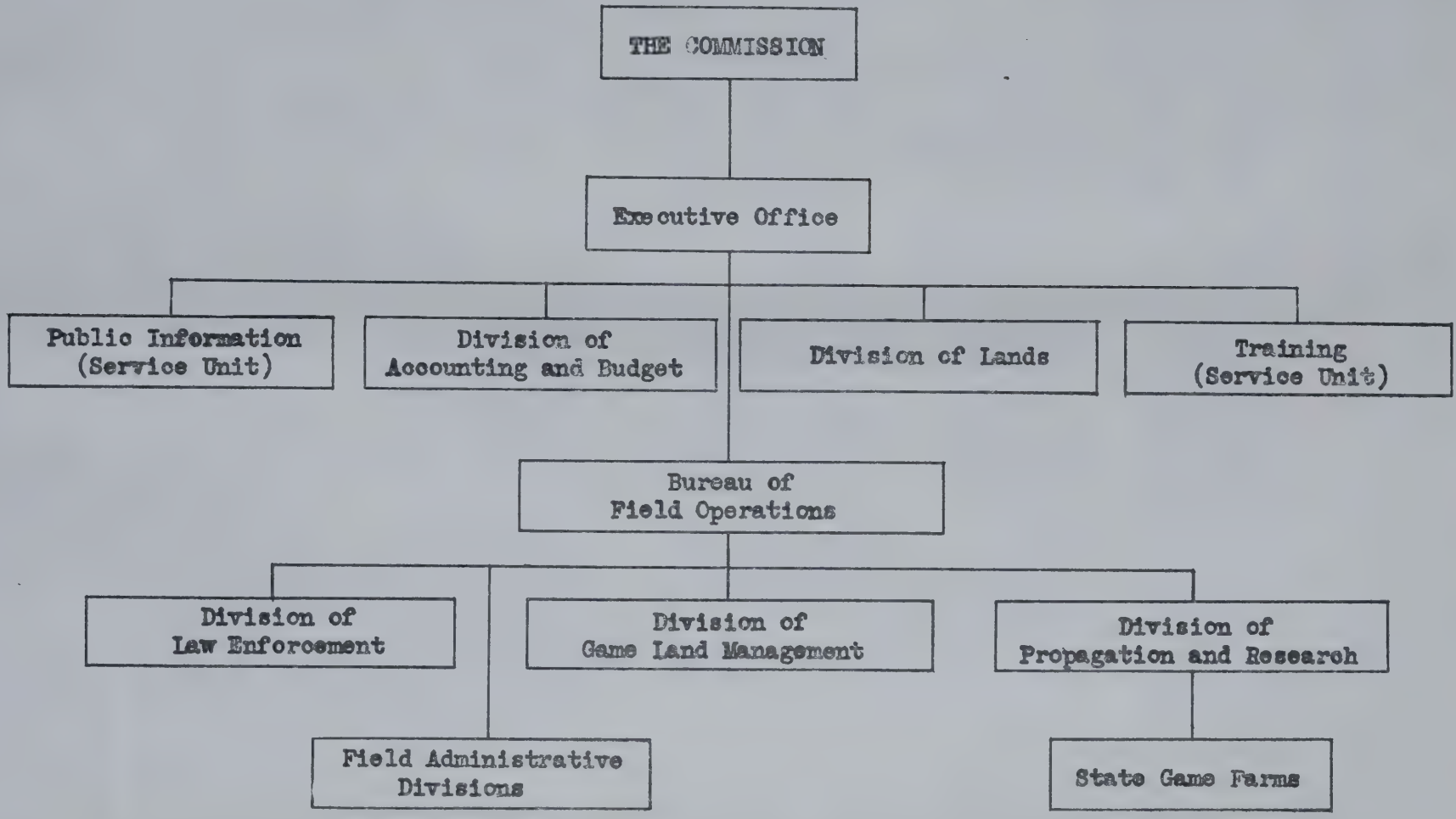
b. Division of Lands

This Division coordinates, supervises and manages all land acquisition and engineering functions of the Commission. These include the negotiation of land offers and

[1] Footnotes p. 7080.

CHART XXVI-1

ORGANIZATION OF THE PENNSYLVANIA GAME COMMISSION



the securing of options; securing leases and rights-of-way; directing surveys and other engineering work; preparation of maps, drafts and sketches; legal work incident to the acquisition of lands; maintenance of land records; and assembling and maintaining statistical information in regard to lands.

c. Public Information

This unit has charge of all the public information and educational work of the Commission. It prepares and edits all Commission publications, including the Pennsylvania Game News, bulletins and pamphlets; develops press and radio releases, exhibits and educational posters; conducts motion picture and still photography; and directs all field lecture work.

d. Training

This unit is charged with the Commission's personnel training program, and the training school staff and students. It makes arrangements for lectures and departmental experts to present courses at the school; maintains training school buildings and equipment, and accumulates, analyzes and prepares material for use in the regular, refresher and extension courses.

2. Bureau of Field Operations

The State is divided into seven field administrative divisions each in charge of a Field Division Supervisor who is the chief field administrative officer of the Commission in his assigned district. As such, he directs and coordinates the activities of law enforcement, land management, and game transfer within his Division. He also recommends lands for purchase, directs food and cover improvement activities; supervises the maintenance and development of the refuge system; prepares estimates of game stocking requirements; and directs field studies relative to wild life conditions.

a. Division of Propagation and Research

This Division is charged with all of the game propagation, purchase, distribution and research activities of the Commission. This work includes the direction of game propagation according to prescribed schedule; supervision of experimental game breeding projects, purchase of game for stocking purposes; and coordination of the transfer of wild game. It aids individuals and organized groups in the propagation of game, and inaugurates and supervises all authorized game research activities in which the Commission is concerned.

b. Division of Law Enforcement

The Division of Law Enforcement is responsible for all the law enforcement functions of the Commission, including the development of administrative policies pertaining thereto. It prepares all legal forms; conducts legal hearings on hunting accidents, preliminary to revocation of licenses; advises on procedure in the administration of the Game Law; and directs the disposal of forfeited equipment, firearms, etc., seized by the Game Protectors.

c. Division of Game Land Management

This Division has charge of all land management functions of the Commission. This work includes the establishment, maintenance and development of primary and auxiliary game refuges, cooperative farm-game projects, and various special areas. It markets forest products and negotiates timber sale agreements; aids in the direction of State and Federal projects on game lands and refuges, administering and expending the general food and cover program of the Commission; and supervises the maintenance of buildings, roads, trails and telephone lines on the Commission's property.

D. PERSONNEL

A summary statement of personnel and salaries at June 1, 1940, by divisions, is shown in Table XXVI-A.

TABLE XXVI-A

SUMMARY STATEMENT OF NUMBER OF EMPLOYES AND SALARIES BY MAJOR DIVISIONS, JUNE 1, 1940

Division	Number of Employes	Annual Salaries
General Administration		
Executive Office	3	$13,000.00
Accounting and Budget	18	29,763.00
Lands	13	30,105.00
Public Information	6	12,390.00
Training	3	6,390.00
Total	43	$91,648.00
Bureau of Field Operations		
Supervisors	13	$23,820.00
Propagation and Research	18	30,855.00
Law Enforcement	98	164,520.00
Game Land Management	53	81,540.00
Total	182	$300,735.00
Grand Total	225	$392,383.00

E. FINANCES

1. Income

A summary statement of income is shown in Table XXVI-B.

TABLE XXVI-B

PENNSYLVANIA GAME COMMISSION

Summary Statement of Income for Fiscal Years 1933 to 1940, Inclusive

Year Ended May 31st	Source of Income			
	Licenses	Fines	Miscellaneous	Total
1933	$1,102,939.56	$44,434.46	$35,266.17	$1,182,640.19
1934	1,069,056.50	38,938.83	26,669.48	1,134,664.81
1935	1,169,341.85	40,756.31	25,797.81	1,235,895.97
1936	1,276,576.95	60,209.11	28,789.89	1,365,575.95
1937	1,121,195.23	59,365.20	39,641.37	1,220,201.80
1938	1,260,295.03	64,450.75	46,504.65	1,371,250.43
1939	1,353,212.76	87,344.48	46,269.13	1,486,826.37
1940	1,375,553.89	72,137.42	82,394.03	1,530,085.34
Total	$9,728,171.77	$467,636.56	$331,332.53	$10,527,140.86

The chief source of revenue is licenses—in order of importance, resident hunters', non-resident hunters', and special. An analysis of resident and non-resident hunters licenses issued 1932 to 1939 will be found on Table XXVI-C.

With the passage of the Game Code,[3] the issuance of licenses was placed in the hands of issuing agents appointed by the Department of Revenue instead of the County Treasurers. The result of this change has complicated the control of licenses by making 700-800 accounts with agents instead of 67 and has increased the

cost by necessitating a 10% increase in the number of licenses printed each year.

It is suggested that this situation could be corrected by the appointment of the County Treasurers as issuing agents with the requirement that sub-agents must be appointed in any county where they issue more than a certain number of licenses. This suggestion parallels that made in the discussion of the Board of Fish Commissioners.

The lack of uniformity as to licensing and the fee paid

TABLE XXVI-C

PENNSYLVANIA GAME COMMISSION

RECEIPTS FROM RESIDENT AND NON-RESIDENT HUNTERS' LICENSES

1932 to 1939 INCLUSIVE

	RESIDENT					NON-RESIDENT					
Year	Number	Cost	County Treas. Fee	Issued from Hbg.[1] Office	Net Receipts	Number	Cost	County Treas. Fee	Issued from Hbg.[1] Office	Net Receipts	Total Net Receipts to Game Fund
1932	537,451	$2.00	$.10	1,856	$1,021,342.50	5,251	$15.00	$.50	188	$76,233.50	$1,097,576.00
1933	524,337	2.00	.10	2,347	996,475.00	4,966	15.00	.50	196	72,105.00	1,068,580.00
1934	568,666	2.00	.10	2,777	1,080,743.10	6,024	15.00	.50	182	87,439.00	1,168,182.10
1935	606,469	2.00	.10	3,455	1,152,636.60	8,460	15.00	.50	357	122,848.50	1,275,485.10
1936	534,573	2.00	.10	3,397	1,016,028.40	7,124	15.00	.50	213	103,404.50	1,119,432.90
1937	598,261	2.00	.10	3.303	1,137,026.20	8,357	15.00	.50	1,272	123,583.75	1,260,609.95
1938	654,146	2.00	.10	2,135	1,243,090.90	7,584	15.00	.50	732	112,047.00	1,355,137.50
1939	651,371[2]	2.00	.10	——	1,237,604.90[2]	8,991[2]	15.00	.50	——	132,617.23[2]	1,370,222.13[2]

[1] The number issued from Harrisburg Office is included under "number" column.
[2] Figures incomplete at time of compilation.

to issuing agents as between fishing licenses and hunting licenses is of interest. In the case of the former, the resident and non-resident license fee is fixed at $1.50[4] for the former and a reciprocal fee for the latter, for the use of the Commonwealth, and the law adds that "in the event that the license is issued by an issuing agent, a fee of ten cents (10c) for the use of the issuing agent," shall be paid.

The Game Code[3] states that on payment of $2.00 for a resident license or $15.00 for a non-resident license, such licenses shall be issued. A later section of the Act, 311, provides that the issuing agent shall "be allowed to retain not to exceed the sum of ten cents from the amount paid for each resident hunter's license, and not to exceed twenty-five cents from the amount paid for each non-resident hunter's license...."

The Fish Law[5] fixes a definite resident license fee and collects the agent's fee in addition thereto. the Game Code simply states the gross amount to be paid for resident licenses, which includes the fee. In contrast to this, the Game Code specifies a definite, though gross, amount of Fifteen Dollars, which every non-resident must pay while the Fish Law fixes the non-resident fee as "the same amount that is charged and received from non-residents by the State of which the applicant is resident for a similar license."

The issuing agent's fee is definite ten cents under the Fish Law but indefinite, not to exceed ten cents or twenty-five cents, under the Game Law. In practice, however, the maximum amount usually becomes the minimum as well.

Since perhaps the majority of licensees are licensed under both laws, it would seem that uniformity would be highly desirable. There may, of course, be some sound reason, not developed in the various discussions, for the present condition.

The Commission states that the reciprocal fee for non-resident hunters was tried for a number of years with the hope that fees would tend to become uniform among the States. Not only did this hope fail to materialize, but it was difficult to keep the issuing agents informed of the many changes from year to year.

The sum of not less than seventy-five cents from each resident hunter's license and all net revenues derived from the State Game Lands and Refuges is set aside for the acquisition, maintenance and administration of State game lands, public hunting grounds, refuges, etc., for the purchase of timber, material, oil, gas or other rights on lands acquired; and water rights on adjoining lands whenever it is deemed desirable. It may also be spent for stocking and feeding game on the areas under State control. Thus all revenue is not available for the general operating expenses of the Commission.

All prosecutions for violations of the Game Laws must be brought within the county unless it is a field settlement, which may be made anywhere in the Commonwealth. Such settlement is provided in Section 1203 of the Game Code, whereby any person accused of a violation, either before or after beginning of suit, may sign an acknowledgment of guilt, surrender illegal game and devices and pay the fine and all costs to that date to commissioned game protector or deputy game protector.

A summary statement of fines collected and related data is found in Table XXVI-D.

The only instance in which any county is put to any expense is when jail sentence is imposed in lieu of penalty and costs. The theory was advanced that since the Game Commission is spending large sums in many of the counties and the officers render considerable gratuitous service to the counties, the Commission should not share

TABLE XXVI-D

PENNSYLVANIA GAME COMMISSION
SUMMARY STATEMENT OF FINES COLLECTED AND RELATED DATA FOR BIENNIUMS
1927-29 to 1939-41[a]

Biennium	Fines Collected	Number of Convictions	Number of Acquitals	Fish Prosecutions by Game[b] Protectors	Dog Law Prosecutions by Game Protectors
1927-29	$129,530.50	4,396	139	362	182
1929-31	175,321.50	5,962	237	526	181
1931-33	102,918.18	4,092	241	497	49
1933-35	79,695.14	3,779	166	345	37
1935-37	119,574.31	4,478	192	227	26
1937-39	151,795.23	8,809	272	195	29
1939-41	72,137.42	4,265	94	47	10

[a] 1939-41—one year only.

[b] Evidence or information on Fish Law violations coming to the attention of a Game Protector is now brought to the attention of a Fish Warden for prosecution whenever possible, to avoid misunderstandings. With this exception, the Game Protectors do as much fish law work as previously.

its revenue from this source. The argument seems to have a large degree of validity.

Other income includes chiefly interest on deposits made by the State Treasurer, rental of State property, and sale of publications, skins, and guns, and unserviceable property. With the exception of interest, the income is relatively small.

2. Expenditures

An analysis of expenditures by object classification by biennium from 1931 to 1941 inclusive will be found in Table XXVI-E.

TABLE XXVI-E

PENNSYLVANIA GAME COMMISSION

ANALYSIS OF EXPENDITURES BY MAJOR OBJECT CLASSIFICATION

BIENNIUMS 1931-33 to 1939-41, INCLUSIVE

Object	June 1, 1931 to May 31, 1933	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to May 31, 1941*
Salaries	$570,842.31	$614,362.63	$670,138.94	$797,452.25	$849,525.00
Wages	260,078.35	222,372.43	266,498.27	338,579.35	421,575.00
Total	$830,920.66	$836,735.06	$936,637.21	$1,136,031.60	$1,271,100.00
Materials and Supplies	$256,343.50	$179,309.77	$246,217.32	$379,156.67	$451,730.00
Traveling Expenses	300,209.92	260,035.30	292,563.63	318,317.71	381,020.00
Other Operating Expenses	203,808.19	166,696.19	244,184.77	347,626.95	381,250.00
Total	$759,633.61	$606,041.26	$782,965.72	$1,045,101.33	$1,214,000.00
Maintenance Expenses	$ 23,477.29	$ 23,151.30	$ 24,439.52	$ 43,612.98	$ 57,925.00
Motor Vehicles	$ 6,062.90	$ 7,566.33	$ 16,365.23	$ 21,442.03	$ 26,800.00
Livestock	352.50	1,650.00	75.00	500.00	105.00
Equipment and Machinery	31,095.10	21,483.65	24,424.31	34,520.38	43,835.00
Land	466,072.07	358,831.44	310,596.90	270,138.34	306,040.00
Contracted Bldg. and Construction	7,594.72	11,918.11	9,858.75	14,922.45	10,610.00
Total	$511,177.29	$401,449.53	$361,320.19	$341,523,20	$387,390.00
Subsidies, Grants, Bounties, Etc.	$212,944.54	$260,070.66	$265,607.19	$143,803.69	$174,800.00
Fixed Charges, Debt, Interest, etc.	$ 29,149.54	$ 40,192.51	$ 48,172.17	$ 57,116.70	$ 62,570.00
Other Expenses	$ 42,475.55	$ 81,499.70	$ 56,895.15	$ 86,954.12	$ 92,150.00
Grand Total	$2,409,778.48	$2,249,140.02	$2,476,037.15	$2,854,143.62	$3,259,935.00

* 1939-41 Estimated

A comparative summary of the 1931-33 biennium with 1939-41 is given below:

TABLE XXVI-F

PENNSYLVANIA GAME COMMISSION
SUMMARY STATEMENT OF EXPENDITURES
FOR BIENNIUMS 1931-33 AND 1939-41

Purpose	Biennium 1931-33	Biennium 1939-41*
Salaries and Wages	$830,920.66	$1,271,100.00
Operating Expenses	759,633.61	1,214,000.00
Maintenance	23,477.29	57,925.00
Land, Building, Equipment	511,177.29	387,390.00
Subsidies, Grants, Bounties, etc.	212,944.54	174,800.00
Fixed Charges	29,149.54	62,570.00
Other Expenses	42,475.55	92,150.00
Total	$2,409,778.48	$3,259,935.00

* 1939-41 Estimated

The estimated expenditures for the current biennium represent an increase of 35% over those of the 1931-33 biennium. This increase is due to the expansion of plant and activities on the part of the commission. This state-

ment may appear paradoxical since the expenditure for lands etc. show a decrease of 24.21%. Actually, however, the so-called expenditures are investments in land and buildings which in turn call for a larger force with higher operating and maintenance costs.

The question as to whether the purchase of lands from the increased fee under the 1927 Act[6] would not increase expenditures to a point where the Commission was no longer self-supporting, was again discussed. It is interesting to note that in spite of this concern, expressed as early as 1933, the Game Law of 1937 now stipulates that "not less than 75¢ from each resident hunter's license and all net revenues derived from the State Game Lands and Refuges" is set aside for the purpose of expanding land holdings and maintaining them.

That the Commission has been alert to the possibility of over expansion is borne out by the sharp reduction in land purchases. For example, within the past year, a special committee of the Commission has made an exhaustive study of this problem. The Commission is being guided in their expansion program by the report of this Committee. It is pointed out, however, that when the Pitman-Robinson Act, imposing a Federal Excise Tax of 10% on firearms and amusements, gets into full operation, the Game Commission will receive almost $150,000 which will help materially in their program.

The records of the Commission as to its land holdings are very complete since it must pay 5¢ per acre in lieu of tax by political subdivision. This amount is divided so that the county receives 1¢ and 2¢ each goes to the township roads and schools.

The present practice of the Commission is to buy in more widely scattered areas rather than concentrate in certain northern counties. Higher priced lands in forming areas of western, southwestern, southeastern and to some extent northeastern counties have been secured. This tends to spread the benefits of public land holding to widely scattered sections and relieves somewhat the danger of over-expansion.

Table XXVI-G shows the areas and cost of game lands by fiscal years 1933-34 to 1939-40.

In comparing Table XXVI-E and Table XXVI-G, it must be remembered that the expenditure shown in Table XXVI-E under the heading "Land," includes costs of survey, title search, conveyance, etc., while the "Cost" shown in Table XXVI-G is the contract price of the land only. Table XXVI-G is shown on an annual and Table XXVI-E on a biennial basis.

TABLE XXVI-G

PENNSYLVANIA GAME COMMISSION
AREAS AND COST OF GAME LANDS
CONVEYED TO THE COMMONWEALTH
1933 to 1940, INCLUSIVE

Fiscal Year	Area (Acres)	Cost
1933-34	61,802.30	$202,573.37
1934-35	38,847.20	133,677.30
1935-36	41,984.40	146,660.45
1936-37	45,036.85	174,691.95
1937-38	30,914.50	147,509.57
1938-39	20,187.20	100,521.87
1939-40	33,135.90	$141,326.47
Total	271,908.35	$1,046,960.98

An examination of Table XXVI-H reveals that during a period of ten years the land owned by the Game Commission tripled in area, or from 313,194 acres in 1930 to the present area of 956,459 acres.

TABLE XXVI-H

COMPARATIVE STATEMENT OF LANDS OWNED AND CONTROLLED BY THE GAME COMMISSION

Division	Land Owned (Acres) May 31, 1930	May 31, 1934	May 31, 1938	May 31, 1940
A	17,473	21,416	60,800	107,201
B	27,650	46,309	77,082	119,441
C	54,631	125,667	144,397	157,391
D	33,751	66,535	109,165	129,211
E	117,513	185,739	203,077	225,423
F	30,383	55,224	79,267	103,909
G	31,793	29,416	79,374	113,883
Total	313,194	530,306	753,162	956,459

As shown in Table XXVI-J, land owned by the Game Commission on May 31, 1940, totaled 956,459 acres, of which the greater part, or 749,848 acres, consisted of open hunting areas.

TABLE XXVI-J

SUMMARY OF LANDS OWNED AND CONTROLLED BY THE GAME COMMISSION, May 31, 1940

Type	Total Areas (Acres)	Refuges No.	Refuges Acres	Open Huntg. (Acres)
State Game Lands	636,680	154	59,657	577.023
Primary Refuges on Other Public Lands	80,778	84	62,543	18,235[2]
Auxiliary State Game Refuge Pro:				
General Classification	54,584	71	14,212	40,372
Farm-Game Classification	135,551	880	7,010	98,402[3]
Special Wild-Life Refuge Projects	18,983	42	2,702	15,816[4]
Dog Training and Archery Preserves[1]	2,935	..	.....	.....
Game Propagation Areas Exclusive of Wild Turkey Areas	26,948	75	26,948	.....
495 Separate Blocks Located in 66 Counties	956,459	1,306	173,072	749,848

[1] 2 Preserves located on State Game Lands total 1,985 acres.
[2] The 18,235 acres represent the open hunting area on Tobyhanna Military Reservation, in addition to the 3 refuges leased from the U. S. War Department.
[3] 1,656 Safety Zones total 30,139 acres.
[4] 45 Safety Zones total 465 acres.

A Statement of revenue and expenditures is shown in Table XXVI-K.

An analysis of expenditures by function for each fiscal year 1932 to 1939 is shown in Table XXVI-L page 7080.

3. Audits and Services

Prior to the passage of the Fiscal Code,[7] the Game Fund was audited by a private firm at the expense of the fund. The Auditor General is now required to make "all necessary audits." He must make a quarterly audit of receipts and an annual audit of the financial affairs of the Com-

TABLE XXVI-K

PENNSYLVANIA GAME COMMISSION

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES 1932 to 1940, INCLUSIVE

Fiscal Year	Revenue	Expenditures		
		General	Bounty	Gross
1932-1933	$1,182,640.19	$1,046,367.34	$120,308.00	$ 1,166,675.34
1933-1934	1,134,664.81	1,058,140.26	128,979.00	1,187,119.26
1934-1935	1,235,895.97	947,448.76	114,572.00	1,062,020.76
1935-1936	1,365,575.95	979,481.80	115,810.00	1,095,282.80
1936-1937	1,220,201.80	1,252,866.35	127,888.00	1,380,754.35
1937-1938	1,371,250.43	1,355,599.32	53,452.50	1,409,051.82
1938-1939	1,486,826.37	1,383,673.30	61,418.50	1,445,091.80
1939-1940	1,530,085.34	1,440,925.03	59,197.00	1,500,122.03
Total	$10,527,140.86	$9,464,502.16	$781,616.00	$10,246,118.16

mission. Each requisition drawn on the Game Fund must be examined for accuracy and legality.

The State Treasurer acts as custodian of the Game Fund,[8] must see that it is properly deposited in bank[9] and must draw checks upon it upon warrant of the Auditor General.[10]

The Department of Property and Supplies must furnish space[11] with heat, light, power, water, etc. It also is required to act as purchasing agent[12] for the Commission.

Other special funds pay for the service rendered by these agencies whose cost is borne by the General Fund. The Game Fund does not pay for these necessary services. There is no apparent sound reason why it should not do so. While it is true that the activities of the Game Commission benefit farmers and the general public, such benefit is a somewhat unavoidable by-product of efforts in behalf of the hunter.

TABLE XXVI-L

PENNSYLVANIA GAME COMMISSION

ANALYSIS OF EXPENDITURES BY MAJOR FUNCTIONS
1932 to 1939, INCLUSIVE

Fiscal Year Ending May 31	Protection	Purchase of Land	Land Management	Game Farms	Game Purchases	Bounties	All Other Expenses	Total
1932	$ 353,240.59	$ 340,271.18	$ 122,470.56	$ 83,769.54	$ 99,250.09	$106,486.44	$ 137,614.74	$1,243,103.14
1933	373,811.27	250,422.20	136,768.75	86,012.44	80,064.64	148,976.75	90,619.29	1,166,675.34
1934	325,573.42	247,929.27	136,686.10	135,884.03	55,494.03	158,437.63	127,114.78	1,187,119.26
1935	315,816.72	173,637.37	173,177.19	107,154.74	48,275.22	138,494.93	105,464.59	1,062,020.76
1936	369,761.07	175,910.18	157,281.06	105,034.55	46,635.48	126,636.71	114,023.75	1,095,282.80
1937	366,591.67	238,021.85	240,650.82	139,340.47	96,630.92	137,912.35	161,606.27	1,380,754.35
1938	378,227.55	185,514.50	318,139.36	134,842.85	82,873.62	61,544.42	247,909.52	1,409,051.82
1939	378,046.62	189,870.23	248,586.87	164,357.89	136,760.15	69,790.15	257,679.18	1,445,091.80
Total	$2,861,068.91	$1,801,576.78	$1,533,576.71	$956,396.51	$645,984.15	$948,280.09	$1,242,032.12	$9,989,099.27

FOOTNOTES

(1) 1937, P. L. 1865
(2) Administrative Code, Section 2602
(3) 1937, P. L. 1225
(4) 1937, P. L. 2643
(5) 1925, P. L. 448
(6) 1927, P. L. 815
(7) 1929, P. L. 343
(8) Fiscal Code, Section 302
(9) Fiscal Code, Section 301
(10) Fiscal Code, Section 1502
(11) Administrative Code, Section 2413
(12) Administrative Code, Section 2403

PART V

OTHER ADMINISTRATIVE BOARDS AND COMMISSIONS

CHAPTER XXVII

THE PENNSYLVANIA MILK CONTROL COMMISSION

A. FUNCTION

The Pennsylvania Milk Control Commission[1] was created to replace the Milk Control Board established by an emergency milk control law of 1934.[2] This law expired April 30, 1935 but was reenacted and amended to be effective until April 30, 1937.[3]

The Commission is composed of three members appointed by the Governor with the consent of the Senate. The Governor designates one of the members as chairman. The terms of the first appointees were to be two, four and six years respectively, in order that the terms of future members would overlap. Subsequent appointments are for six-year terms. The membership of the Commission has been rather stable, with only one member resigning before completing his term. A vacancy has existed since September 15, 1939 as no appointment has been made to complete this unexpired term. This is in distinct contrast with the experience of the former three-member Milk Control Board, which had six resignations and six appointments from July 26, 1934 to July 2, 1935.

The Act requires only that a member of the Commission be a citizen of the United States at the time of his

[1] Footnotes on page 7086.

appointment. Residence in the State is not required. The salary is $6,500 per annum for the chairman and $6,000 for other members of the Commission.

Pennsylvania is the only one of 20 states having milk control laws in which the administration is placed in the hands of a full time salaried Commission of this type.

B. POWERS AND DUTIES

Under the provisions of the Milk Control Law,[1] the Pennsylvania Milk Control Commission is vested with powers and duties as follows:

1. To supervise, investigate and regulate the entire milk industry of the Commonwealth, including the establishment of reasonable trade practices, systems of production control and marketing area committees in conection therewith;
2. To hold such hearings as it deems necessary to carry out the provisions of the Act;
3. To issue subpoenas requiring the appearance and testimony of, or the production of pertinent books and papers by milk dealers or producers or their employes or any other persons;
4. To administer oaths and affirmations, to question witnesses thereunder, and to examine such books and papers;
5. To issue commissions, letters rogatory, or other appropriate processes outside the Commonwealth;
6. To have access to, enter and inspect at all reasonable hours, all places where milk, or any product thereof is being produced, stored, bottled, processed, manufactured, sold, weighed, tested or otherwise handled;
7. To inspect, audit and copy all books, papers, records or documents in any place within the Commonwealth, for the purpose of ascertaining facts to enable the Commission to administer the Act.
8. To confer with authorities of other states and the United States with respect to uniform milk control within the states and as between states, to function jointly with them and enter into compacts subject to Federal approval.
9. To ascertain, fix, and maintain such prices for milk in the respective milk marketing areas as will be most beneficial to the public interest, best protect the milk industry of the Commonwealth and insure a sufficient quantity of pure and wholesome milk to the inhabitants of the Commonwealth, having special regard to the health and welfare of children residing therein;
10. To fix, by official order, the minimum prices to be paid by milk dealers to producers for milk.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, as is indicated in Chart XXVII-1, the Pennsylvania Milk Control Commission is divided into the following bureaus:

1. Administrative
2. Accounts and Statistics
3. Audits and Investigations

1. Administrative Bureau

The Administrative Bureau deals principally with the administrative activities of the Commission, including legal, fiscal and general problems which come under the direct jurisdiction of the Commissioners and the Secretary.

a. Legal Service

The legal work of the Commission has included defense of the Constitutionality of the Milk Control Law, in addition to prosecutions by the Commission of persons accused of violating the law, and defense of the Commission in a number of cases where orders of the Commission were attacked. Some of the decisions favorable to the Commission are as follows:

(1) Constitutionality of the Milk Control Law sustained;
(2) Bonding provisions of the law upheld;
(3) Omission by the Act of power to fix resale prices of manufactured milk products sustained;
(4) Regulation of the price paid producers for milk purchased in Pennsylvania and sold outside the State sustained in the absence of regulation by Congress;
(5) The right of the Commission to books and records which will assist it in price fixing sustained.

These favorable decisions were secured in the highest State courts, and in one instance in the United States Supreme Court. The Commission has lost certain cases, including some of the above, in lower courts. The most significant issue lost by the Commission involves the so-called "consignment contract," according to which a dealer seeks to avoid compliance with the Act by simply refraining from "purchasing" milk. He becomes the agent or factor of the producer, handles the producer's milk, and remits to the producer whatever the value of the milk proves to be. This type of contract and avoidance of the law was upheld in the Dauphin County Common Pleas Court. Upon the basis of a strong dissenting opinion in the case, the Commission appealed the decision to the Supreme Court of Pennsylvania which, in a divided opinion, upheld the decision of the Dauphin Court.[4] The Commission has now submitted a petition for a writ of certiorari to the Supreme Court of the United States.

2. Bureau of Accounts and Statistics

The Bureau of Accounts and Statistics assembles technical and statistical information largely used in promulgating price orders and in analyzing the effect of policies of the Commission and the production and distribution in the various markets.

Price fixing is applied to milk in Pennsylvania according to the following major principles and practices:

a. The Commission is required to fix the minimum prices paid by milk dealers to producers for milk. Prices for milk used solely in manufacturing may be exempted.
b. The Commission is required to fix, with certain minor exceptions, the minimum wholesale and retail prices charged for milk. Maximum resale prices may be fixed.
c. Logical and reasonable milk marketing areas are to be established.
d. Such prices are to be maintained in each milk marketing area as will be most beneficial to the public interest, and will best protect the milk industry of the State and insure a sufficient quantity of pure and wholesome milk to its inhabitants.
e. Prices are to be based on conditions in each marketing area, including the amount necessary to yield reasonable returns to producers and milk dealers.
f. Before issuing or amending an order fixing prices, the Commission is required to hold a hearing.
g. Milk may be classified, for pricing, in any reasonable manner. This is not mandatory, however.

The Milk Control Law does not provide specifically for

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ORGANIZATION OF THE PENNSYLVANIA MILK CONTROL COMMISSION

pooling milk on a market-wide basis by the Commission, although it is the opinion of the Attorney General that this power may be implied. There is no mention of "base-rating" plans in the law, but the Commission has instituted such a plan in one marketing area. Powers of mediation and arbitration are not specified.

The law does not provide for the exercise of control powers in only limited areas of the State; it is a universal system of control. Neither does it permit interested parties, as producers or dealers, to determine whether control shall be exercised in a given area or not. The Commission has power to act upon its own authority.

Although the constitutional obstacles to milk price fixing have been dispelled, the administrative and economic problems which remain are formidable. Certain outstanding facts suggest the difficulties.

The Milk Control Commission fixes the prices paid producers or charged consumers by more than 4,000 milk dealers. Obviously there is a problem of securing satisfactory compliance. The Commission is applying regulations to an industry which has long been subject to regulation in its technological aspects, but not as to its pricing arrangements. Such control of prices and other economic factors as existed formerly was in the hands of powerful economic groups within the industry. The Commission is subject to attack by such groups if it fails to keep them contented.

The regulations undertaken are of the same general character as public utility regulations, but in detail very dissimilar. There are no franchises or certificates of convenience and necessity. The Commission is charged with fixing prices which will be beneficial to the public interest, having regard for the health and welfare of the children residing in the State. At the same time producers and dealers are to be guaranteed a reasonable return. Adding to the perplexities of fulfilling this large order is the fact that the price of milk purchased by dealers outside of the State may not be regulated. Thus, if producers elsewhere are able to undersell Pennsylvania producers, it becomes difficult to fulfill the claim of all Pennsylvania producers to a "fair" return.

Providing a "fair" return to dealers consistent with the public interest is equally difficult. This task is complicated, as in the case of producers, by the wide variation discovered in the costs of operation of various units. This raises the question of the proper "spread" between the prices paid by dealers to producers and the minimum resale prices which the dealer may charge. The courts have said that this margin does not have to be wide enough to protect the most inefficient dealer. But the corollary conclusion has not been reached, i. e., that the margin need be only wide enough to permit the most efficient dealer to operate. Apparently a certain amount of inefficiency is to be condoned.

In interpreting the Milk Control Law, the Pennsylvania Supreme Court held that "the Commission should not select the most efficient or the least efficient producers or dealers in the milk districts or areas under consideration, upon whose figures of investments and costs to conclude what a fair return should be, but it should endeavor to utilize a cross section representative of the average of the normally efficient producers or dealers in the districts."[5] This meets the test of judicial reasonableness in that it tends to protect existing interests. There does not appear

to be anything about this theory or in its practical implementation which will give the general public the advantage of technological advancements made in the milk industry. Some well-informed persons associated with the dairy industry think this has the effect of inviting inefficiency. They say it has some of the characteristics of a "cost-plus" arrangement. Over-capitalization, high executive salaries, opposition to new methods of distribution, higher wages than in other comparable enterprises, and low wagon route efficiency have been pointed to as evils which have been encouraged rather than alleviated. Certainly dealers' margins have not been reduced but have increased in the major markets of the State, as shown in Tables XXVII-A and B, below.

The increased dealers' margins are explained in part by rising labor costs. Wage data secured by the Milk Control Commission from the Bureau of Employment and Unemployment Compensation, covering 27 Pittsburgh dealers, with 3,600 to 4,000 employes, showed the following percentage increases in average weekly wages during the years 1937 to 1940, as compared with the year 1936: 1937, 19.6 per cent; 1938, 25.4 per cent; 1939, 27.3 per cent; first quarter of 1940, 28.2 per cent. The industry-wide contract secured by organized labor in Pittsburgh in 1937 contributed materially to these increases. An even more favorable agreement was adopted May 1, 1940.

The Milk Control Commission, in a survey of the Pittsburgh marketing area for the year 1938, found that 19.37 per cent of the consumer's milk dollar went for wage payment to dairy plant employes and to sales and delivery employes. Obviously, increased costs in an item as important as this may be used by dealers in making an effective claim for wider margins. On the other hand, a claim that increased taxes should result in increased margins carries less weight, since insurance and taxes combined accounted for only 2.76 per cent of the consumer's milk dollar.

TABLE XXVII-A

MILK CONTROL COMMISSION

Dealers' Buying Prices for Grade B Milk, f.o.b. City, Retail and Wholesale Prices, Per Quart and Per Pint, and Dealers' Gross Margins, Philadelphia, Pennsylvania Under Pennsylvania Milk Control Orders

Effective Date	Dealers' Buying Prices Per Quart of 3.8 Milk* (Cents)	Dealers' Sale Price (Cents) Retail Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Dealers' Gross Margin (Cents) Retail Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Per Cent Excess of Margin Over Retail Price Per Quart
4/ 2/34	5.849	11.0	7.0	9.25	6.5	5.15	4.08	3.40	3.58	46.8
6/ 1/34	5.849	11.0	7.0	9.00	6.0	5.15	4.08	3.15	3.08	46.8
7/18/34	5.634	11.0	7.0	9.5	6.0	5.37	4.18	3.87	3.18	48.8
10/ 1/34	5.849	11.0	7.0	10.0	6.5	5.15	4.08	4.15	3.58	46.8
9/ 1/35	5.849	11.0	7.0	10.0	6.5	5.15	4.08	4.15	3.58	46.8
1/16/36	5.634	11.0	7.0	9.0	5.5	5.37	4.18	3.37	2.68	48.8
6/16/36	5.634	11.0	7.0	9.0	5.5	5.37	4.18	3.37	2.68	48.8
10/11/36	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
1/13/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
2/15/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
6/ 2/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
7/ 1/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
7/16/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
5/12/38	6.280	12.0	7.0	10.0	5.5	5.72	3.86	3.72	2.36	47.7
8/16/38	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0
8/16/38	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0
1/17/39	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0

*The average butterfat test of milk distributed is approximately 3.8 per cent.
Source: Computed from price reports and official orders of the Pennsylvania Milk Control Board and Commission.

TABLE XXVII-B

MILK CONTROL COMMISSION

Dealers' Buying Prices for Grade B Milk, f.o.b. City, Retail and Wholesale Prices, Per Quart and Per Pint, and Dealers' Gross Margins, Pittsburgh Area, Under Pennsylvania Milk Control Orders

Effective Date	Dealers' Buying Prices Per Quart of 3.8 Milk* (Cents)	Dealers' Sale Price (Cents) Retail Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Dealers' Gross Margin (Cents) Retail Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Per Cent Excess of Margin Over Retail Price Per Quart
4/ 2/34	4.796	10.0	6.0	8.5	5.0	5.20	3.60	3.70	2.60	52.0
6/ 1/34	4.989	10.0	6.0	8.0	5.0	5.01	3.51	3.01	2.51	50.1
6/ 1/34	4.989	10.0	6.0	8.5	5.0	5.01	3.51	3.51	2.51	50.1
7/18/34	4.989	10.0	6.0	8.5	5.0	5.01	3.51	3.51	2.51	50.1
8/ 7/34	5.505	11.0	7.0	9.5	6.0	5.50	4.25	4.00	3.25	50.0

TABLE XXVII-B—Continued

Effective Date	Dealers' Buying Prices Per Quart of 3.8 Milk* (Cents)	Dealers' Sale Price (Cents) Retail Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Dealers' Gross Margin (Cents) Per Quart	Retail Per Pint	Wholesale Per Quart	Wholesale Per Pint	Per Cene Excess of Margin Over Retail Price Per Quart
10/ 1/34	5.505	11.0	7.0	9.5	6.0	5.50	4.25	4.00	3.25	50.0
9/ 1/35	5.333	11.0	7.0	9.5	6.0	5.67	4.33	4.17	3.33	51.5
1/16/36	5.290	11.0	7.0	9.5	6.0	5.71	4.36	4.21	3.36	51.9
6/16/36	5.290	11.0	7.0	9.5	6.0	5.71	4.36	4.21	3.36	51.9
10/11/36	5.871	12.0	8.0	10.0	6.0	6.13	5.06	4.13	3.06	51.1
12/21/36	6.731	13.0	8.0	11.5	7.0	6.27	4.63	4.77	3.63	48.2
6/ 2/37	6.731	13.0	8.0	11.5	6.0	6.27	4.63	4.77	2.63	48.2
7/16/37	6.731	13.0	8.0	11.5	6.0	6.27	4.63	4.77	2.63	48.2
10/ 1/37	6.602	13.0	8.0	11.5	6.0	6.40	4.70	4.90	2.70	49.2
3/16/38	6.516	13.0	8.0	11.5	6.0	6.48	4.70	4.98	2.74	49.8
8/ 2/38	6.323	13.0	8.0	11.5	6.0	6.68	4.84	5.18	2.84	51.4
2/10/39	4.688	11.0	7.0	9.5	6.0	6.31	4.66	4.81	3.66	57.4
2/16/39	4.688	11.0	7.0	9.5	6.0	6.31	4.66	4.81	3.66	57.4
8/ 1/39	5.548	12.0	8.0	10.5	6.5	6.45	5.83	4.95	3.73	53.8
10/ 5/39	5.548	12.0	7.0	10.5	6.0	6.45	5.23	4.95	3.73	53.8
12/ 1/39	6.194	13.0	7.0	11.5	6.0	6.81	3.90	5.31	2.90	52.4
4/ 1/40	5.548	12.0	7.0	10.5	6.0	6.45	5.23	4.95	3.73	53.8

* Adjusted to milk containing 3.7 per cent butterfat, approximately the average test of milk distributed.
Source: Computed from official orders and price reports of the Pennsylvania Milk Control Board and Commission.

Complaints are heard that the Commission can not adjust prices quickly enough to keep them in line with changing economic conditions. When business conditions are improving and most farm prices are increasing, milk producers must await the action of the Commission in increasing their prices. On the other hand, when prices of farm products are falling and when business is contracting, the downward adjustment of milk prices necessary to prevent undue expansion of production and discouragement of sales is delayed.

United States Department of Agriculture figures indicate some tendency to increase milk production in Pennsylvania during recent years. This is due in part to herd improvement and in part to a relationship between milk prices and feed prices favorable to increased production. Some persons attribute the increase to over-optimism due to milk control. A similar large increase is appearing not only in the other Middle Atlantic and New England States where milk control is prevalent, but also in certain East North Central States which have not had State Milk control.

3. Bureau of Audits and Investigation

The Bureau of Audits and Investigation is responsible for auditing dealers' records, making investigations, bringing prosecutions, carrying out of the butterfat testing laws and the licensing and bonding of the dealers.

a. Licensing

Milk dealers, with certain exceptions which may be made by the Commission, are required to be licensed. There are eleven specific grounds on which the Commission may decline to grant, or suspend, or revoke a license. This power can be used, for example, to force dealers to obtain bonds, comply with price schedules fixed by the Commission, keep records, and make reports. With the application for a license a dealer is required by the Commission to submit a financial statement on a form provided by the Commission, in addition to the license fee and the dealer's bond

Table XXVII-C, page 7085, shows the number of licenses, classified by type of dealer, issued during the three license years ending April 30, 1941.

b. Weighing and Testing

The Milk Control Commission is charged with certain functions relative to the testing and weighing of milk which prior to 1937 were performed by the Department of Agriculture. Dairy inspectors employed by the Commission examine persons who wish to qualify to be testers, or weighers and samplers of milk. A tester, or weigher and sampler must obtain a certificate annually from the Commission, and failure to obtain a certificate two years in succession necessitates re-examination. In addition, milk dealers must obtain a weighing or measuring permit annually from the Commission in order to receive milk from producers at any plant, station or creamery where milk is weighed or tested. In August, 1940, there were 1,494 certified testers, 750 weighers and samplers, and dealers had obtained 1,157 weighing or measuring permits.

For the purpose of insuring the accurate testing of butterfat it is necessary that the Commission's agent carry on continuous routine check-testing and weighing. The emphasis is placed upon check-testing of butterfat samples because of the opportunities for fraud in the application of the "Bobcock Test." Special investigations are made where suspicious circumstances are discovered. Approximately 5,000 samples were tested during the first six months of 1940.

The employes engaged in this work need special training in the collection and presentation of evidence necessary in successfully prosecuting violators. Due to difficulties experienced in prosecuting persons accused of violations, the Commission is attempting to introduce new procedures necessary to present more satisfactory evidence to the courts.

c. Bonding

Milk dealers, including sub-dealers, are required to

TABLE XXVII-C

MILK CONTROL COMMISSION

STATEMENT SHOWING THE NUMBER OF LICENSES CLASSIFIED ACCORDING TO TYPE OF DEALER ISSUED DURING THREE LICENSE YEARS— MAY 31, 1938 to APRIL 30, 1940

Source	1938-1939			1939-1940			1940-1941		
	Pennsylvania	Out of State	Total	Pennsylvania	Out of State	Total	Pennsylvania	Out of State	Total
Producer Distributors	1,891	18	1,909	1,954	22	1,976	2,608	26	2,634
Producer Dealers	212	..	212	199	..	199	195	2	197
Dealers	690	16	706	776	12	788	756	16	772
Sub-dealers	203	2	205	473	1	474	485	2	487
Manufacturers	54	1	55	54	2	56	41	2	43
Other Dealers	41	1	42	44	2	46	62	2	64
Total	3,091	38	3,129	3,500	39	3,539	4,147	50	4,197

furnish a bond to the Commission. Bonds may be in the form of collateral, or corporate or personal surety. Some large dealers in good financial circumstances prefer to furnish collateral. Many dealers, however, find it more convenient to furnish personal surety bonds. The Commission favors the requirement of corporate surety bonds, as greater protection to milk producers, because of the difficulty frequently encountered in collecting on the personal surety type.

D. PERSONNEL

Table XXVII-D, below, shows the number of employes by job classification and annual salaries at June 1, 1940.

E. FINANCES

The Commission operates on a partly self-supporting basis. Financial support is derived from appropriation made by the Legislature, and from several other sources provided by the Act, the most important of which is the license fees paid annually by milk dealers.

Table XXVIIE, page 7086, shows the income of the Commission by sources for the four fiscal years June 1, 1936 to May 31, 1940.

Table XXVII-F, page 7086, shows expenditures by object classification for the four fiscal years June 1, 1936 to May 31, 1940.

By the end of the fiscal year 1940-41, milk control activities in Pennsylvania will have cost in excess of $1,500,000, approximately $800,000 of which has been appropriated from the General Fund and the remaining $700,000 derived from special sources of income included in the Milk Control Fund.

TABLE XXVII-D

MILK CONTROL COMMISSION
STATEMENT SHOWING NUMBER AND ANNUAL SALARIES OF EMPLOYES AS OF JUNE 1, 1940

Bureau and Personnel Classification	Number of Employes	Annual Salaries
Administrative Bureau		
Chairman	1	$6,500
Member	1	6,000
Secretary	1	3,600
Deputy Attorney General	1	5,000
Assistant Deputy Attorney General	1	4,000
Assistant Deputy Attorney General	1	3,600
Advanced Hearing Stenographer	1	1,980
Senior Hearing Stenographer	1	1,740
Senior Stenographer-Secretary	1	1,620
Stenographer-Secretaries ($1,440)	2	2,880
Stenographer-Secretaries ($1,380)	3	4,140
Senior Stenographer-Clerks ($1,140)	4	4,560
Stenographer-Clerks ($1,080)	4	4,320
Stenographer-Clerks ($1,020)	3	3,060
Messenger-Clerk	1	1,020
Total	26	$54,020
Bureau of Accounts and Statistics		
Director of Research	1	$3,000
Statistician	1	2,100
Senior Comptometer Operator	1	1,140
Junior Control Accountant	1	2,100
Advanced File Clerk	1	1,140
Total	5	$9,480
Bureau of Audits and Investigations		
Director	1	$3,000
Supervising Milk Control Examiners ($2,400)	4	9,600
Milk Control Investigators ($2,100)	6	12,600
Junior Milk Control Investigator	1	1,920
Junior Milk Control Investigators ($1,860)	20	37,200
Senior Record Clerk	1	1,380
Milk Control Enforcement Investigator	1	840
Milk Control Enforcement Investigators ($1,620)	6	9,720
Senior Dairy Inspector	1	2,400
Junior Dairy Inspectors ($1,860)	3	5,580
Total	44	$84,240
Grand Total	75	$147,740

TABLE XXVII-E

MILK CONTROL COMMISSION

REVENUE DERIVED FROM LICENSES, FEES, PERMITS, FINES AND OTHER SOURCES

JUNE 1, 1936 TO MAY 31, 1940

Source	Fiscal Year Ending May 31			
	1937	1938	1939	1940
Licenses and Fees:				
Milk Dealers' Licenses	$81,197.25	$181,610.00	$93,211.95	$92,461.78
Transfer Fees	22.00	17.00	21.00	16.00
Weighing and Measuring Permits	.....	6,445.00	5,902.00	5,895 00
Milk Testers Certificate Fees	.....	4,587.00	4,470.00	4,530.00
Milk Weighers Certificate Fees	.....	2,505.00	2,298.00	2,352.00
Interest on Deposits	581.61	147.77	.....	.....
Milk Weighers and Testers Examination Fees	.....	1,272.00	1,041.00	1,011.00
Milk Law Fines	2,400.00	2,307.20	2,302.00	2,785.00
Miscellaneous Revenue	97.65	418.90	118.25	250.05
Total	$84,298.51	$199,309.87	$109,365.00	$109,300.83

TABLE XXVII-F

MILK CONTROL COMMISSION

EXPENDITURES BY OBJECT CLASSIFICATION

JUNE 1, 1936 TO MAY 31, 1940

Object	Fiscal Year Ending May 31			
	1937	1938	1939	1940
Salaries	$125,509.27	$179,266.36	$165,994.73	$150,553.66
Wages	16,204.55	2,965.64	1,112.65	8,187.45
Fees	1,276.59	2,220.74	1,087.83	699.35
Printing and Binding—Stationery	2,417.75	3,490.55	6,117.63	2,330.51
Materials and Supplies	636.93	788.23	626.76	509.69
Travel Expense	50,426.55	60,774.24	60,463.12	55,992.27
Freight, Express and Cartage	9.28	54.36	39.72	53.94
Postage	3,710.36	3,681.52	4,534.24	2,926.57
Telephone and Telegraph	2,273.89	2,241.15	2,392.37	2,038.70
Newspaper Advertisements and Notes	.....	.....	8.37	.....
Contracted Repairs	79.60	117.85	124.16	163.31
Rent of Real Estate	5,862.65	7,873.50	8,265.00	8,306.78
Rent of Equipment	398.20	548.75	1,330.08	209.47
Insurance: Security and Fidelity Bonds	270.84	747.74	501.04	199.44
Other Maintenance Service and Expense	59.85	56.92	81.42	136.89
Equipment and Machinery	7,140.69	2,316.36	2,917.61	3,163.64
Total	$216,277.00	$267,143.91	$255,596.73	$235,471.67

FOOTNOTES

(1) 1937, P. L. 417
(2) 1933-1934 P. L. 174
(3) 1935, P. L. 96
(4) Green et al vs. Milk Control Commission, 340. Pennsylvania 1.
(5) Colteryahn Sanitary Dairy vs. Milk Control Commission, 332, Pennsylvania 15.

CHAPTER XXVIII

PENNSYLVANIA PUBLIC UTILITY COMMISSION

A. FUNCTION

The Pennsylvania Public Utility Commission, an independent administrative commission, was created in 1937,[1] being a substitute for the Public Service Commission as a regulatory body controlling public utilities. The first step in the direction of utility control by an agency of the Commonwealth was made in 1907[2] by the creation of the Pennsylvania State Railroad Commission. This agency had jurisdiction over common carriers, including pipe lines and telephone and telegraph companies. In 1913, under the Public Service Company Law[3] the scope of control was broadened and placed in the hands of the Public Service Commission, where it remained for 24 years.

The new body is composed of 5 members appointed by the Governor, as against 7 in the Commission it replaced. The Commissioners first appointed held office for 2, 4, 6, 8 and 10 years respectively, their successors being appointed for 10 years. Vacancies are filled for the balance of the unexpired term. The qualifications for membership include residence in the Commonwealth, a minimum age of 30 years and registration as a qualified voter for at least one year prior to appointment. The annual salary is $10,000 with $500 additional for the Chairman.

The Governor may remove a member of the Commission for cause by and with the consent of the Senate. A member of the Commission, to be designated by the Governor, shall be a member of the Water and Power Resources Board.[4]

A "Public Utility" is defined by the Act[5] to mean "persons or corporations now or hereafter owning or

[1] Footnotes on page 7095.

operating in this Commonwealth equipment or facilities for:

(a) Producing, generating, transmitting, distributing or furnishing natural or artificial gas, electricity, or steam for the production of light, heat, or power to the public for compensation.

(b) Diverting, developing, pumping, impounding, distributing, or furnishing water to or for the public for compensation.

(c) Transporting passengers or property as a common carrier.

(d) Use as a canal, turnpike, tunnel, bridge, wharf, and the like, for the public for compensation.

(e) Transporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or other fluid substance, by pipe line or conduit, for the public for compensation.

(f) Conveying or transmitting messages or communications by telephone or telegraph for the public for compensation.

(g) Sewage collection, treatment, or disposal for the public for compensation."

Table XXVIII-A shows the number and classes of public utilities supervised by the Pennsylvania Public Utility Commission at December 16, 1940.

B. POWERS AND DUTIES

The powers and duties of the Commission relate generally to the regulation of rates, services and facilities of all public utilities in the Commonwealth. Some of the more important specific powers with which the Commission is vested appear below:

1. To approve or disapprove the creation of public utilities and the addition to or abandonment of any of their services.
2. To regulate the rates charged by public utilities and to prescribe temporary rates pending the final determination of a rate proceeding.
3. To eliminate rate discriminations, and enforce tariffs under which rates are charged by the utilities.
4. To conduct public hearings on matters relating to public utilities and to subpoena witnesses.

TABLE XXVIII-A

PUBLIC UTILITY COMMISSION

Number and Kind of Public Utilities Supervised, December 16, 1940

Utility	Operating	Lessor and Non-Operating	Total
Electric	60	12	72
Manufactured Gas	30	6	36
Natural Gas	110	...	110
Pipe Line	7	...	7
Steam Heating	26	...	26
Water	618	...	618
Telephone	274	...	274
Telegraph	4	5	9
Electric Railway	26	136	162
Trackless Trolley	2	...	2
Steam Roads	82	110	192
Express	2	...	2
Sleeping Car	1	...	1
Aircraft	8	...	8
Boat	5	...	5
Bridge	18	...	18
Canal	3	...	3
Ferry	18	...	18
Sewerage	17	...	17
Wharf	4	...	4
Common Motor Carriers	11,800	...	11,800
Contract Motor Carriers	1,687	...	1,687
Total	14,802	269	15,071

5. To conduct investigations and examinations of utility corporations including their physical properties, books and accounts.
6. To prescribe reasonable, safe, adequate and sufficient services and facilities to be furnished by public utilities.
7. To regulate installation, protection and removal of grade crossings.
8. To regulate and control the issuance of securities of public utilities.
9. To regulate the relation of public utilities with their affiliates.
10. To issue permits to contract carriers by motor vehicle and brokers and to prescribe minimum rates for such service.
11. To regulate common carriers by motor vehicle.
12. To supervise and regulate the budgetary and accounting procedures of public utilities.
13. To have access to the books and records of public utilities.
14. To reform and revise contracts of public utilities where such action is deemed necessary in the public interest.
15. To certify to the Sanitary Water Board any question of fact which arises regarding the purity of water supplied to the public by any public utility.
16. To require such periodical and other reports from public utilities as may be deemed necessary.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, as is indicated by Chart XXVIII-1, page 7088, the Commission is divided into five bureaus as follows:

1. Secretary's Bureau
2. Law Bureau
3. Bureau of Accounts
4. Bureau of Engineering
5. Bureau of Motor Transportation

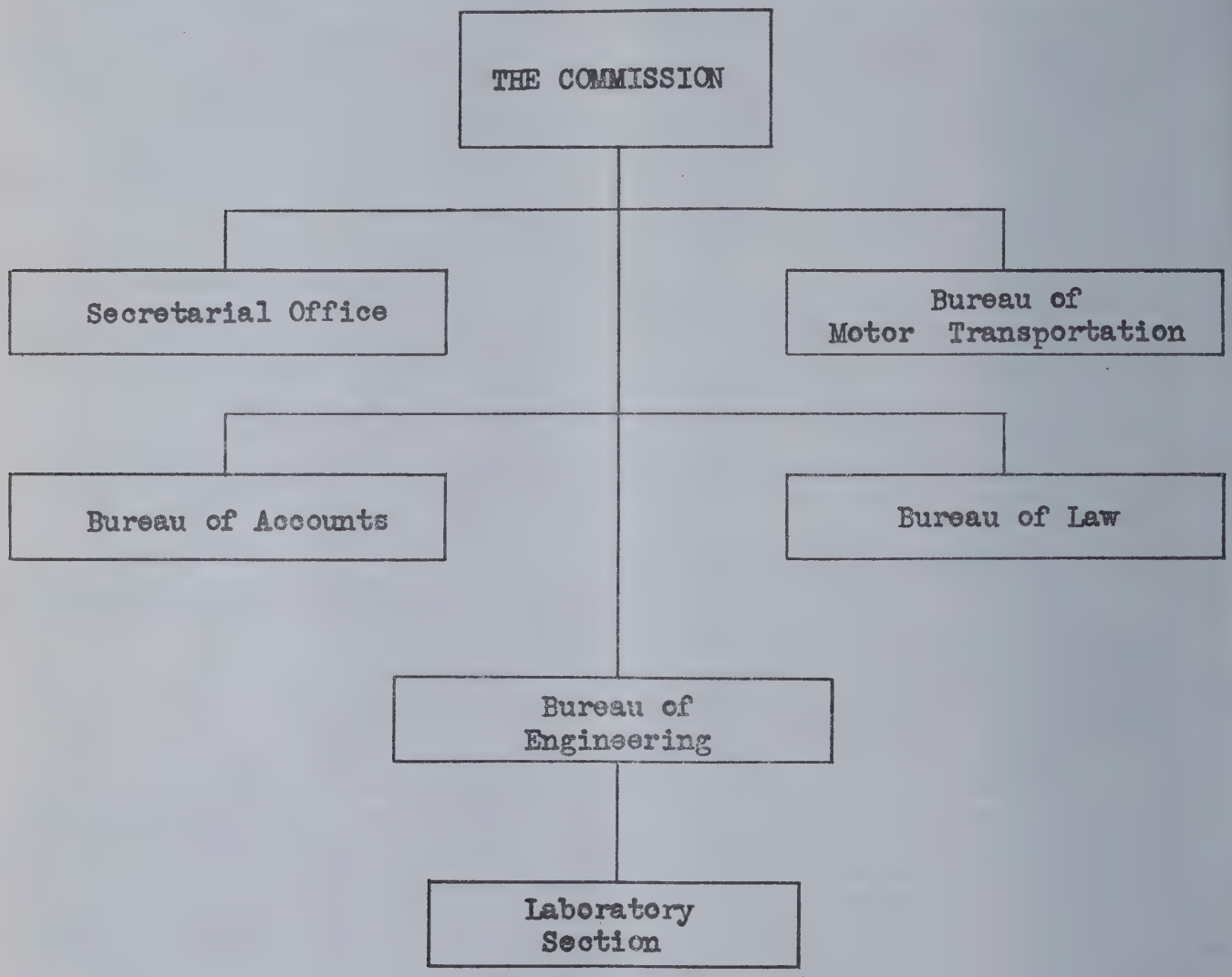
The last named Bureau was created to take over the motor carrier functions of the former Bureau of Public Convenience, other than the hearing function which has been absorbed by the Secretary's Bureau. The duties formerly performed by the Bureaus of Accidents and of Rates and Tariffs have been placed upon the Bureau of Engineering and the Bureau of Accounts, respectively.

1. Secretary's Bureau

The Commission appoints a Secretary[6] to serve at its pleasure under the law, and may designate a clerk who, in the absence of the Secretary, is vested with his powers. The Secretary is the chief executive officer of the Commission. He has charge of its general office, superintends its clerical business, conducts its correspondence, gives notice of all determinations, rulings, and orders of the Commission, prepares and publishes all public notices required to be given by the Commission under the law, and acts as custodian of Commission records. He arranges hearings, and assigns cases to other bureaus for study and reports to the Commission. In addition, the Secretary attends the executive sessions of the Commission to present matters on the executive calendar, and to record the minutes of its actions.

CHART XXVIII-1

ORGANIZATION OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION



The examiners, all of whom are lawyers, are a part of this Bureau. They conduct the preliminary questioning of witnesses, securing the necessary information for the records to be sent to the Commission for review. The examiner is not allowed to report his own opinion or file his recommendations with the Commission. As a result, the reviewing section makes its report to the Commission without the benefit of any personal interrogation of witnesses. There is little doubt that the examiner is in better position to evaluate the testimony, having been in contact with the witness, than a reviewer having only the cold record. Examiners of the Interstate Commerce Commission and of many other Federal agencies report their findings with recommendations to the agency they represent.

The law gives the examiner power "to administer oaths and examine witnesses and receive evidence."[7] It also provides that "testimony and evidence so taken or received shall have the same force and effect as if taken or received by the Commission." It neither specifically prohibits nor permits the examiner to report his findings to the Commission. Mr. Justice Keller, in a concurring opinion in J. Benkart & Sons Co. et al., Aps., v. Pennsylvania Public Utility Commission, stated in part:[8]

> "It developed, however, on the argument that in the proceedings leading up to its decision, the Commission had designated an examiner to take testimony, . . . and the examiner, instead of confining himself to the duties committed to him by statute, to wit, administering oaths, examining witnesses and receiving evidence, filed a report, which did not become

> a part of the record, and made recommendations which were adopted by the Commission. This he was without legal authority to do . . . Whatever may be the custom in other jurisdictions, in this Commonwealth the function of an examiner to take testimony is limited to his statutory authority, and he is given no power to pass on facts developed or make decisions or recommendations with regard to them, unless specially authorized in the statute to do so."

In view of the above ruling, if the Legislature is of the opinion that the examiner should report his findings, an amendment giving such specific authority to the examiner should be enacted.

2. Law Bureau

The office of counsel to the Public Utility Commission is created by statute[6] which places the appointing powers with the Attorney General subject to approval of the Governor. Assistant counsel are provided for on the same basis with compensation of all counsel fixed by the Commission with the approval of the Governor. The duties are generally provided for by law.

The functions of the Law Bureau may be devided into four major classes: legal advice to the Commission and members of its staff; representation of the Commission in appeals from its orders; prosecution of the actions before the Commission on its own motion or otherwise; and routine matters such as advice to litigants, indexing decisions and the like.

a. Legal Advice

The work of legal advice involves legal research and the preparation of opinions and memoranda for the guidance of the Commission in the exercise of its powers. The Bureau studies and analyzes the records and testimony to determine the scope of the discretion which the Commission may exercise in each case that comes before it. It keeps the Commission informed of precedents established both by court decisions and by previous rulings of the Commission itself.

b. Legal Representation

When an appeal is made from a decision of the Commission, it is the duty of the Bureau to prepare the briefs which are filed with the appellate court in defense of the rulings of the Commission. It prepares and certifies the records which have been developed in the proceedings before the Commission and appears as counsel in oral arguments before the court. It also acts as counsel in actions instituted to recover penalties and enforce regulations and orders.

c. Prosecutions

When the Commission institutes an action against a utility on its own motion, the Bureau prepares the case for trial and develops the necessary testimony. This may involve the securing and, at times. the examination of witnesses. In these cases, every effort is made by the Commission to keep separate the prosecutor and judicial roles. The Bureau prosecutes the case without interference from the Commissioners, who render their decision on the basis of the facts presented. It also advises attorneys and individuals who call upon the Commission as to their rights in various situations and as to evidence necessary in cases pending before the Commission.

d. Miscellaneous Duties

The Bureau has charge of indexing, syllabizing and printing the decisions of the Commission for its future guidance. It also indexes relevant cases in the Federal courts and before utility regulating bodies in other States. The Bureau has general charge of the law library which, in addition to the usual material and indices, has textbooks on utility matters and reported decisions of other utility commissions.

3. Bureau of Accounts

The Bureau of Accounts is the successor to the Bureau of Accounts, Rates and Statistics. Among its activities are: (1) to prescribe uniform systems of accounts for the various types and classes of utilities regulated; (2) to audit and examine the books, accounts and records of public service companies under the supervision of the Commission; (3) to prescribe the forms of annual reports to be filed by each utility; (4) to examine such reports when filed and compile statistics therefrom; (5) to administer the regulations pertaining to the determination of original cost and the installation of continuing property records by utilities; (6) to handle the fiscal affairs of the Commission, including the assessment of utilities for the cost of operating the Commission; (7) to examine the accounting and financial aspects of securities certificates and of applications for approval of mergers, sales, leases, etc.; and (8) to make reports and proposed rate decisions on formal cases.

In the field formerly covered by the old Bureau of Rates and Tariffs, the duties of the Bureau include: (1) the disposition of applications for the waiver of the statutory notice when rate changes are contemplated; (2) the consideration of reparations petitions and of petitions for changes in the rate schedules of individual companies; (3) the receipt, filing and posting of tariffs, rates and rules; (4) the determination of the adequacy of compliance with the Commission's rate orders; and (5) the preparation and filing of concurrences and powers of attorney.

The work and duties of the Bureau require a great degree of cooperation and coordination with other bureaus of the Commission, as well as with other agencies of the State. Thus, the accountants and auditors in the field who examine the records and accounts of the various companies very often are required to go on the witness stand in rate proceedings as experts for the Commission, assisting the Law Bureau in the development of the record and the Commission in arriving at a decision.

The Pennsylvania Commission, acting in harmony with various regulatory bodies of other states and of the Federal Government, has prescribed systems of accounts which require practically all electric, telephone, and gas utilities to determine the original cost of their property when first devoted to the public use. Such cost, as well as prices in excess of such cost paid to predecessors, and write-ups of all kinds, will be shown clearly on utility books when the study is completed. This will create a uniformity of meaning to property accounting which is now absent, but which is essential to rate making and other regulatory activities of the Commission. By additional orders, means have been created to keep property records up to date.

Although the gas and telephone industries are still

engaged upon the above study, the electric utilities have filed their reports, and it is now necessary that the Commission check these before final acceptance. This checking and all other activities pertaining to the original cost function, are performed by a staff of eight men in the Bureau of Accounts. These men now have to review studies involving $2,000,000,000, of property, and an idea of the magnitude of the task may be gained from the fact that the study of one medium sized electric company consisted of 70 volumes weighing 375 pounds.

There is no conflict between the function of this Bureau and that of the Pennsylvania Securities Commission in relation to the approval of applications filed by utilities for the registration of securities to be issued. The latter body deals generally with "the registration and regulation of certain individuals and entities selling, offering for sale or delivery . . . or dealing in any manner of securities."[9] The Public Utility Commission is primarily concerned with the effect of the proposed security upon the issuing utility's ability to render service at reasonable rates.

4. Bureau of Engineering

The Bureau of Engineering deals with all classes of engineering problems in connection with the various utilities regulated by the Commission. It is divided into sections, each dealing with a specific type of utility such as electric, railroad, gas, water, telephone, transit and motor, and steam heat. Other sections relate to general utility work, study of accidents, drafting and the Commission's testing laboratory. In general, the Bureau is a consulting engineer's office with a staff of professional engineers in different branches giving advice, making investigations and reports, dealing with problems of service, valuations, rates, and facilities, including the design, construction and operation of improvements and extensions thereto.

The engineers of the various sections analyze and report on various types of applications and complaints coming before the Commission; supervise the manner in which facilities are constructed; make field investigations, studies, and reports in the interest of safe and adequate service, including extension of service to new customers; and conduct field investigations of physical properties and appraisals which are used by the Commission in rate determinations and in passing upon consolidations and mergers.

a. Investigation of Accidents

The Bureau of Engineering, to a limited degree, carries on the work of investigation and research relating to dangerous conditions and their prevention in the operation of railroads, street railroads, inclined planes, motor trucks and buses. These utilities file reports with the Bureau covering any accident resulting from the operation of the utility or its property. The Bureau makes a thorough investigation of all major accidents reported, for the purpose of recommending preventative measures against a possible recurrence.

Suggested changes in grade crossings are referred to this Bureau. Complaints of dangerous conditions, particularly at grade crossings, are investigated by the Accident Section, which advises the Commission as to the reasonableness of the complaint. Studies and surveys for the improvement of grade crossing conditions are made, as are recommendations for the installation of automatic warning devices and the consolidation of traffic lanes across common carriers. Statistics and other pertinent information are compiled for the use of the Commission in accident prevention work.

b. Laboratory

The Laboratory is equipped with facilities to test gas, water, steam, and electric meter provers. These provers are used by the utilities to test consumers' meters. The Commission maintains meter testing equipment and passes upon disputes relating to meter tampering and kindred matters. This service is rendered on a fee basis. The Bureau enforces rules which prescribe commercially reasonable limits of accuracy for the various types of meters.

5. Bureau of Motor Transportation

The Bureau of Motor Transportation is charged with the supervision of common carriers by motor vehicle, contract carriers by motor vehicle and brokers. The Commission, through the Bureau, regulates the common and contract carriers by motor vehicles in regard to permits for the right to operate and also regulates and enforces the rates of such carriers. Before a decision is rendered by the Commission in proceedings involving operation of motor vehicles, the record is studied by this Bureau in order that the Commission may be advised concerning prior action in similar cases and the usual policy followed. Compliance with the Commission's insurance requirements by these carriers is also enforced by this Bureau. Each year it handles thousands of complaints of illegal operation by common carriers, as well as large numbers of requests for information concerning the law, practice and procedure in applications on motor vehicle cases.

The Bureau maintains a staff of motor vehicle investigators to detect infringements of the law or the rules and regulations prescribed thereunder. The Department of Revenue has cooperated with the Commission in a vigorous campaign to eliminate violations of the motor carrier laws, especially with regard to buses which operate illegally without certificates or permits. Before the Bureau of Motor Vehicles in the Department of Revenue issues registration tags to an applicant, the application is submitted to the Public Utility Commission for approval. The application is approved if the applicant holds a Public Utility Commission certificate, if the vehicle is authorized by an equipment certificate, and if there is on file evidence of the insurance required by the Commission.

The regulation of motor trucks is especially costly and difficult. During the first six months following the passage of the Public Utility Law applications for trucking permits and certificates averaged over 500 per week. At the present time, however, the volume of applications averages close to 29 per week. Many of the trucks are dump trucks operated by the owner and changing rapidly from job to job. This makes any attempt to control the operation exceedingly difficult as these small operators fail to make reports or even to maintain records on which reports could be based. The Commission believes that some type of modified regulation, possibly in this form of registration, should be adopted for the constantly changing mode of transportation.

The serious problem is not only one of policing the holders of certificates, but of protecting this group from

illegal competition. The holder of a certificate of public convenience or a permit as a contract carrier must undergo considerable expense to achieve that status. He must not only obey regulations as to operation and rates but must also protect the public by various types of insurance. Naturally, when an illegal operator, with none of the costs and difficulties, underbids him, he is very forcible in his protests to the Commission. The only real answer is constant policing by an adequate force of trained investigators.

Under Section 202 (d) of the Public Utility Commission Law, all public utilities, including the hundreds of small truckers, are required to secure a certificate of public convenience in order to discontinue or abandon service, and accordingly are required to pay the $10.00 fee for filing the application for abandonment. This is a financial burden for many small operators, and is also burdensome to the Commission from the standpoint of procedure because trucking rights, large and small, are continually being abandoned.

Under present procedure, the Commission is required to notify each competitor whenever an application is made for a certificate of convenience in a particular area. The volume of these notices is such as to constitute a burden upon the Commission both as to work and expense. The Commission questions whether the notice serves any useful purpose except to the larger carriers who have an office force to review all notices and follow them up.

In the administration of a number of State agencies, notice to certain individuals is required before final action is taken. Since these notices are also legal in their import, it would be possible to handle all such departmental notices in a State bulletin published at regular intervals on a subscription basis. This bulletin could be somewhat along the lines of the "Legal Intelligencer" and could include formal opinions of general interest, given by the Attorney General. The subscription price should be sufficient to defray the cost of publication, and only those interested sufficiently to subscribe would receive the notices. State agencies would be relieved of all work except to prepare the material for publication.

D. PERSONNEL

On June 1, 1940, the personnel of the Public Utility Commission totaled 344 receiving aggregate annual salaries of $727,790. The distribution of employes by bureau and personnel classification is shown in Table XXVIII-B.

TABLE XXVIII-B

PUBLIC UTILITY COMMISSION
SUMMARY OF PERSONNEL BY BUREAU, PERSONNEL CLASSIFICATION, AND TOTAL ANNUAL SALARIES, JUNE 1, 1940

Bureau and Personnel Classification	Number of Employes	Total Salaries
Public Utility Commission		
Chairman	1	$10,500
Members	4	40,000
Total	5	$50,500
Secretary's Bureau		
Secretary	1	$6,500
Executive Assistant	1	3,300
Hearing Examiners	6	21,450
Principal Public Information Editor	1	4,080
Principal Complaint Examiner	1	3,000
Supervisor of Carrier Certificates	1	2,100
Clerks, Stenographers, etc.	76	94,320
Total	87	$134,750
Law Bureau		
Chief Counsel	1	$7,500
Senior Public Utility Counsel	1	5,250
Assistant Counsel	2	8,400
Principal Legal Assistant	1	3,000
Stenographers	7	9,120
Total	12	$33,270
Bureau of Engineering		
Director of Utility Engineering	1	$6,000
Engineers:		
Electric	15	44,760
Gas	9	26,220
Water	5	15,360
Railroad	7	22,800
Telephone and Telegraph	4	11,400
Signal	1	4,200
Transit	2	7,500
Bridge	1	3,600
Draftsmen	2	4,260
Clerks, Stenographers, etc.	33	41,820
Total	80	$187,920
Laboratory Section		
Senior Standards Tester	1	$2,640
Senior Meter Prover Tester	1	2,400
Advanced Laboratory Assistant	1	1,500
Total	3	$6,540
Total, Bureau of Engineering	83	$194,460
Bureau of Accounts		
Director	1	$6,000
Assistant Director	1	5,000
Executive Assistant	1	4,200
Controller	1	3,000
Examiners	39	108,630
Head Railroad Rate Expert	1	4,200
Engineers	3	9,840
Tariff Investigators	4	9,420
Bookkeepers	7	12,780
Clerks, Stenographers, etc.	19	24,180
Total	77	$187,250
Bureau of Motor Transportation		
Director	1	$6,000
Executive Assistants	3	12,360
Chief Clerk	1	3,960
Administrative Assistants	6	14,880
Advanced Legal Assistant	1	2,400
Supervisor Correspondents	2	4,800
Assistant Supervisor of Contract Carriers	1	2,100
Motor Vehicle Investigators	17	29,220
Clerks, Stenographers, etc.	48	51,840
Total	80	$127,560
Grand Total	344	$727,790

E. FINANCES

Table XXVIII-C shows receipts of the Commission from various sources which were transmitted to the State Treasurer during the fiscal year ended May 31, 1940.

TABLE XXVIII-C

PUBLIC UTILITY COMMISSION
RECEIPTS TRANSMITTED TO STATE TREASURY
JUNE 1, 1939-MAY 31, 1940

Source	Amount
Filing and Copy Fees	$18,456.31
Testing Fees	11,036.00
Special Assessments	465,599.10
General Assessments	236,122.23
Violation of Order—Fines	2,568.98
Other Income	2,791.45
Total	$736,574.07

1. Filing and Copy Fees

These fees are fixed under the Public Utility Law as:[10]

a. Copies of papers, testimony and records, 25 cents per page.
b. Certifying copies of above, $2.00 each.
c. Preparing and certifying to the Superior Court any record in an appeal, $10.00 each.
d. Filing securities certificate, or application for certificate of public convenience, registration certificate, permit or license, $10.00 each.

Applications for approval enabling a public utility "to make effective or modify any contract with an affiliated interest or, by way of donation, give to, or receive from, an affiliated interest, any property, money, security, right or thing" are filed without charge.[11] These applications entail as much work as the applications for which a $10.00 fee is charged.

2. Testing Fees

Fees for testing "instruments of precision and measuring apparatus" for public utilities are as follows:[12]

a. Watthour meter	$16
b. Indicating instrument	10
c. Instrument transformer	10
d. Standard cell	5
e. Standard resistance	10
f. Potentiometer	50
g. Gas meter prover	35
h. Calorimeter:	
(1) At gas company's plant	35
(2) At Commission laboratory	10
i. Water meter testing apparatus:	
(1) At company's plant	15
j. Water meter:	
(1) At Commision laboratory	3

3. Special Assessments

a. Recovery of Costs of Utility Examination

Whenever the Commission conducts an investigation of the affairs of any utility "involving an examination of the records or facilities thereof," the Commission charges the utility a sum equal to the salaries and expenses of Commission employes "while engaged in such examination."[13] Such direct charges, however, may not exceed 1% of the gross intra-state operating revenues of the utility during the prior year.

During the period from June 1, 1937, the effective date of the above provision, to September 30, 1940, direct charges against utilities were incurred in the amount of $739,658.83. Of this amount $738,332.93 was billed and $1,708.79 remained unbilled due to the 1% limitation.

The wording of the Act, exclusive of the 1% limitation, prevents the Commission from recovering the actual direct cost of an investigation in that only costs of examination of records and facilities may be billed. After the examination is completed, the work papers and notes must be studied, schedules and statistical materials compiled and reports written. This may involve six weeks' work on the part of examiners, stenographers and typists, but this expense is not chargeable against the utility.

b. Recovery of Examination Costs—Banking Department

The Department of Banking recovers the full direct cost of examinations, including all traveling and subsistence expenses, salaries of examiners and direct supervisors and of stenographers, typists and proofreaders. These salaries are recoverable for the full time the employes are engaged in the examination, whether on the premises of the bank or not. However, where frequent examinations are necessary and assessment of the entire direct cost thereof would adversely affect the institution, any portion of the assessment may be thrown into overhead and collected from all institutions at the end of the year.

c. Recovery of Examination Costs—Insurance Department

In the Insurance Department, the Examining Division, at the beginning of each year, estimates the number and the total cost of examinations for the year including the overhead of the Division. Each employe engaged in the direct work of examination is costed so that the per diem charge for the employe's service is sufficiently high to recover the total expense of Division operation. Thus, an employe may receive a salary of $2,000 a year or, on the basis of 250 working days, $8 per day. In billing for his service, the charge will be $11 or $12 per day. Actual expenses of travel and subsistence are collected in addition to the per diem rate.

4. General Assessments

a. Description

After deducting from the Commission's aggregate expenditures the amounts specially assessed as above, plus the cost of equipment, the estimated cost of regulating municipal corporations furnishing public service, and the cost of regulating contract carriers by motor vehicle, the balance is allocated against the utilities as a general assessment. In allocating this assessment the group furnishing each type of service has charged to it an amount equal to the expenditures of the Commission directly attributable to regulating that group, and an amount equal to such portion of the expenditures not attributable to any group, as the gross intrastate operating revenues of the group bear to the total gross intrastate operating revenues of all public utilities.

b. Application of Assessment

The first assessment under this Act was made in September, 1938, covering the period June 1, 1937 to May 31,

1938. This was found to be objectionable since the records of operating revenue are usually on a calendar year basis. Accordingly, a new assessment will be made covering the periods June 1, 1937 to December 31, 1937, and from January 1, 1938 to December 31, 1938. Later assessments will be on a calendar year basis. Payments made on the original assessment are held in a suspense credit account to be credited against the revised assessments to December 31, 1938, and the balance will be billed against the utilities.

Table XXVIII-D shows the status of collections on the original assessments at October 31, 1940.

TABLE XXVIII-D

PUBLIC UTILITY COMMISSION
STATEMENT OF COLLECTIONS ON GENERAL ASSESSMENT
JUNE 1, 1937-OCTOBER 31, 1940

Utility Group	Assessment Sept. 1938	Paid to Oct. 31, 1940	Balance Unpaid Oct. 31, 1940
Electric	$211,578.05	$203,228.40	$8,349.65
Water	31,768.63	29,964.06	1,804.57
Manufactured Gas	31,432.97	16,462.96	14,970.01
Natural Gas	53,017.57	41,733.20	11,284.37
Telephone and Telegraph	68,404.43	68,323.21	81,.22
Street Railways	54,108.07	40,805.19	13,302.88
Motor Transportation	74,369.82	42,091.72	32,278.10
Railroad	130,166.37	113,598.71	16,567.66
Miscellaneous	12,706.71	12,245.25	461.46
Total	$667,552.62	$568,452.70	$99,099.92

Table XXVIII-E shows an analysis of the $99,099.92 unpaid general assessment by size of the unpaid individual balances taken from the report of the Commission.

TABLE XXVIII-E

PUBLIC UTILITY COMMISSION

Analysis of Unpaid Balances, by Size October 31, 1940

Utility Group	Under $1.00	$1.00 to 9.99	$10.00 to 19.99	$20.00 to 49.99	$50.00 to 99.99	$100.00 to 499.99	$500.00 to 999.99	$1000 and Over	Total
Electric	..	2	..	1	..	..	1	2	6
Water	7	23	7	5	3	4	..	..	49
Manufactured Gas	..	..	..	..	..	..	..	1	1
Natural Gas	3	6	3	4	1	..	..	3	20
Telephone and Telegraph	20	20	1	..	..	..	..	..	41
Street Railways	..	1	..	1	..	1	..	1	4
Motor Transportation	..	..	..	..	2	28	7	4	41
Railroad	..	1	1	..	..	2	..	3	7
Miscellaneous	1	11	1	1	2	2	..	..	18
Total	31	64	13	12	8	37	8	14	187

Unpaid Motor Transportation balances do not include "Miscellaneous Items Each Less than $100" in the total amount of $12,089.86 on which the complete detail is not available in the report from which these figures were taken. The Bureau of Accounts states that there are approximately 7,000 accounts in this group, more than half of which represent less than $1.00 each.

c. Difficulties of Administration

The general assessment has been difficult to administer because of:

(1) The attitude of suspicion on the part of the utilities that expenses will be charged for services not attributable to their groups.
(2) The complexity of properly accounting for services with the allocations of various expenses to the proper group so as to be able to certify the activities of employes.
(3) The problem of legal interpretations of the laws in relation to the allocation of expenses.
(4) The failure of thousands of motor carriers to file the annual report required by the Commission on which to base the assessment.

The last named difficulty has been overcome, under an opinion by the Attorney General, by estimating the probable revenues of the delinquent carriers and making a provisional assessment on that basis. The estimate is made by taking 20% of the carriers reporting and determining the intrastate operating revenue per vehicle and applying that average to each delinquent.

d. Difficulties of Collection

Under the Act the Commission is required to give notice by registered mail to each utility of the amount charged against it.[14] If no objections are filed within 15 days of receipt of notice, the bill must be paid within 30 days from such receipt. If objections are filed, payment must be made within 10 days after receipt of notice of the findings of the Commission with respect to such objection. Taking into consideration the fact that the majority of these assessments are for small amounts, the cost of collection in regard to that particular group is very high.

No suit or proceeding may be maintained in any court for the purpose of restraining or otherwise delaying the collection or payment of any assessment as previously described but every assessment must be paid as stated above. Any utility making payment under protest after filing objections may, within two years of the date of payment, sue the Commonwealth in an action at law to recover the amount paid or any part thereof, upon the ground that the assessment was excessive, erroneous, unlawful or invalid, in whole or in part.

Although the larger utilities, after various protests and delays, have paid the assessment for the first year of the new system of operation, there are a large number of small organizations and individual operators who fail to pay the bills. In such cases, the Commission is authorized to bring action for payment through the Department of Justice. The small amount of the bill, in many cases less than $1.00, makes such a remedy impractical.

The method of determining the general assessment places a considerable burden upon the Bureau of Accounts, in computing, billing and attempting to collect the assessment. This means that a considerable part of the time of this Bureau is diverted from the actual work of helping to regulate the utilities and turned to a form of tax collection for which they are not adequately manned.

e. General Assessment by Banking Department

The Banking Department also has the problem of col-

lecting that portion of their expenditures which cannot be assessed against individual institutions under supervision. They, too, have the problem, to a small degree, of variation in types and size. The commercial departments of banks, building and loan associations, and credit unions are assessed at the rate of $15 for the first $100,000 of assets with a sliding scale for each additional $100,000 of assets. The trust departments of banks are charged on a sliding scale basis starting at $5 for each $100,000 of assets up to $1,000,000. Title companies pay a flat annual rate of $15, while the overhead for administering the small loan companies is absorbed in the $100 annual license fee paid.

These assessments are based on the annual call report made by the institutions to the Department. Since one of the difficulties of administration of general assessment by the Public Utility Commission is their inability to get reports, the system outlined above, while having some advantages, would not be practical.

f. Suggested Solution of Problem

The Commission suggests that it would be entirely possible to collect an amount equivalent to the general assessment by adding one mill to the gross receipts tax now paid by certain utilities and a new gross receipts tax on utilities not subject to such a tax under existing law. The present normal gross receipts tax is assessed on approximately $400,000,000 so that the added mill on this group would produce $400,000. Some of the advantages claimed for the suggested plan are:

(1) It would be assessed and collected by the Department of Revenue without additional cost, since the utilities now pay a gross receipts tax.
(2) It would relieve the Public Utility Commission of the complicated record keeping and expenses of computing and collecting the assessment.
(3) It would be readily collectible, as all businesses regardless of size are accustomed to filing tax returns and paying taxes.
(4) It would cost the utilities no more than the present system.

An obvious disadvantage of the tax plan is its inflexibility. There is little apparent relation between the amount of business done by utilities and the overhead cost of the Commission. Thus, the tax would not necessarily cover the expenditures other than direct charges or in a relatively quiet regulatory period might exceed such costs. This disadvantage could, of course, be eliminated by a blanket authority to levy the additional tax in sufficient amount to reimburse the State for the indirect costs of regulation by the Public Utility Commission.

5. Appropriations

Appropriations to the Public Utility Commission for the 1939-41 biennium amounted to $1,866,000, divided as follows:

TABLE XXVIII-F

PUBLIC UTILITY COMMISSION

Summary Statement of Appropriations, Biennium 1939-41

Purpose	Amount
Salaries of Chairman and Commissioners	$ 101,000
Salaries and Expenses	1,750,000
Grade Crossing Protection	15,000
Total	$1,866,000

In many governmental agencies, it is possible to predict, with reasonable accuracy, the demands that will be made for services during a biennium. This is not the case with the Public Utility Commission. As with the Banking Department, emergencies arise and demands for service are made at times and under conditions which cannot be predicted. An appropriation, under such circumstances, acts as a legislative straightjacket preventing the agency from rendering services demanded and frequently badly needed.

One method of protecting an agency from such contingencies is to appropriate to it a sum sufficient to take care of expansion for any possible need. In practice, however, such a method is not feasible. With constant pressure upon the General Assembly to reduce the cost of government, the Legislators view with suspicion any attempt to increase appropriations or to continue them at the same level when a large balance is shown in a previous biennium.

a. Revolving Funds

A number of governmental agencies operate wholly or in part on a revolving fund. Under this plan, an appropriation is made by the General Assembly on a continuing basis to establish the fund. As expenditures are made, the fund is replenished by sales, as with the Liquor Control Board, by collections as done by the Banking Department and the Insurance Department, or by license fees as in the cases of the Fish and Game Commissions and the Department of Highways. With the latter department a portion of the tax on gasoline also accrues to the revolving fund.

Among the advantages of a revolving fund, for agencies where the demands for service fluctuate sharply, are the following:

(1) It permits a greater flexibility of operation in that funds are available to expand the force to meet a contingency.
(2) It encourages the spending agency to collect assessments from the regulated organizations.
(3) It encourages the agency to conserve its funds rather than spend to the limit of an appropriation so that it will be duplicated or increased for the next biennium.

The chief disadvantage is that the revolving fund may tend to tie up State funds beyond the needs of the immediate period.

6. Expenditures

A summary statement of functional expenditures for the fiscal year ending May 31, 1940, is shown in Table XXVIII-G.

TABLE XXVIII-G

PUBLIC UTILITY COMMISSION

Summary Statement of Expenditures by Function
June 1, 1939 to May 31, 1940

Bureau or Section	Expenditures
Bureau of Engineering	$219,392.76
Laboratory Section	8,458.19
Law Bureau	46,001.41
Chairman and Commissioners	47,003.44
Secretarial Office	183,801.84
Bureau of Motor Transportation	158,309.58
Bureau of Accounts	219,500.13
Storeroom	1,516.79*
Total	$880,950.56

* Deduction.

Table XXVIII-H shows the object classification of expenditures of the Commission for the fiscal year ended May 31, 1940.

TABLE XXVIII-H

PUBLIC UTILITY COMMISSION

Expenditures by Object Classification, June 1, 1939 to May 31, 1940

Object	Expenditures
Salaries	$740,508.89
Wages	4,999.92
Fees	23,387.50
Printing, Binding and Stationery	14,683.23
Food and Forage	12.06
Materials and Supplies	3,878.43
Traveling Expenses	51,335.50
Motor Vehicle Supplies and Repairs	4,001.31
Freight, Express and Cartage	550.91
Postage	20,208.39
Telephone and Telegraph	5,844.50
Contracted Repairs	287.90
Rent of Real Estate	4,748.82
Rent of Equipment	319.95
Insurance, Surety and Fidelity	1,172.20
Other Maintenance Services and Expenses	778.41
Equipment and Machinery	3,732.64
Total	$880,950.56

FOOTNOTES

(1) 1937, P. L. 160
(2) 1907, P. L. 337
(3) 1913, P. L. 1374
(4) Administrative Code, Section 431
(5) 1937, P. L. 1053, Article I, Section 17
(6) 1937, P. L. 160, Section 6
(7) 1937, P. L. 160, Section 7
(8) 1933, Pennsylvania Superior Court Reports No. 137
(9) Administrative Code, Section 1605
(10) 1937, P. L. 1953, Section 1202
(11) 1938, P. L. 44, Section 702
(12) 1937, P. L. 1953, Section 1203
(13) Amendment 1938, P. L. 44, Section 1201
(14) 1937, P. L. 1053.

CHAPTER XXIX

PENNSYLVANIA LIQUOR CONTROL BOARD

In anticipation of the repeal of the Eighteenth Amendment to the Constitution of the United States, the General Assembly of Pennsylvania, at the Special Session of 1933 created the Pennsylvania Liquor Control Board,[1] an independent administrative Board consisting of three members appointed by the Governor with the advice and consent of two-thirds of all the members of the Senate. The term of each member extends for six years, or until a successor is appointed or has qualified.

Members of the Board receive an annual salary of $10,000, and must be citizens of the United States and residents and qualified electors in the Commonwealth for at least one year prior to appointment. Appointed members must be thirty years of age or over and are not allowed to hold any other public office. The affairs and duties of the Board are performed by the three members, one of whom is elected by the members as Chairman. The approval of two members is required for any action of the Board.

A. FUNCTION

The Board administers the Pennsylvania Liquor Control Act,[2] the Beverage License Law[3] passed in 1937, and the Manufacturing Act[4] of June 16, 1937 as the basic laws of Liquor Control. The Board's authority covers all phases of the traffic in and use of alcohol and alcoholic beverages in the Commonwealth. Its control extends from the manufacture of both liquor and malt beverages to the consumption of them; its control also covers the manufacture and traffic in alcohol. It licenses all those engaged in the business. By regulation and with police power of its own, it enforces the liquor laws and maintains a supervision over the entire business. The Board is a quasi-judicial body, conducting hearings and penalizing offenders. Subject to appeal to the Courts, the Board determines who may be in the alcohol, liquor or malt beverage business in Pennsylvania, and may dismiss anyone from the business for just cause.

Through a monopoly over the sale of all liquors in the Commonwealth, the Board conducts through sales made in its stores an annual business of over $75,000,000, returns to the State approximately $24,000,000 in yearly revenues derived from profits and a 10% State Emergency Relief Tax, and remits to municipalities license fees collected from licensed places situated therein and amounting to a total of about $6,000,000 each year.

The Board is the largest buyer of liquor in the world. Through its system of State Liquor Stores, of which there are 579 in the Commonwealth, it stocks more than 750 brands of various sizes and will secure any others available on special order for any purchaser. All liquor purchased in unopened bottles must be purchased at one of the State Stores. Wine is also sold exclusively by the Board in the same manner. Hotels, clubs and restaurants with licenses to sell liquor by the drink are obliged to purchase their supplies at the State Stores. Malt or brewed beverages, however, are sold directly by the brewer to the consumer and to or through distributors and retailers, who in turn also sell to the consumer, but control is maintained by the Board.

B. POWERS AND DUTIES

Under the Liquor Control Act, the Liquor Control Board is vested with the power and it is its duty:

a. To buy, import, or have in its possession for sale, and sell, liquor or alcohol in the manner set forth in this Act: Provided, however, that all purchases shall be made subject to the approval of the Auditor General or his designated deputy.
b. To control the manufacture, possession, sale, consumption, importation, use, transportation and delivery of liquor, alcohol, and malt or brewed beverages in accordance with the provisions of this Act; and to fix the wholesale and retail prices at which liquors and alcohol shall be sold at Pennsylvania liquor stores: Provided, that in fixing sale prices the Board shall not give any preference or make any discrimination as to classes, brands or otherwise, except where special sales are deemed necessary to move unsalable merchandise.
c. To determine the municipalities within which Pennsylvania liquor stores shall be established, and the locations of the stores within such municipalities.
d. To grant, issue, suspend, and revoke all licenses and permits authorized to be issued to those engaged in any phase of the traffic in liquor and malt beverages.
e. Through the Department of Property and Supplies as agent, to lease, and furnish and equip, such buildings, rooms and other accommodations as shall be required.

[1] Footnotes on page 7109.

f. To appoint, fix the compensation, and define the powers and duties of such managers, officers, inspectors, examiners, clerks and other employes as shall be required, subject to the provisions of the Administrative Code of 1939, except as otherwise provided.

g. To determine the nature, form, and capacity of all packages and original containers to be used for containing liquor, alcohol, or malt or brewed beverages, or any other law to the contrary notwithstanding.

h. Without in any way limiting or being limited by the foregoing, to do all such things and perform all such acts as are deemed necessary or advisable for the purpose of carrying into effect the provisions of this Act and the regulations made thereunder.

The Board may, from time to time, make such regulations, not inconsistent with the Acts as it may deem necessary for their efficient administration. Such regulations, however, must be published and disseminated throughout the State. The designated subjects on which the Board may adopt regulations are:

a. The equipment and management of Pennsylvania liquor stores and warehouses in which liquor and alcohol are kept or sold, and the books and records to be kept therein.

b. The duties and conduct of the officers and employes of the Board.

c. The purchase of liquor and alcohol and its supply to Pennsylvania liquor stores.

d. The classes, varieties, and brands of liquor and alcohol to be kept and sold in Pennsylvania liquor stores.

e. The issuing and distribution of price lists for the various classes, varieties, or brands of liquor and alcohol kept for sale by the Board.

f. The sealing and labeling of liquor and alcohol sold and of liquor and alcohol lawfully acquired by any person prior to January first, one thousand nine hundred and thirty-four.

g. Forms to be used.

h. The issuance of licenses and permits, and the conduct, management, sanitation, and equipment of places licensed or included in permits.

i. The place and manner of depositing the receipts of Pennsylvania liquor stores, and the transmission of balances to the Treasury Department through the Department of Revenue.

j. The solicitation by resident or non-resident vendors of liquor from Pennsylvania licensees and other persons of orders for liquor to be sold through the Pennsylvania liquor stores, and in the case of non-resident vendors, the collection therefrom of license fees for such privilege at the same rate as provided herein for importers' licenses.

Under the powers given to the Board a number of regulations have been adopted from time to time. At present there are fifty-one such regulations in effect. These regulations, promulgated by the Board in the exercise of its regulatory grant of powers, govern and control the actions of licensees and permittees and are of vital importance to their operations.

C. ORGANIZATION AND OPERATIONS

As is indicated by Chart XXIX-1, the operations of the Board are supervised by an Executive Director who is appointed by the Board at an annual salary of $7,500. The Director is in charge of the executive functions for the Board, which consist of three divisions; namely, the Legal, Hearings, and Public Relations Divisions; and the following five Bureaus:

Bureau of State Stores
Bureau of Licensing
Bureau of Enforcement
Bureau of Personnel
Bureau of Accounting and Services

1. Executive Functions

a. Legal Division

The Attorney General has appointed and assigned to the Liquor Control Board one Deputy Attorney General who is chief counsel for the Board at an annual salary of $6,000. He advises the Board on the legality of its several policies and other matters requiring legal interpretation. There are also seven Special Deputy Attorneys General, one at a salary of $5,000, six at a salary of $4,000 each, and one Assistant Special Deputy Attorney General at a salary of $3,000. These salaries are fixed by the Department of Justice and paid from the Liquor Board funds.

The Special Deputy Attorneys General act as counsel for the Board in proceedings involving hearings on refusals of the Board to grant licenses, citations of licensees to show cause why their licenses should not be revoked, and on appeal cases arising from such matters which are carried to the Courts of Quarter Sessions of the counties in which the licensee or applicant is located. In some cases they represent the Board in further appeals taken by either the licensee or the Board to the various appellate courts. They represent the Board in petitions involving the forfeiture of seized equipment and vehicles, and condemnation and padlock proceedings and injunctions against violators, arising from illegal operations in violation of the liquor laws.

b. Hearings Division

The Liquor Control Act as amended in 1937 provides for the appointment by the Governor of examiners learned in the law. These examiners sit and conduct hearings for the Board in citation and license cases coming before it. Pursuant to this authority, the Governor has appointed seven examiners at an annual salary of $4,000 each. These examiners sit as assigned at the various hearing centers designated by the Board as follows:

Allentown	Philadelphia
Altoona	Pittsburgh
Erie	Punxsutawney
Harrisburg	Wilkes-Barre
	Williamsport

At these hearings testimony is presented by the Board's witnesses and by applicants or licensees and their witnesses in citation and license cases. Following an examination of the testimony presented, the examiners submit a written report to the Liquor Control Board in Harrisburg with their recommendations as to the action they believe the Board should take.

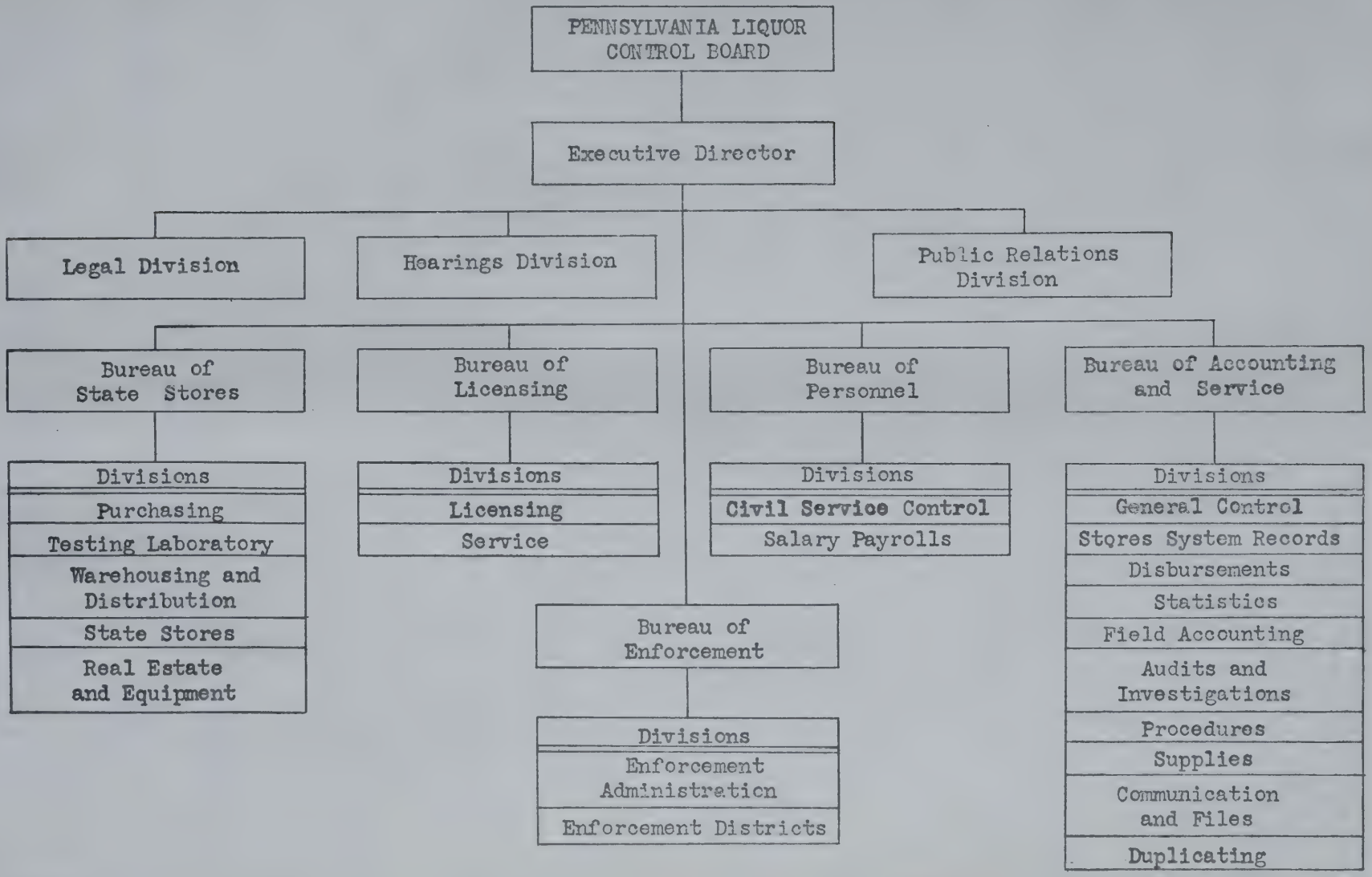
c. Public Relations Division

The Public Relations Division is headed by a Director of Public Relations who receives a salary of $4,200 yearly, and is under civil service classification.

The duties of the Public Relations Division are to maintain a close check on public reaction and sentiment, and to prepare, supervise and disseminate all information

CHART XXIX-1

ORGANIZATION OF THE PENNSYLVANIA LIQUOR CONTROL BOARD



concerning every activity of the Liquor Control system. Information concerning the laws governing the Liquor Control Board, and its rules and regulations, is available for public consumption.

The preparation of information concerning legal opinions of the various courts, notice and results of hearings for the violations of the laws, changes in State Store locations, hours of sale, price changes, additions and dismissals of personnel, and the general publicity of all activities of the Board are the functions of the Public Relations Division.

2. Bureau of State Stores

The sales of the Pennsylvania Liquor Control Board are handled through the Bureau of State Stores. This Bureau has as its head a Director who receives a salary of $6,000 a year and is composed of the following Divisions; namely, Purchasing, Laboratory, Warehousing and Distribution, State Stores, and Real Estate and Equipment.

a. Purchasing Division

The sales made by the Board are of two general types, stock sales and special liquor order sales. Purchases made by the Purchasing Division follow the same classification. Thus, two purchasing functions are maintained, namely, one having to do with the purchase of liquors against stock sales and the other to provide liquor to customers who request items not carried in stock.

Stock sales are the sales of merchandise regularly listed and carried in stock at the State Stores. These constitute the major portion of sales volume and are responsible for the list of merchandise carried. During the fiscal year 1939-40 sales amounted to $78,154,700.37.

Special orders are those requested by the customers of items not carried in stock. The Liquor Control Act requires that the Board procure any merchandise the customer desires. The Board carries no inventory of special merchandise. The provisions for securing anything the customer wants is peculiar to the Pennsylvania system. In the fiscal year 1939-40 the special order sales amounted to $1,484,469.22.

The major problems that confront the Board in the purchase and sale of liquor relate to:

(1) Listing and pricing
(2) Stocking and restocking
(3) Control of inventory

(1) Listing and Pricing

The items carried in State Stores are listed on price lists, which are published periodically, usually about four times each year. The retail prices shown on these lists continue until the next price list becomes effective.

Prices are quoted f.o.b. State Stores or warehouses and prices quoted remain in effect until the effective date of the next published list. No prices can be changed during any price list period. Retail prices are fixed by adding to vendor prices a uniform percentage of cost mark-up, and adding to this the 10% Emergency Relief Tax.

Proposals for substitutions for listed items are considered by the Board from time to time, to become effective at the date of the next price list and unless unusual conditions exist new items are considered only once a year. A de-listing or elimination of non-salable or slow moving items is made annually about May 1st.

(2) Stocking and Restocking

Liquor is first purchased and initially stocked by the Board on the potential sales volume of an item. The restocking is on the basis of public demand and is accomplished by having the merchandising division receive a weekly list of sales and status of stocks on hand, together with a two years' report on weekly sales. These form a basis for requisitions for restocking, which beginning January, 1941, are on a monthly order basis. After determination of quantities required, a purchase order is prepared. If the order is in proper form and approved by the Comptroller's office so as to come within the purchase budget, the purchase order is sent to the Board for approval. It is then forwarded to the Auditor General for final approval as required by law.

(3) Control of Inventory

Control of Inventory is maintained by the Director of State Stores, the Comptroller, and with an independent check by the Auditor General. The Comptroller allocates, in accordance with budgeted sales, certain moneys to be used to purchase merchandise.

A vendor may change the age of a whiskey, the proof or a formula at any time, with the Board's approval. The stocks of the changed product are transferred under certain circumstances to a new code number (6000) to remain there 90 days for sale. After that time all unsold merchandise is returned to the vendor, and the Board is reimbursed for the original cost of merchandise plus expense incurred in its return. This class of merchandise is listed for sale on close-out price lists issued about once a month. Vendors may reduce the costs of close-out items whenever close-out price lists are issued if they adjust the inventory of close-out merchandise on hand.

If a vendor is no longer responsible for sale of his merchandise because of financial condition, the items become the property of the Board. The Board must dispose of this stock as best it can. This merchandise is placed under a 5000 code group.

The Board's Reclaim Section, which maintains field offices in Philadelphia and Pittsburgh, takes charge of all breakage and spoilage, such as spoiled wines, "musty" liquor, etc.

b. Testing Laboratory Division

A Laboratory Division is maintained to perform periodical tests of all wines and liquors sold through the State Stores. It is their function to see that each container holds the proper amount of liquor or wine; that quality is maintained according to established standards and that all merchandise is free from injurious or deleterious ingredients. The laboratory also analyzes and tests enforcement seizures.

c. Warehousing and Distribution Division

The Division of Warehousing and Distribution consists of a Distribution Control Section, a Traffic Section, and a Claims Section.

The warehousing and distribution of the Board's merchandise is handled through four warehouses, located at Philadelphia, Scranton, Pittsburgh and Erie. Six subwarehouses are located at Philadelphia, Scranton, Pittsburgh, Erie, New Castle and Harrisburg.

Warehouses distribute only case quantities, while subwarehouses distribute some cases and usually bottle quantities.

This Division grades stores according to sales volume and as to unit sales value. From these classifications, distribution schedules have been devised to affect original distribution.

A Principal Claims Clerk has charge of the collection and return of merchandise to vendors, and also prepares and collects damages for the Board due to breakage, loss in transit, etc.

A Traffic Division issues shipping instructions for purchase orders, keeps an account of merchandise in transit, directs the transfer of merchandise from store to store or warehouse to warehouse, and operates trucks in carrying on this work as part of the Bureau of State Stores.

d. State Stores Division

The Board operates 579 Liquor Stores throughout the Commonwealth. The Store personnel consisted of 2,347 employes, as of September 30, 1940, thirty-one being employed in the administrative offices in Harrisburg. There are three district superintendents who direct from the field the operation of all stores and the work of 22 district supervisors. Their offices are located in Philadelphia, Pittsburgh and Scranton.

Each store has a manager. If the volume is less than $37,500 per year it is known as a one-man store. As the volume of business increases, more clerks are added. The highest paid manager in the store system has the rating of Liquor Store Manager Senior Grade A, with a salary rating of $2,700; the lowest paid clerk is classified as a Liquor Store Clerk and receives a salary of $1,200 per year.

e. Real Estate and Equipment Division

The Real Estate and Equipment Division consists of 61 employes, with a yearly salary payroll of $75,390. The Division is directly responsible for all automotive equipment and the supervision of Real Estate including the maintenance and operation of the Liquor Control Board building (Northwest Office Building), and procurement of all leases for the conduct of Pennsylvania Liquor Control Board business subject to approval of the Department of Property and Supplies. There are three real estate supervisory districts, each headed by a superintendent.

The Board approves the leases, procured by the superintendents of real estate, and they are then sent to the Department of Property and Supplies for review as agent for the Board. The total rent paid by the Board is $762,530 a year for the 579 stores, or an average of about $110 per month per store.

The maintenance and operation of the Liquor Control Board building is under the supervision of the Department of Property and Supplies, although the employes are under the Liquor Board civil service system.

3. Bureau of Licensing

The Bureau of Licensing has the responsibility for issuing various licenses and permits to those engaged in the manufacture, transportation and sale of alcohol, liquor and malt beverages in the Commonwealth. The Bureau receives all new applications for licenses, directs that an investigation be made of the applicant, and receives reports from the investigators. A review of all information is made to determine if the necessary requirements are met before a license is granted or refused.

On May 15, 1940, there were in the State a total of 29,660 licenses and permits, over which the Bureau of Licensing had supervision. The above total represents the aggregate of 34 different licenses issued by the Bureau. In Table XXIX-A is contained a detailed statement of licenses and permits issued by the Bureau according to the type and number of license or permit issued, qualifications for the license, filing fee, license fee, type of surety required, privileges granted to the licensee, and expiration date of each license. Particularly notable is the fact that retail licenses totaled 20,403 in the above date, or a ratio of about 1 to each 500 persons in the State. This total includes restaurant, hotel, club, catering club and public service liquor licenses, and all eating place, hotel, club and public service beer licenses.

Establishments licensed to sell liquor and beer, or beer only, generally fall into the following:

(1) Restaurants and eating places
(2) Hotels
(3) Clubs
(4) Public service, including railroad and steamship companies

a. Eating Place and Hotel Beer Licenses

The license fee for an eating place or hotel beer license is based on the population of the municipality in which it is issued and is determined from the schedule set forth in Table XXIX-B.

TABLE XXIX-B

LIQUOR CONTROL BOARD
BEER LICENSE FEES CHARGED EATING PLACES AND HOTELS ACCORDING TO POPULATION CLASSIFICATION

Population Range	Fee
Less than 10,000	$100.00
10,000 but less than 50,000	150.00
50,000 but less than 100,000	200.00
100,000 but less than 150,000	250.00
150,000 and over	300.00

b. Restaurant and Hotel Liquor Licenses

The license fees charged for restaurant or hotel liquor licenses are also based upon the population of a municipality and are determined from the schedule set forth in Table XXIX-C.

TABLE XXIX-C

LIQUOR CONTROL BOARD
LIQUOR LICENSE FEES CHARGED RESTAURANTS AND HOTELS ACCORDING TO POPULATION CLASSIFICATION

Population Range	Fee
Less than 1,500	$150.00
1,500 but less than 10,000	200.00
10,000 but less than 50,000	300.00
50,000 but less than 100,000	400.00
100,000 but less than 150,000	500.00
150,000 and over	600.00

TABLE XXIX-A
PENNSYLVANIA LIQUOR CONTROL BOARD
NUMBER OF LICENSES AND PERMITS ISSUED BY BUREAU OF LICENSING AS OF MAY 15, 1940

Type of License	No. of Permits and Licenses as of May 15, 1940	Qualifications	Filing Fee	License Fee	Bond	Surety	Privileges	Expiration Date
*Restaurant liquor (R)	12,325	Serving food regularly. Tables & chairs for at least 30 persons. Minimum area at least 400 sq.ft. within a bldg. Applicant U. S. citizen and resident of Pa. 3 yrs. immediately preceding application. (9)	$10	$150 to $600 (1)	$3000	Corporate, Cash, Federal or State Obligations	On premises consumption of liquor and malt beverages between 7 A. M. and 2 A. M. No Sunday sales. Off premises sale of malt beverages only, not exceeding 72 fluid oz. in single sale to person.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Hotel liquor (H)	H-997** F-737***	Public dining rooms with tables & chairs accommodating at least 30 persons operated by same management, providing sleeping accommodations with meals for public. Separate kitchen. 15 permanent bedrooms if population is 100,000 or more; 12 if 3,000-100,000; 10 if 1,000-3,000; 6 if less than 1,000. Applicant—U. S. citizen & 3 yrs. residence in Penna. (9)	$10	$150 to $600 (1)	$2000	Corporate, Cash, Federal or State Obligations	Same as restaurant with sales in hotel rooms.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
*Club Liquor (C)	2,940	Non-pr. ft. organization. Have primary activity to which sale of liquor is only secondary. Prove continuous existence & operation for one year. If incorporated and 10 yrs. if unincorporated. Members admitted by written application, investigation and ballot. Regular dues. Own or lease quarters. Conduct business thru officers. Hold regular meetings. Must be incorporators or legitimate successors thereof. All officers, directors and manager, U. S. citizens. (9)	$10	$50	$2000	Corporate, Cash, Federal or State Obligations	On premises sale of liquor and malt beverages to members only, at any time except between hours of 3 A. M. and 7 A. M. off premises sale prohibited.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
*Catering Club (CC)	166	Same as club, with facilities for catering to groups of non-members. (9)	$10	$150 to $400 (1)	$2000	Corporate, Cash, Federal or State Obligations	On premises sale to members only, 7 A. M. to 3 A. M. any day. Off premises sale prohibited. Permitted to furnish liquor and food to groups of non-members by prior arrangement for private meetings, etc. except Sundays.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Public service liquor license (P)	8	Common carriers (Railroad, pullman or steamship companies) operating within the State of Penna.	None	$20 and $100 (2)	$2000	Corporate, Cash, Federal or State Obligations	On premises sales between 7 A. M. & 2 A. M. except in stations or docks within municipalities prohibiting such sales. No Sunday sales.	December 31
Public service malt bev. lic. (MP)	3	Common carriers (Railroad, pullman or steamship companies). (9)	$10	$10 and $50 (3)	$1000	Corporate, Cash, Federal or State Obligations	Same as public service liquor, but including malt beverages only.	December 31
*"Eating place" malt beverage (E)	2,672	Food regularly and customarily prepared and sold; 300 ft. area, tables and chairs for thirty persons. Applicant U. S. citizen, resident of Pa. 2 yrs. and county 1 yr. immediately preceding date of application. (9)	$10	$100 to $300 (1)	$1000	Corporate, Cash, Federal or State Obligations	Sell malt beverages for consumption on the premises, (and not exceeding 72 fluid ozs. in single sale for consumption off the premises) between 7 A. M. and 2 A. M. No Sunday sales.	According to districts (see liquor licenses) after present county treasurer licenses expire on 6-31-38
Hotel malt beverage (L)	L-60** U-37***	Same as hotel liquor license for establishment, same as eating place, for applicant. (9)	$10	$100 to $300 (1)	$1000	Corporate, Cash, Federal or State Obligations	Same as eating place, with sales in hotel rooms.	Same as eating place.
*Club malt beverage (O)	458	Same as club liquor license.	$10	$25	$1000	Corporate, Cash, Federal or State Obligations	On premises sale of malt beverages to members only, at any time except between hours of 3 A. M. and 7 A. M.	Same as eating place.
Amusement permit (AM & AP)	3,773	Hold retail dispenser license (except club) or hotel or restaurant liquor license.	None	$25 minimum (8)	None	None	Permits dancing by patrons, floor shows, theatricals, motion pictures, etc.	Same as malt beverage or liquor lic.
Brewery (G)	77	Reputable firm or person who is U. S. citizen and resident of Pa. for 2 yrs. prior to date of application.	$10	$1000 pro-rated quarterly	$10,000	Corporate, Cash, Federal or State Obligations	Produce & manufacture malt or brewed beverages. Transport, sell & deliver these products in quantities not less than 288 fluid ozs. anywhere. No Sunday sales.	December 31
Winery (K)	12	Reputable person (United States citizen) or firm.	$10	$250 pro-rated quarterly	$5000	Corporate, Cash, Federal or State Obligations	Produce, possess, store, purchase, receive, sell at whsle., remove & deliver wines in compliance with laws and regulations of the U. S. and Penna.	December 31
Winery permit (Class B) (KB)	0	Reputable person (United States citizen) or firm.	None	$20	$500	Corporate, Cash, Federal or State Obligations	Manufacture and produce wine, from Pa. grapes by fermentation only, and sell same to a winery or P. L. C. B.	December 31
Distillery (A)	36	Reputable person (United States citizen) or firm.	$10	$2500 minimum (4)	$10,000	Corporate, Cash, Federal or State Obligations	Produce, possess, store, purchase, receive, sell at whsle., remove & deliver alcohol & whiskey in compliance with laws and regulations of the U. S. and Pa.	December 31

c. Club Licenses

The following is the definition of a Club, as found in the Liquor Control Act, as well as the Beverage License Law:

"Any reputable group of individuals associated together not for profit, for legitimate purposes of mutual benefit, entertainment, fellowship, or lawful convenience, having some primary interest and activity to which the sale of liquor and/or malt and brewed beverages shall be only secondary, which if incorporated, has been in continuous existence and operation for at least one year, and if licensed after the effective date of these amendments, shall have been incorporated in this Commonwealth, and if unincorporated for at least ten years immediately preceding the date of its application for a license under this Act, and which regularly occupies as owner or lessee

Malt beverage distributor (D)	899	Reputable firm or person, United States citizen. Resident of Pa. 2 yrs. prior to date of application.	$10	$400	$1000	Corporate, Cash, Federal or State Obligations	Purchase malt or brewed beverages from Pa. mfrs. or imp. dists. and resell to retail licenses or other persons in quantities of not less than 288 fluid ozs. No Sunday sales or consumption on premises.	Dist.: No. 1-Oct. 31 Dist.: No. 2-Jan. 31 Dist.: No. 3-Apr. 30 Dist.: No. 4 -Jul. 31
Malt beverage importing distributor (ID)	224	Same as distributor.	$10	$200	$2000	Corporate, Cash, Federal or State Obligations	No Sunday sales. Purchase from outside of Pa. and Pa. mfrs. and impt. dists. and resell to retail licenses; or other persons in quantities of not less than 288 fluid ozs. No Sunday sales.	Dist.: No. 1-Oct. 31 Dist.: No. 2-Jan. 31 Dist.: No. 3-Apr. 30 Dist.: No. 4 -Jul. 31
Transporter (for hire (Class A) (IA)	100	Reputable person (United States citizen) or firm.	$10	$100 pro-rated quarterly	$3000	Corporate, Cash, Federal or State Obligations	Transport alcohol, liquor and/or malt or brewed beverages.	December 31
Transporter (for hire (Class B) (IB)	178	Reputable person (United States citizen) or firm.	$10	$25, $15 & $10 (5)	$2000	Corporate, Cash, Federal or State Obligations	Transport malt or brewed beverages only.	December 31
Bonded warehouse (B)	12	Reputable person (United States citizen) or firm.	$10	$100 pro-rated quarterly	$3000	Corporate, Cash, Federal or State Obligations	Store in bond any alcohol or alcoholic liquid.	December 31
Bailee for hire (J)	21	Reputable person (United States citizen) or firm.	$10	$100 pro-rated quarterly	$3000	Corporate, Cash, Federal or State Obligations	Store for hire any alcohol or alcoholic liquid.	December 31
Importer (I)	67	Responsible person or firm of good reputation. Individual applicant or partners or corporation officers and directors must be U. S. citizens and Pa. residents.	$10	$100	$10,000	Corporate, Cash, Federal or State Obligations	Import from outside Pa. and obtain tax paid liquor from mfrs. within Pa. to be sold at wholesale exclusively to the P. L. C. B. within Pa.	December 31
Importer's warehouse (IZ)	6	Holder of an importer's license.	$10	$25	$10,000	Corporate, Cash, Federal or State Obligations	Keeping and storing liquor in additional warehouses to the one permitted by importer's license.	December 31
Sacramental wine (S)	11	Responsible person or firm of good reputation. Individual applicant or partners must be U. S. citizens and Pa. residents. Corp. officers and directors, U. S. citizens.	$10	$100	$10,000	Corporate, Cash, Federal or State Obligations	Purchase from wineries or import into Pa., wine to be used for sacramental or religious purposes and sell same to priests, clergymen and rabbis, only.	December 31
Distillery certificate broker permit (LB)	6	Reputable, responsible individual or firm handling legitimate distillery warehouse certificates.	$10	$100	None	None	Buying, selling, deliver & handle distillery warehouse certificates.	December 31
Alcohol permit (AA to AH incl.)	2,830	Doctors, dentists, veterinarians, pharmacists, mfrs., hospitals, etc. Governmental agencies, laboratories, colleges, blenders.	None	$1 and $2 (6)	None	None	Purchase alcohol at a discount, at state stores or thru the State Store System, and by certain permittees, direct from distillers.	December 31
Pharmacy permit (RP)	4	A registered pharmacist.	None	None	None	None	Purchase from P. L. C. B., at discount. and sell or dispense upon written prescription of physician, dentist or veterinarian, U. S. P. whiskey, Holland gin, brandy, champagne, port, and sherry wines.	June 30
Hospital pharmacy permit (HP)	55	Hospital having a pharmacy which is in charge of registered pharmacist.	None	None	None	None	To purchase at discount for medicinal purposes only, same liquors as listed under pharmacy permit.	June 30
Special permit (SN)	130	Reputable manufacturer of non-beverage products which require the use of certain alcoholic liquors.	None	None	None	None	Purchase at a discount the liquor required in the manufacture of their products thru P. L. C. B.	Valid until either cancelled or revoked.
Sales permit (SP)	70	Required of all persons or firms selling liquor not manufactured in Pennsylvania, to the P. L. C. B.	None	(7)	None	None	Sell liquors not manufactured in Pennsylvania to the P. L. C. B.	December 31
Registration of licensed vendors (LV)	96	Vendor holding either Pennsylvania manufacturing or importer license, or vendor's permit.	None	None	None	Corporate	May register agents to solicit and secure orders for liquors to be handled through State liquor stores and promote sales of stock merchandise.	December 31
Vendor's permit	54	Out-of-state firm selling liquors to P. L. C. B.	$10	$100	$2000	Corporate	Qualifies for registration as licensed vendor.	December 31
Agent's registration	706	Employed by: (A) Licensed vendor; (B) Sacramental wine licensee; or (C) Distillery certificate broker.	(A) $10 new (A) $5 renewal (B) $5 (C) $10		(A) $500 (B) $250 (C) None	Corporate	(A) Promote sale of stock merchandise or take special orders for unlisted merchandise. (B) Promote sales of sacramental wines. (C) Promote sales of distillery bonded warehouse certificates.	December 31

(1) Determined by population: (2) $50 per dining, club, or buffet car; $100 per steamship or vessel; (3) $10 per car, $50 per steamship or vessel; (4) $500 minimum which permits production of 500,000 proof gallons, exclusive of alcohol used in fortifying wine; $100 extra for each additional 100,000 proof gallons or fraction thereof up to and including $100; (6) Determined by classification and annual purchases of alcohol and fortified wine; (7) No fee to $4,000 (determined by the fee required of a Pennsylvania manufacturer who desires to sell his product in the particular foreign state or country in which the product is manufactured.) (8) One-fifth the annual liquor or retail dispenser fee, with $25.00 minimum. (9) No sale on any election day until 1 hour after closing of polls. No licenses issued in any municipality which voted against the issuance of such licenses.

* These types of licenses may not be issued if ratio exceeds 1-1,000 population in particular municipality.

** Hotels issued "H" and "L" licenses are those which meet the requirements of Act 358 of 1939 and are, therefore, exempt from its limitation provisions.

*** Hotels issued "H" and "L" licenses are those which do not meet the requirements of Act 358, but do meet those of Acts 370 and 372, of 1937, respectively, which necessitates their being counted against the quota.

a clubhouse or quarters for the use of members. Continuous existence must be proven by satisfactory evidence. The Board shall refuse a license if it appears that the charter is not in possession of the original incorporators or their direct and legitimate successors. The club shall hold regular meetings, conduct its business through officers regularly elected, admit members by written application, investigation and ballot, and charge and collect dues from elected members, and maintain such records as the Board shall from time to time prescribe."

This definition was not included in the Beverage License Law until amended in June, 1937, but a similar definition has appeared in the Liquor Control Act since July 18, 1935.

If a club can meet the above requirements, an application is filed with the Board at the beginning of the license year in the particular district or six months from that date; the license to be effective thirty (30) days after

application is made. Applications may be filed at any district enforcement office or at Harrisburg. The Board has full discretion in the issuance of all club licenses.

There is no provision in the law for a club catering beer license, but a club catering liquor license issued by the Board permits "the furnishing of liquor or beer, or both, to be served with food prepared on the premises, for the accommodation of groups of non-members, who are using the facilities of the club by prior arrangements for private meetings or functions such as dances, card parties, or banquets, and which is paid for by the non-member or members."

In a bulletin dated April 3, 1935, clubs were warned that a catering license does not permit them to sell to anyone but only in cases where prior arrangements had been made for serving a group of non-members.

(1) Classification of Licensed Clubs

There were 3,575 clubs licensed by the Liquor Control Board on June 15, 1940. Of this number, 3,116 or 87% hold club liquor licenses, (2,950 pay an annual license fee of $50.00 and 166 catering clubs pay a license fee ranging from $150.00 to $600.00 depending upon the population of the municipality), while the remaining 459 or 13% hold club malt beverage licenses, ($25.00 license fee).

Table XXIX-D shows the types of clubs to which these licenses were issued, the number of licenses issued to each group, and the percentage of each type to the total clubs, as nearly as they can be classified:

TABLE XXIX-D

LIQUOR CONTROL BOARD
TYPE AND NUMBER OF CLUBS LICENSED
JUNE 15, 1940

Type	Number of Clubs	Percent of Total
Fraternal	503	14.1
Veterans	322	9.0
Athletic and Sportsmen's	358	10.0
Political	394	11.0
Social	681	19.1
Fire Company	179	5.0
Beneficial	143	4.0
Italian	351	9.8
German	147	4.1
Polish	139	3.9
All Other Races	251	7.0
All Other Clubs	107	3.0
Total	3,575	100.0

d. Licensing Procedure and Restrictions

In order to obtain a license for beer or liquor for a hotel, restaurant or eating place, an application must be made to the Board either at Harrisburg or to the District Enforcement offices located in the following cities:

Allentown	Pittsburgh
Altoona	Punxsutawney
Erie	Wilkes-Barre
Philadelphia	Williamsport

The signatures of twelve reputable qualified electors of the ward, borough or township in which the establishment is located must accompany every application for a beer license. This is not required for liquor license applications. Photographs of applicant and premises are required and a notice of the pending application must be displayed in a conspicuous place on the outside of the premises or in a window plainly visible from the outside of the premises.

Transfers from one person to another or from one address to another, or both, within the same municipality are allowed. A fee of $10.00 is required for the transfer of a beer license and $20.00 in the case of a liquor license. No license, however, may be transferred without the approval of the Board.

When a licensee dies, the surviving spouse, if a citizen, may obtain a transfer of the license to himself, without a new investigation, by filing a short form certificate obtainable from the Register of Wills, together with the necessary transfer application and bond. If the license is transferred to some person other than the surviving husband or wife, the usual investigation is required.

The Board insists that all licensed establishments be operated in a sanitary manner at all times. Local ordinances covering sanitary conditions govern in all localities and sanitation certificates must accompany the application. A licensee must comply with these regulations throughout the life of the license.

No retail license will be issued, nor may a license be renewed at expiration, in any municipality or township in which a majority of the voters voted against the issuance of such licenses. The local option vote may be taken at the primary election immediately preceding any municipal election, but such a vote may not be taken oftener than once in four years.

An applicant for a hotel or eating place beer license must be a citizen of the United States, a resident of Pennsylvania for two years, and of the county in which the establishment is located for at least one year. If a partnership, all partners must meet these qualifications. A corporation must be licensed to do business in the Commonwealth.

An applicant for a restaurant or hotel liquor license must be a citizen of the United States and a resident of Pennsylvania for three years.

There is no limit to the number of retail or manufacturing licenses an individual, partnership or corporation may hold, provided it is the same class of license. However, a licensee may not hold more than one distributor or importing distributor license. A beer licensee may hold a liquor license for a different address, and liquor licensees may hold a number of liquor licenses but may not at the same time be a beer distributor or a manufacturer.

Every holder of a beer or liquor license who permits dancing, floor shows, etc., must obtain an amusement permit. A separate application form is used, and the fee is one-fifth the annual license fee with a minimum of $25.00. These amusement permits are transferable upon payment of a $5.00 fee.

e. License Districts

Under powers set forth in the Liquor Control Law[2] and the Beverage License Law,[3] the Board, by regulation, has divided the State into four license districts and has prescribed the expiration dates for licenses in each district as indicated in Table XXIX-E.

Applications for renewal of licenses must be filed not

less than sixty days prior to the expiration date and become effective the day following the expiration date.

Applications for new licenses subject to and effected by this regulation, except distributors' licenses, are considered by the Board only twice each license year, and all such applications must be filed with the Board at least thirty days before they are to become effective. Applications for new distributors' licenses may be filed at any time.

All new licenses become effective either at the beginning of each license year, in the respective districts, or six months later, depending upon the date the application is filed.

TABLE XXIX-E

LIQUOR CONTROL BOARD
LICENSING DISTRICTS BY COUNTIES AND LICENSE EXPIRATION DATES

COUNTIES IN DISTRICT NO. 1

Expiration Date: October 31

Bucks	Delaware	Philadelphia

COUNTIES IN DISTRICT NO. 2

Expiration Date: January 31

Adams	Dauphin	Montgomery
Bedford	Franklin	Northampton
Berks	Fulton	Northumberland
Blair	Huntingdon	Perry
Cambria	Juniata	Schuylkill
Centre	Lancaster	Snyder
Chester	Lebanon	Somerset
Clearfield	Lehigh	Union
Cumberland	Mifflin	York

COUNTIES IN DISTRICT NO. 3

Expiration Date: April 30

Allegheny	Butler	Indiana
Armstrong	Fayette	Lawrence
Beaver	Greene	Washington
		Westmoreland

COUNTIES IN DISTRICT NO. 4

Expiration Date: July 31

Bradford	Forest	Pike
Cameron	Jefferson	Potter
Carbon	Lackawanna	Sullivan
Clarion	Luzerne	Susquehanna
Clinton	Lycoming	Tioga
Columbia	McKean	Venango
Crawford	Mercer	Warren
Elk	Monroe	Wayne
Erie	Montour	Wyoming

Licenses subject to and affected by this regulation are:

(1) Liquor Licenses
  (a) Hotel
  (b) Restaurant
  (c) Club

(2) Retail Dispenser (Beer) Licenses
  (a) Eating Places
  (c) Clubs
  (b) Hotels

(3) Distributor Licenses
  (a) Distributor
  (b) Importing Distributor

In Table XXIX-F is set forth a schedule of the dates when new applications shall be filed, together with the date when the license shall become effective:

TABLE XXIX-F

LIQUOR CONTROL BOARD
APPLICATION AND EFFECTIVE DATES FOR NEW LICENSES

District Number	File Prior To	Effective Date
1	October 2	November 1
	April 1	May 1
2	January 2	February 1
	July 2	August 1
3	April 1	May 1
	October 2	November 1
4	July 2	August 1
	January 2	February 1

f. Quota of Licenses

An Act of Assembly in 1939[5] provided that, following the date of enactment, no new licenses for the retail sale of liquor or malt or brewed beverages should be issued by the Liquor Control Board in excess of one such license, of any class, for each one thousand inhabitants or fraction thereof in any municipality, except for hotels as defined in the said Act. The passage of this Act served to restrain the growth of establishments dispensing liquor and beer throughout the Commonwealth, and has served to strengthen the Board's function with respect to the granting or refusing of new applications for licenses.

g. Refusal of License

The Board may refuse to issue a new or renewal license or a transfer, either with or without hearing. If a beer license is refused without a hearing, the applicant may request a hearing or take an appeal to the Court of Quarter Sessions of the county. If a liquor license is refused without a hearing, the applicant must request a hearing before the Board (or one of its examiners), and the hearing must be held before an appeal may be taken to the Court of Quarter Sessions of the county. A copy of the petition for appeal must be served on the Board and the Court hears the application de novo at such time as the Court fixes, giving notice to the Board.

h. Appeals from Refusals to Grant Licenses

During 1939 the Board held (before its examiners) a total of 1179 hearings on applications for licenses. Of this number, 406 were scheduled on the Board's initiative, but later 34 of these requests for hearings were withdrawn, and 773 applicants requested hearings after being refused. These requests were divided as follows:

Retail Liquor	664
Retail Malt Beverage	98
Wholesale, etc.	11

After hearing, the Board granted 449 of the applications, or 39.2%, conditionally approved 137 applications, reheard or had reinvestigated 12 cases, and refused 547 applications, or 47.8%. The refusals were divided as follows:

Retail Liquor	474
Retail Malt Beverage	69
Wholesale, etc.	4

Of the refusals, 87% or 476 appealed to the local courts from the decision of the Board. Of the 266 appeals disposed of by the court, the Board was sustained in 99 cases, or 37.2%, and reversed in 163 cases, or 61.3%. Four

cases were referred back to the Board for rehearing. The number of cases pending or withdrawn was 210.

4. Bureau of Enforcement

The Bureau of Enforcement is headed by a Director of Enforcement, who receives a yearly salary of $5,000 and an Assistant Director whose salary is $3,600. The Bureau is divided into three Divisions: the Division of Enforcement Administration, the Division of Enforcement Districts, and the Division of Enforcement Examining. On June 1, 1940, this Bureau employed 329 persons, at a yearly cost of $576,980. Of this amount, $25,760 is spent in the administration offices, while the remainder is accounted for in field enforcement and investigation work.

a. Investigations

The Bureau has the function of conducting all investigations for the Bureau of Licensing and the enforcement of all the laws of the Commonwealth relating to alcohol, liquor and malt or brewed beverages, and all regulations promulgated by the Board. The enforcement staff conducts its own investigations and also cooperates with Federal, State and Municipal agencies. All complaints are investigated by the Bureau. An investigator is detailed to visit the complainant, if he can be found, to determine more fully the nature of his complaint. An investigation is made to determine whether or not the things complained of are taking place. In general, complaints relate themselves to (1) sales after closing hours; (2) sales to minors; (3) noise, disorder and nuisance; (4) conduct of indecent entertainment or shows; (5) selling for consumption off the premises; (6) unlicensed establishments; (7) operation of speakeasies, and (8) operation of stills, or transporting liquor or alcohol into and out of the State.

b. Arrests

If the investigations reveal violations, the necessary evidence is secured and a complaint or information is filed before a magistrate by the officer who will be the prosecutor. The enforcement officer may arrest on view, except in private homes, without warrant, any person actually engaged in the unlawful sale, importation, manufacture or transportation, or having unlawful possession of alcohol, liquor or malt or brewed beverages contrary to any law of the Commonwealth. It is left to the discretion of the enforcement officer or his superiors to decide when an arrest should be made.

c. Suspensions, Revocations and Hearings

The violation of any law of the Commonwealth or of the United States relating to liquor, alcohol, or malt or brewed beverages, or any regulation prescribed by the Board, or upon other sufficient cause shown may subject a licensee to the revocation or suspension of his license, and to criminal charges as well. Revocation proceedings may be instituted by the Board at any time within one year from the date of a violation, and the licensee may be cited to appear before the Board or its examiners, not less than ten nor more than fifteen days from the date of sending such licensee, by registered mail, a notice addressed to him at his licensed premises. Provided the cited licensee admits all charges he may waive a hearing and accept action by the Board, but when a hearing is held, the Board presents its reasons for the revocation or suspension of the license, and the licensee is given an opportunity to show cause why his license should not be suspended or revoked. The applicant may appear in person or be represented by counsel, and may cross-examine the witnesses for the Board, and may present evidence which shall likewise be subject to cross-examination by the Board. All hearings are stenographically recorded. If, after such hearing, the Board is satisfied that any such violation has occurred or for other sufficient cause it shall immediately suspend or revoke the license, notifying the licensee thereof by registered letter addressed to his licensed premises. When a license is revoked, the licensee's bond may be forfeited by the Board. All sales must cease immediately upon receipt of the Board's order made subsequent to the hearing.

In the event that a person whose license was suspended or revoked feels aggrieved by the action of the Board, he may appeal to the Court of Quarter Sessions of the county in which he is located. Such appeal shall be in the same manner as provided for appeals from refusals to grant licenses.

d. Penalties

Any licensee whose license is revoked shall be ineligible to be granted any license relating to the manufacture, transportation or sale of liquor or beer for three years. No license shall be granted for the premises or transferred to the premises on which the license was revoked for at least one year after date of revocation, except in cases where the licensee or a member of his immediate family is not the owner of the premises, at which time the Board may use its discretion in the issuance of a license.

e. Offer in Compromise

In cases where the Board suspends a license it may accept from the licensee an offer in compromise as a penalty in lieu of such suspension, and thereupon rescind such suspension. In the case of a retail license, the offer in compromise shall be at the rate of $10 for each day of suspension. No offer in compromise may be accepted by the Board if the suspension is for a period in excess of 100 days.

f. Violations by Licensees

During the year 1939 the Board issued 1177 citations against various types of licenses, for violations of the liquor laws or regulations of the Board. This number was classified as is shown in Table XXIX-G.

TABLE XXIX-G

LIQUOR CONTROL BOARD
NUMBER OF CITATIONS ISSUED FOR LICENSE VIOLATIONS
1939

Type of License	Number
Retail Liquor	879
Retail Malt Beverage	169
Malt Beverage Distributors, Liquor Vendors, Agents, Breweries, etc.	129

These citations represented 5.4% of all licenses or permits issued by the Board.

The Board's action on these citations resulted in 74 dismissals, 543 suspensions, and 187 revocations, with 373 cases still pending at the time these statistics were compiled.

Of the 187 revocations, 121 resulted in appeals to the local courts. The Board was reversed in 36 cases, or 46.2%, and sustained in 42 cases. Forty-three cases were still pending at the time these figures were compiled. The percentage of reversals given above was maintained in the various classes of licenses.

During the year 1939 the Board suspended 543 licenses, or 67.5% of those cited. Of these, 455 were retail liquor and 52 malt beverage licenses. Of the total suspended, 103, or 19%, took appeals to the local courts. The Board was sustained in 15 cases, or 27%, suspension was reduced in 27 cases, or 50%, and the Board was reversed completely in 12 cases, or 22.2%. The Board was partially or completely reversed, therefore, in 72.2% of the appeals. Forty-nine cases were still pending at the time of the compilation of these figures.

It is interesting to note that the Board was not sustained on any club appeal.

5. Bureau of Personnel

The Bureau of Personnel has charge of salary payrolls and administers the civil service system under which all employes of the Board are selected, exclusive of the Executive Secretary appointed by the Board, hearing examiners appointed by the Governor, the Deputy Attorneys General appointed by the Attorney General and assigned to the Liquor Control Board.

a. Civil Service

The Liquor Control Act[5] provides that employes of the Board be appointed from civil service lists developed as the result of examinations given by the Board throughout the Commonwealth. The Board is authorized to prescribe rules and regulations concerning the qualifications of persons seeking employment.

In setting forth the provisions under which the Board administers the civil service system, the General Assembly prescribed:

(1) That qualifications of employes shall be such as will best promote the efficient operation and management of the Board's affairs.

(2) That appointees shall be citizens of the United States, and, in the case of appointments to operate or assist in the operation of liquor stores, shall be qualified electors of the county in which the the store is located, except where a person has been employed in a liquor store for a period of two or more years and becomes a bona fide resident of another county, in which case he may be employed in a liquor store in the county to which he has removed.

(3) That every person desiring employment under the Board be required to file an application under oath or affirmation in such form as prescribed by the Board.

(4) That applicants should not be required to furnish photographs of themselves.

(5) That designation of color, religion or political affiliation should not be required from the applicant.

(6) That applications received by the Board should be submitted to the Department of Public Instruction, which determines under the rules and regulations of the Board whether the applicant is qualified for the employment he seeks.

(7) Applicants approved by the Department should be admitted to competitive examinations when such examinations are held for positions in the class of employment applied for.

(8) That competitive examinations be practical in character and relate to those matters which fairly test the relative capacity and fitness of the persons examined. No applicant, however, is required to possess any scholastic education or training as a qualification to take an examination or to be appointed to any position.

(9) That the Department of Public Instruction divide the State into districts for the purpose of conducting examinations and that candidates admitted to examinations be given a number so that when his paper is marked and graded, it will be impossible for the person passing upon the examination papers to ascertain his identity until his grade has been established.

(10) That examination papers of candidates should be marked by a Committee designated by the Department of Public Instruction, with the approval of the Governor, consisting of school teachers in the Commonwealth.

(11) That veterans with an honorable discharge from the forces of the United States receive an additional rating of 5% in addition to his rating on an examination, and that disabled veterans shall be given an additional 5% over and above the 5% referred to previously, or a total of 10% over and above his grade in an examination.

(12) That selection of personnel from the examination lists shall consist of those who are citizens of the United States and legal residents of Pennsylvania for not less than one year before making application and in the district in which such appointee is to be employed for a period of not less than six months prior to such appointment.

(13) That persons receiving the highest grade in the examination shall be first appointed and so on, and that the list of eligibles be valid until the next examination.

(14) That if a list of eligibles exists for any position, another examination shall not be held for that position for a period of twelve months. If no list exists, an examination may be held at any time.

(15) That no employe may become a candidate for or hold public office, nor may he be required to make financial contributions of a political nature.

(16) That vacancies in positions in the competitive classes shall be filled by promotion from lower grades, if a person in the lower grade has served six months in a position under the Board.

(17) That in the event it is not deemed practicable to fill a vacancy by promotion, it shall be filled from the list of eligibles next in line provided that no such appointment may be made to a position having a higher rate of compensation than that paid to an employe who has been appointed from the same list within six months prior.

(18) That employes may be dismissed for incompetency, inefficiency, any act incompatible with public service, or due to lack of work, although employes so removed may appeal to the Board for a hearing.

(19) That any person appointed under the provisions of the Board's civil service system may be removed by the personal action of the Governor whenever he deems the same to be in the best interests of the public service.

b. Veterans' Preference

The above provisions relating to veterans' preference were strengthened by a 1939 Act of the General Assembly[6] which required that veterans be preferred for appointment and employment in any department of the State

Government. In connection with the preferential appointment and employment of veterans as set forth in the above Act, the Attorney General of the Commonwealth has ruled that:

(1) Eligibility lists, established by civil service examinations held prior to January 1, 1940, are insofar as making appointments to positions, subject to the Act of June 27, 1939; but the ten per centum (10%) credit is not to be added to the standing of a soldier who pasesd the examination prior to January 1, 1940.

(2) Soldiers are not entitled to any statutory credit after passing a civil service examination other than the ten per centum (10%) stipulated in the Act.

(3) Soldiers who have passed a civil service examination without the aid of the percentage credit are to be preferred over other eligibles, regardless of standing on list, as long as morally and physically fit.

(4) Whenever a soldier has successfully passed a civil service examination he shall receive an added credit of ten percentum (10%) which, added to his passing grade, shall determine his standing on eligible lists.

(5) All departments, boards and commissions of the Commonwealth must regard the Act of June 27, 1939, as the law governing preferential treatment of veterans to public positions.

6. Bureau of Accounting and Service

The Bureau of Accounting and Service is under the direction of the Comptroller, who receives a salary of $6,000 per year, and an Assistant Comptroller, who is paid $4,200 per year.

The Bureau is divided into ten Divisions: namely, General Control Division, Stores Systems Records Division, Disbursements Division, Statistics Division, Field Accounting Division, Audits and Investigations Division, Procedure Division, Supplies Division, Communications and Files Division, and Duplicating Division, each Division being under the supervision of a division chief.

a. General Control Division

The General Control Division is responsible for the preparation of all journals and for the maintenance of the General Ledger. Budgetary control of all disbursements is effected through this Division. Purchase of liquor, current expenses and capital expenditures are controlled at the source, and such records as are necessary for this control are maintained.

Detailed budgets are prepared for each biennium, and reports covering the comparisons of actual expenses with the expenses budgeted are prepared monthly, and a rigid fiscal control exercised.

Records are maintained in which is recorded a complete history of costs and retail prices of every item which has ever been sold by the Board.

This Division also has supervision over the bonds and insurance carried by the Board on its employes and as indemnity on every phase of the business. Surety bonds are carried on certain administrative employes and on all store employes. Fire insurance is carried on merchandise stored in warehouses, and burglary and robbery insurance is carried on all stores; also automobile liability insurance on all automobiles and trucks used by the Board. Table XXIX-H shows the premiums paid by the Board during the fiscal year ended May 31, 1940.

TABLE XXIX-H

LIQUOR CONTROL BOARD
EXPENDITURES FOR INSURANCE PREMIUMS
FISCAL YEAR ENDING MAY 31, 1940

Type of Insurance	Annual Premium
Fire Insurance	$7,720.58
Burglary and Robbery	15,136.59
Automobile Liability	4,508.54
Surety Bonds	35,558.90
Total	$62,924.61

b. Stores Systems Records Division

The Stores Systems Records Division consists of four sections; namely, the Receipts Section, the Warehouse Records Section, the Control Section, and the Tabulating Section. The Division performs the function of maintaining records of store receipts, store responsibility, and warehouses, and the preparation of basic accounting and statistical reports. Typical forms made out by the Stores Systems Records Division include daily, weekly, semi-monthly, monthly, quarterly and annual regular reports, as well as many special reports, which are used as a basis in the directing of the affairs of the Board.

The Receipts section audits daily and weekly sales reports, accounts for all cash receipts, and transmits all receipts to the Treasury Department, through the Department of Revenue.

The Warehouse Records Section records all merchandise received by the Board, accounts for all shipments of merchandise to stores from warehouses, sub-warehouses, and vendors, and maintains inventory records of each warehouse and sub-warehouse, reconciles its own records with those maintained by the warehouse companies.

The Control Section maintains inventory control accounts for each store in the system, which are reconciled weekly with the control accounts kept by each store.

This section also reconciled detailed inventory records with the General Ledger Control Account.

The Tabulating Section is engaged in the mechanical production of reports and records of various phases of the Board. Over one hundred (100) different reports are prepared weekly, and many more on a monthly and periodic basis.

c. Disbursements Division

The Disbursements Division has control of payments for stock liquor and special order liquor, and for supplies and expense, customs and excises. The Division also performs the accounting functions in connection with the above transactions, and handles all claims against persons selling to the Board.

This Division consists of three sections; namely, the Invoice and Requisition Section, the Supply and Expense Section, and the Special Liquor Order Section.

The Invoice and Requisition Section audits all invoices for stock liquor and maintains detailed accounts payable records. This Section prepares all requisitions for payment for stock liquor invoices and maintains records of them. This Section also maintains the record of ac-

counts receivable, and all transactions involving customs and excise taxes.

The Supply and Expense Section audits and prepares payment requisitions for all expense invoices, including light, fuel, power, water, telephone, rents, supplies, transportation, etc. This Section also audits all personnel expense vouchers, transportation and hotel bills, and maintains an equipment ledger and supplies stock ledger.

The Special Liquor Order Section is responsible for all accounting in connection with the purchase of special liquor order merchandise.

d. Statistics Division

The Statistics Division prepares and releases to vendors, newspapers, advertising agencies, and other subscribers, various statistical reports covering sales, inventories, inventory turnover, and ratios.

A number of standard reports have been established and are available at a nominal charge. In addition to the regular statistical services, this Division prepares any special reports which may be called for by vendors or interested parties.

All special reports of a statistical nature for use internally are prepared by this Division.

The sale of statistical data to interested parties resulted in a gross return of $47,098.60 to the Board for the fiscal period ended May 31, 1940.

e. Field Accounting Division

The Field Accounting Division is charged with the supervision of all accounting in the stores. Periodic audits covering all phases of the store activities are made at regular intervals and special audits are made when and as occasion demands.

Three District Offices are maintained: one in Pittsburgh, one in Philadelphia, and one in Wilkes-Barre, Pennsylvania. Sixty-four field accountants are employed in making these audits and supervising the accounting in the individual stores, and in making periodic audits.

Two complete audits are made of each store each year.

f. Audits and Investigations Division

The Audits and Investigations Division conducts internal audits of the various functions, and makes any special investigations which may be required.

g. Procedure Division

The Procedure Division is charged with the responsibility for the preparation of all routine procedures covering all the operations of the Bureau of Accounts. All the procedures constitute what is known as the Manual of Instructions, copies of which are furnished to all employes requiring them.

All instructions to stores and central office personnel on subjects which are not carried in the regular Manual of Instructions are prepared by this Division.

h. Supplies and Communications and Files Divisions

The Supplies Division has charge of the purchasing, storage, and distribution of all supplies and office equipmen of the Board, while the Communications and Files Division is responsible for the receipts and distribution of all incoming, and for the handling of all outgoing mail, and for telegraphic communications. It is also responsible for the maintaining of the Central Files.

i. Independent Audit by Auditor General

The Auditor General's Department, employing 40 auditors, checks receipts four times annually in the various stores, and audits currently payment requisitions issued, purchases made, and accounting transactions entered into by the Board.

D. PERSONNEL

The personnel of the Liquor Control Board consisted of 3477 employes on September 30, 1940. Table XXIX-J shows a summary of the Board's personnel strength by bureaus and divisions as of September 30, 1940, together with annual salaries.

TABLE XXIX-J

LIQUOR CONTROL BOARD
SUMMARY OF PERSONNEL EMPLOYED AND ANNUAL SALARIES PAID
SEPTEMBER 30, 1940

Bureau and Division	Number of Employes	Annual Salaries
Executive Bureau		
Board	10	$ 43,940
Legal	17	48,620
Hearing Examiners	7	28,000
Public Relations	3	6,720
Total Executive	37	$127,280
State Stores Bureau		
Bureau Staff	5	$ 14,400
Purchasing	34	49,200
Testing Laboratory	5	9,060
Warehousing and Distribution	125	177,720
State Stores—Administrative	31	88,560
State Stores—Stores	2,316	3,203,340
Real Estate and Equipment	61	75,360
Total State Stores	2,577	$3,617,640
Licensing Bureau		
Bureau Staff	5	$ 11,000
Licensing	27	43,080
Service	102	125,040
Total Licensing	134	$ 179,120
Enforcement Bureau		
Bureau Staff	14	$ 25,760
Districts	279	476,820
Examining	36	74,400
Total Enforcement	329	$ 576,980
Personnel Bureau		
Bureau Staff	5	$ 11,280
Civil Service Control	8	10,440
Salary Payrolls	3	4,380
Total Personnel	16	$ 26,100
Accounting and Service Bureau		
Bureau Staff	7	$ 19,200
General Control	23	34,500
Stores System Records	130	157,560
Disbursements	77	97,440
Statistics	16	19,020
Field Accounting	73	139,440

Bureau and Division	Number of Employes	Annual Salaries
Procedures	3	5,580
Supplies	20	25,560
Communications and Files	15	17,640
Duplicating	20	27,840
Total Accounting and Service	384	$ 543,780
Grand Total	3,477	$5,070,900

E. FINANCES

1. Income

State Liquor Tax laws, as enacted from time to time by the General Assembly, have placed the responsibility for making collections upon the Department of Revenue. The Liquor Control Board, however, has been charged with the responsibility for the collection of two temporary taxes; namely, the 4% excise tax upon delivery to the Board of distilled, rectified and blended spirits, and the 10% emergency sales tax on liquor sold through the State Store system.

During the fiscal year ending May 31, 1939, the State collections from liquor and malt beverages totaled $14,207,265.77. Table XXIX-K shows these collections by source.

TABLE XXIX-K

LIQUOR CONTROL BOARD
LIQUOR AND MALT BEVERAGE TAXES COLLECTED
FISCAL YEAR ENDED MAY 31, 1939

Source	Amount Collected
Emergency Sales Tax on Liquor	$ 7,344,333.32
Malt Beverage Tax	6,843,170.36
Spiritous and Vinous Liquor Tax	19,762.09
Total	$14,207,265.77

a. Emergency Sales Tax on Liquor

The Emergency Sales Tax on Liquor was imposed by the Legislature in the Special Session of 1936 for a limited period of time.[7] The Act was approved and became effective June 9, 1936, to continue until the first day of June, 1937. The Regular Session of 1937 reenacted and amended the said Act of 1936 continuing the tax until June 1, 1939[8] The Regular Session of the Legislature in 1939 reenacted the same tax, to continue until June 1, 1941.[9] The tax is assessed at the rate of 10% of the net price of all liquors sold by the Pennsylvania Liquor Control Board. The tax is collected by the Board and paid into the State Treasury through the Department of Revenue.

In Table XXIX-L is set forth the annual transmittals from this tax for a period of three fiscal years.

TABLE XXIX-L

LIQUOR CONTROL BOARD
RECEIPTS FROM EMERGENCY SALES TAX
TRANSMITTED DURING 1937, 1938 AND 1939

Fiscal Year Ending May 31	Amount Transmitted
1937	$ 7,290,262.12
1938	7,803,385.62
1939	7,344,333.32
Total	$22,437,981.06

b. Malt Beverage Tax

The Legislature, by Act approved May 5, 1933,[10] imposed a tax payable by those defined as manufacturers and distributors, on alcoholic beverages sold and delivered within the State. The statute prescribed the method and manner of payment and collection of such tax, conferred powers and imposed duties on the Department of Revenue and those used, or engaged in the sale, retail or wholesale of alcoholic beverages and provided penalties for failure to affix to containers the stamps or crowns required by this Act. The Act fixed the tax at the rate of $.005 per pint or sixteen ounces or fraction thereof. In Table XXIX-M is set forth the annual receipts from this tax for a period of six years.

TABLE XXIX-M

LIQUOR CONTROL BOARD
ANNUAL RECEIPTS FROM MALT BEVERAGE TAX
1934 TO 1939, INCLUSIVE

Fiscal Year Ending May 31	Amount Collected
1934	$ 2,241,237.35
1935	6,072,110.08
1936	6,748,954.10
1937	7,406,610.36
1938	7,433,528.16
1939	6,843,170.36
Total	$36,745,610.41

c. Spirituous and Vinous Liquor Tax

The Act of December 5, 1933[11] provides for the imposition of a tax payable by manufacturers and importers for the privilege of manufacturing distilled or rectified spirits or using distilled spirits, rectified spirits or using distilled spirits, rectified spirits or wines in this State. The tax is computed at the following rates:

(1) On distilled spirits $1.00 per proof gallon or wine gallon when below proof. Portion of tax on all fractional parts of such proof or wine gallon.
(2) On rectified spirits $.30 per proof gallon or wine gallon when below proof, in addition to the tax imposed on distilled spirits or wines from which these rectified spirits are produced.
(3) On wines $.005 per unit of proof per wine gallon and a proportionate tax on all fractional parts of such wine gallon.

The annual returns to the State from this tax, as indicated by Table XXIX-N, have followed a downward trend since its inception in 1934. This is due to the fact that the tax was originally levied on direct sales to persons in Pennsylvania. However, a later amendment[12] provided that such sales were to be exempted from the tax provisions of this law.

TABLE XXIX-N

LIQUOR CONTROL BOARD
Spirituous and Vinous Liquor Tax Collections
1934 to 1939, Inclusive

Fiscal Year Ending May 31	Amount Collected
1934	$271,916.74
1935	32,789.77
1936	30,336.03
1937	27,360.73
1938	24,386.88
1939	19,762.09
Total	$406,552.24

d. Floor Tax

The Spiritous and Vinous Floor Tax Law, imposing a floor tax on all alcohol usable for beverage purposes and on certain alcoholic liquors, in the Commonwealth of Pennsylvania between the effective date of the Act, November 22, 1933, and the date the Twenty-First Amendment to the Constitution of the United States was ratified. This law provided for a floor tax of $2.00 per proof gallon and a proportionate tax on all fractional parts, on all stocks of liquor on hand on the effective date of the Act.

The tax was declared unconstitutional on the ground that it violated the uniformity tax provision of the Constitution of the Commonwealth of Pennsylvania. From the effective date of the Act to May 31, 1939, the Commonwealth of Pennsylvania collected $7,018,345.26, under the provisions of the Law.

The persons paying this tax were reimbursed to a large extent for the payments made under what were known as Floor Tax Agreements. These agreements provided that persons selling to the Board could pass such tax on to the Board. The Board in turn passed the tax on to the consuming public as a part of their selling price. Refunds due on account of these payments, therefore, would cover only such taxes for which persons selling to the Board had not been reimbursed, some of which refunds have been made.

e. Application, Permit, Transfer and License Fees

All application, transfer, and permit fees are collected by the Liquor Control Board and constitute a part of the revenues used in carrying out its functions. During the fiscal year ending May 31, 1940, the Board collected $1,399,512.81 from this source. On the other hand, funds collected by the Board from the issuance of liquor and beer licenses are returned to the political sub-divisions in which the licenses are granted. In Table XXIX-O is presented the trend of annual receipts from the above sources during the years 1934 to 1940, inclusive.

TABLE XXIX-O

LIQUOR CONTROL BOARD
ANNUAL RECEIPTS FROM APPLICATION, PERMIT AND TRANSFER FEES AND LIQUOR LICENSES, 1934 TO 1940

Fiscal Year Ending May 31	Application, Permit and Transfer Fees	License Fees
1934	$ 103,611.00	$2,280,187.50
1935	183,199.00	3,762,550.00
1936	1,160,009.51	3,873,051.00
1937	1,121,039.09	4,679,883.00
1938	1,456,280.80	5,338,908.00
1939	1,378,144.74	5,696,825.00
1940	1,399,512.81	5,938,437.59

f. Liquor Sales

The gross receipts derived from the sale of liquor in the State Liquor Stores totaled $78,154,700.37 during the fiscal year ended May 31, 1940. This produced a gross profit of $22,748,396.95, or 29% of the gross receipts. This profit is made possible through the system of uniform percentage "mark-up" over the purchase price of liquor sold by the Board. A major portion of the profit derived from liquor sales is transferred by the Board to the State's General Fund.

2. Expenditures

During the fiscal year ended May 31, 1940, the Board's expenditures chargeable against the aforementioned gross profit totaled $7,541,011.86. (See Table XXIX-P, below. Of this amount $6,087,031.93 was expended for operation of the State Liquor Stores, and $1,453,987.93 for merchandising and administrative purposes.

TABLE XXIX-P

LIQUOR CONTROL BOARD
COMPARATIVE STATEMENT OF PROFIT AND LOSS COVERING THREE FISCAL YEARS

Item	Fiscal Year Ending May 31 1938	1939	1940
Sales	$76,168,123.50	$73,345,696.74	$78,154,700.37
Less Cost of Sales	−54,031,454.46	−51,990,890.60	−55,406,303.42
Gross Profit	22,136,659.04	21,354,806.14	22,748,396.95
Less Operating Expense	− 6,448,218.63	− 6,333,540.24	− 6,087,031.93
Gross Operating Profit	15,688,440.41	15,021,265.90	16,661,365.02
Less Merchandising and Administrative Expense	− 1,397,754.37	− 1,200,458.60	− 1,453,987.93
Merchandising Profit	14,290,686.04	13,820,807.30	15,207,377.09
Other Income	+ 340,784.07	+ 462,015.85	+ 715,859.83
Net Profit From Stores	14,631,470.11	14,282,823.15	15,923,236.92
Income from Licensing and Enforcement	+ 380,768.56	+ 298,454.85	+ 425,088.88
Surplus Profit	+ 576,336.85	+ 725,691.73	+ 77,139.93
Net Revenue	$15,588,575.52	$15,306,969.73	$16,425,465.73

3. Summary of Finances

The Board's Profit and Loss Statement for fiscal year ending May 31, 1940, shows a net revenue (profit) of 21%, or $16,425,465.73.

In Table XXIX-P is presented the condensed profit and loss statement for the past three fiscal years, June 1, 1937 to May 31, 1940. It shows the revenues derived from the yearly sale of liquor, less expenditures for the purchase of liquor, operation and State Stores and administrative purposes, plus income from licensing and enforcement. The item designated as "surplus profit" at the bottom of the Table represents accumulated revenues set aside to meet contingent losses which did not materialize and were, therefore, taken into the profits.

FOOTNOTES

(1) 1933, Special Session, P. L. 13
(2) 1937, P. L. 1762
(3) 1937, P. L. 1827
(4) 1937, P. L. 1811
(5) 1939, P. L. 806
(6) 1939, P. L. 27
(7) 1936, Special Session P. L. 13
(8) 1937, P. L. 250
(9) 1939, P. L. 46
(10) 1933, P. L. 284
(11) 1933, Special Session, P. L. 38
(12) 1933, Special Session, P. L. 9

PART VI

SPECIAL ADMINISTRATIVE COMMISSIONS

CHAPTER XXX

THE GENERAL STATE AUTHORITY

The General State Authority was created by an Act of the Legislature approved by the Governor on June 28, 1935.

Membership in the Authority comprises the Governor, the State Treasurer, the Auditor General, the Secretary of Internal Affairs, the Secretary of Property and Supplies, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and their respective successors in office, and three citizens, one appointed by the Governor, one by the Speaker of the House of Representatives, and one by the President Pro Tempore of the Senate. Members receive no compensation for services as members, but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. Under the original Act, the Authority was to exist for a period of thirty-two years as a body corporate and politic. A later amendment, however, approved May 18, 1937, removed the life limitation and specified that the Authority was to have "perpetual" existence.

A. FUNCTION

Under constitutional limitations affecting the State's borrowing capacity, the Commonwealth could not avail itself of Public Works funds offered by the Federal Government. Creation of the General State Authority, as a body corporate and politic, appeared as a solution. It was anticipated that such an Authority, fortified by legislative action, would be in position to receive substantial grants, for construction purposes, from the Federal Government. Additional monies would be raised by the Authority through the sale of its bonds. With this money the Authority would then undertake a large scale building program designed to "construct, maintain, improve, and operate" public buildings for the use of the Commonwealth at the seat of the State Government, State arsenals, armories, and military reserves, State airports and landing fields, State sanatoria and hospitals, State normal schools, teachers' colleges, penal and correctional institutions, State highways and bridges, and miscellaneous other improvement projects, such as sewers for State institutions, lakes on State-owned land, swimming pools, low-head dams, etc.

Following the completion of projects such as those noted above, the Authority would be empowered to charge and collect rentals, etc. from the State or any political subdivision for the use of the facilities provided. Rentals charged would be in sufficient amounts to make possible the payment of the Authority's expenses, the retirement of bonds, and the payment of interest on same. Moneys for payment of rentals to the Authority by the State or by any political subdivision would be provided through appropriations for those specific purposes.

Soon after passage of the Act creating the General State Authority, constitutionality of its provisions was questioned and, following an appeal made by Joseph J. Kelly, Plaintiff, of the City of Philadelphia, the State Supreme Court on January 6, 1936, in a majority opinion, three justices dissenting, declared the Act unconstitutional. Included among the reasons cited in the opinion were:

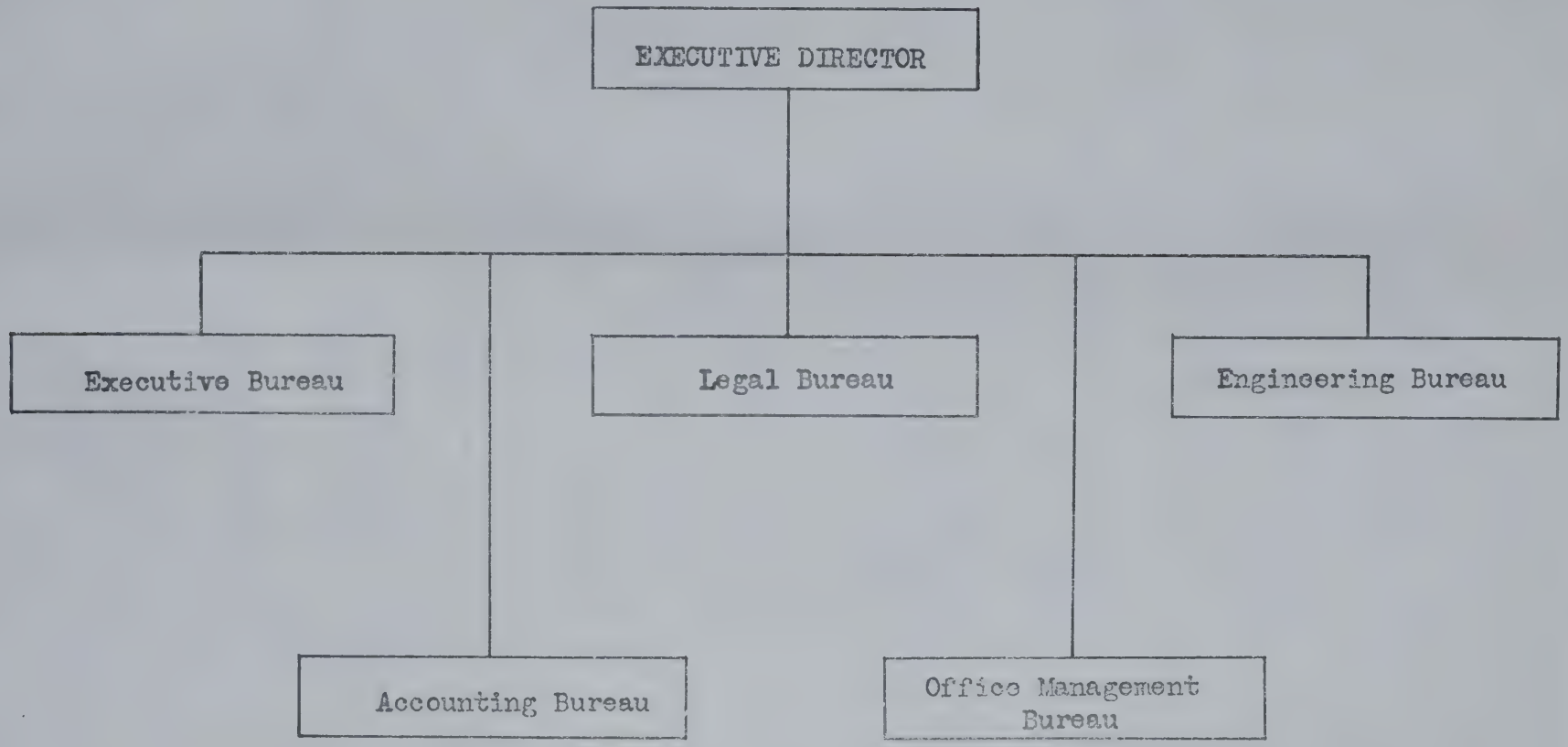
1. Section 4 of Article IX of the Constitution provides: "No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection. defend the State in war, or to pay existing debts; and the debt created to supply deficiencies in revenue shall never exceed, in the aggregate at any one time, one million dollars: Provided, however, that the General Assembly, irrespective of any debt, may authorize the State to issue bonds, to the amount of one hundred millions of dollars, for the purpose of improving and rebuilding the highways of the Commonwealth."
2. "It cannot be doubted that the purpose of the arrangement contemplated is the acquisition by purchase of a capital improvement or improvements, for which the State cannot now pay and payment for which is therefore to be made in annual installments extended over a period of thirty years."
3. "If the Authority defaults, the bond holders may, under the Act, compel it to enforce its agreement with the Commonwealth, and may take the property originally conveyed by the Commonwealth to the Authority in payment of their claims."
4. "Clearly, the Commonwealth is buying on credit and living beyond its means."
5. "The proposed leases," under the Act, "violate and transgress both the letter and the spirit of the Constitution."
6. "We have no doubt that a creation of indebtedness on the part of the Commonwealth in excess of the Constitution limitation is contemplated."
7. "The attempt is to evade the constitutional restriction on debt, and, since the method proposed is illegal, it must be struck down."

In compliance with a request made by the Attorney General, a review was granted by the State Supreme Court and, on February 4, 1937, it reversed its ruling of January 6, 1936, and declared the Act, and the undertakings in pursuance of it, constitutional. Included among the reasons cited for their reversal of opinion were:

1. "A stipulation was filed exempting the land of the State or the Authority from execution. For this purpose a protective clause will be inserted in the loan agreement, lease and deed of trust—Section 24: In case a receiver for the Authority or the Project is appointed . . . the power of such receiver shall be limited to operation and maintenance . . . and he shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character, belonging to the Authority, nor any land upon which the project is erected which belongs to and was made available by the Commonwealth."
2. "The facts show that the Commonwealth has ample resources to pay the annual obligations of rent which will be called for if the whole of the $60,000,000 is used for the purposes mentioned in the Act."
3. "Many of the improvements include needed additions to State medical, surgical and mental hospitals, penal and correctional institutions."
4. "The construction of the sorely needed projects would result in a great saving to the State, and would decrease substantially the otherwise necessary appropriations for unemployment relief."
5. "The new leases will be 'straight' leases to the Commonwealth and at the end of the thirty year period, the title and ownership of the project and ground will be in the General State Authority. There is no provision for the reconveyance to the State."

CHART XXX-1

ORGANIZATION OF THE GENERAL STATE AUTHORITY



6. "In considering the question of constitutionality, due regard must be had to the Commonwealth's position, the projects to be undertaken, the character of the contract, and the parties with whom it is made. To enforce a harsh, literal interpretation of the Constitution when considering the legality of the leases . . . would violate all rules of interpretation."
7. "While it is the duty of the courts to uphold the Constitution, it is likewise their duty not to declare an Act unconstitutional unless it is imperatively necessary to do so."
8. Table submitted "shows conclusively that the present and future revenues of the State are and will be sufficient to take care of liquidating charges."
9. "What the State is undertaking is not the outright purchase of an improvement, but a lease of an improvement on the payment of a moderate annual rental. There is no purchasing on the credit of the future. No title under the leases or agreements passes to the Commonwealth; it remains with the Authority."
10. "If there is a default in the payments on the bonds, the trustee for the bondholders may assume control, operate the property and collect the revenues for the liquidation of the debt. When it is paid, the power of the trustee is at an end."
11. "The fact that the proposed plan might be termed an evasion of the Constitution would not condemn it unless such evasion was illegal. It is never an illegal evasion to accomplish a desired result, lawful in itself, by discovering a legal way to do it."
12. "There is nothing in the Act that imposes any liability on the State with respect to the bonds."

After the Act was finally declared constitutional by the Supreme Court, the Authority did engage in a $65,000,000 building program, which was carried out in accordance with the provisions and powers granted to it by the Authority Act. Up to October 31, 1940, Federal grants received amounted to $11,308,661.57. The remainder of the money was raised through the sale of bonds to the State Employes' and State Teachers' Retirement Funds.

B. POWERS AND DUTIES

Wide powers are granted the Authority by the Act. Chief among these are:

1. To borrow money and issue negotiable notes and bonds as evidence of indebtedness and obligations.
2. To acquire by purchase or lease any property, real or personal, considered necessary to the accomplishment of the functions noted above.
3. To fix, charge, and collect rates and rentals for the use of facilities produced or provided through the instrumentalities of the Authority.
4. To borrow money and accept grants from, and to enter into contracts, leases or other transactions with any Federal agency.
5. To have the power of eminent domain.
6. To do all acts and things necessary or convenient to carry out the powers granted by the creating Act or any other Act.

The following provision appears in the Act following the complete listing of the Authority's powers:

"Provided, however, that the Authority shall have no power at any time or in any manner to pledge the credit or taking power of the Commonwealth or any of its cities, counties, or other political subdivisions, nor shall any of its obligations or debts be deemed to be obligations of the Commonwealth or of any of its cities, counties, or political subdivisions, nor shall the Commonwealth or any city, county, or political subdivision thereof be liable for the payment of principal of or interest on such obligations."

C. ORGANIZATION AND OPERATIONS

The General State Authority functions administratively in accordance with the setup shown in Chart XXX-1.

1. Building Program

Under the powers granted to it by the creating Act, the Authority undertook an extensive $65,000,000 building program. The following tabulation of State institutions included in the program, showing allocations to each, indicates the varied nature of the undertaking:

TABLE XXX-A

STATE INSTITUTIONS INCLUDED IN THE PROGRAM OF THE GENERAL STATE AUTHORITY AND THEIR RESPECTIVE ALLOCATIONS

Institution	Allocation
Allentown State Hospital	$1,387,925
Allentown Armory	129,000
Ashland State Hospital	83,300
Altoona Armory	96,400
Bloomsburg State Teachers' College	577,700
Blossburg State Hospital	140,874
California State Teachers' College	613,300
Canonsburg Armory	96,400
Cheyney Training School for Teachers	466,300
Clarion State Teachers' College	397,499
Clearfield Armory	97,000
Coaldale State Hospital	48,837
Connellsville State Hospital	79,625
Coraopolis Armory	116,400
Danville State Hospital	936,450
East Stroudsburg State Teachers' College	654,200
Edinboro State Teachers' College	741,900
Eastern State Penitentiary, Graterford	619,000
Elizabethtown Crippled Children's Hospital	600,000
Eastern State Penitentiary, Philadelphia	230,000
Farm Show Arena, Harrisburg	1,250,000
Finance Building, Harrisburg	7,095,000
Farview State Hospital	1,267,000
Gettysburg Armory	55,700
Harrisburg Armory Administration Building	121,000
Harrisburg Armory, Field Artillery	96,240
Harrisburg State Hospital	1,390,375
Hamburg Armory	72,250
Hamburg Sanatorium	630,000
Hazleton State Hospital	490,000
Huntingdon Armory	49,000
Huntingdon Industrial School (for incorrigible delinquents)	381,060
Indiana State Teachers' College	735,582
Indiantown Gap Sewage Disposal	104,000
Industrial School for Boys, White Hill	2,756,250
Kutztown State Teachers' College	605,790
Lancaster Armory	72,250
Laurelton State Village	1,225,000
Lewisburg Armory	96,400
Lewistown Armory	96,400
Ligonier Armory	73,000
Lock Haven State Teachers' College	646,600
Locust Mountain State Hospital	96,225
Mansfield State Teachers' College	572,400
Maximum Security Prison (this project has been abandoned and the several contracts will be cancelled and claims arising out of such cancellations will be settled)	
Millersville State Teachers' College	669,000
Mt. Alto Sanatorium	4,765,000
Morganza Training School	283,000
Muncy Industrial Home for Women	380,000

Institution	Allocation
Nanticoke State Hospital	67,375
New Tuberculosis Hospital in Western Penna. (near Butler)	2,645.000
Norristown State Hospital	2,182,050
Pennhurst State School	1,418,000
Pennsylvania State College	5,000,000
Pennsylvania Historical Commission (Old Economy)	37,100
Pennsbury House	217,300
Philadelphia Armory (Special Troop)	151,000
Philadelphia Armory (Field Artillery)	133,000
Philipsburg State Hospital	135,000
Phoenixville Armory	48,200
Western State Psychiatric Hospital, Pittsburgh	2,847,000
Polk State School	980,000
Scranton State Hospital	1,042,000
Scranton Oral School	424,000
Scotland Orphans' School	743,000
Selinsgrove State Colony	1,997,000
Shamokin State Hospital	47,228
Shippensburg State Teachers' College	675,220
Slippery Rock State Teachers' College	842,000
Sunbury Armory	96,400
Thaddeus Stevens Industrial School	159,000
Torrance State Hospital	1,939,906
Tunkhannock Armory	97,000
Warren State Hospital	1,730,700
Waynesboro Armory	96,161
Williamsport Armory	48,200
Wernersville State Hospital	673,750
Western State Penitentiary, Pittsburgh	594,175
Rockview	253,000
West Chester State Teachers' College	780,000

2. Equipment Program.

It was the original intention of the Authority to include fixed and portable equipment in its projects and such inclusion was, at first, approved by the Public Works Administration. The P.W.A., however, reversed its former position and specified that equipment could not be included. Since buildings must be equipped to make them usable, the Authority is now selling an additional $8,500,000 worth of bonds to the two Retirement Boards referred to above, in order that necessary equipment may be purchased and installed and the buildings made ready for occupancy. In addition, grounds surrounding buildings are being properly graded and generally improved. This latter work, to a large extent, is being done by sponsoring W.P.A. projects.

The program of the Authority is now nearing completion. Buildings are occupied, or being prepared for occupancy, and rents are being collected by the Authority. Revenues are being used as per regulations set forth in the Act. Necessary protective insurance has been secured. The State is beginning to reap the benefits and advantages resulting from the building program's accomplishment.

Although the work done by the Authority for the Department of Public Instruction does not appreciably increase enrollment possibilities, many modern facilities and fire-proof buildings have been provided. New armories have been built, or old armories improved, for the Department of Military Affairs. Buildings constructed at Pennsylvania State College have replaced antiquated structures, relieving serious congestion and menace to health and life. Enrollment capacity has been increased by 1500, and, most important of all in the opinion of the College authorities, facilities for research have been increased by approximately 40%. Helpful as the completion of the building program at State College has been, it is still contended that a physical plant adequate to the College's needs has not yet been provided. Because of limited capacity, admission is still being denied to many graduates of Pennsylvania's high schools. It appears that the program just completed at State College represents about one-third of the program originally submitted.

At many institutions throughout the State, the General State Authority has enlarged and modernized boiler-house and service facilities. Improvements in these directions, however, apparently fall far short of needs and requirements.

Erection of new buildings and improvement of old buildings at various institutions operated by the Department of Welfare, the Department of Health, and the Department of Public Instruction, has substantially increased the bed capacities at these institutions. The following table shows the number of additional beds provided at various institutions.

TABLE XXX-B

GENERAL STATE AUTHORITY
TOTAL ADDITIONAL BED CAPACITY PROVIDED FOR THE DEPARTMENTS OF WELFARE, HEALTH, AND PUBLIC INSTRUCTION

Department and Institution	Additional Beds
DEPARTMENT OF WELFARE	
Mental Hospitals	
Allentown State Hospital	303
Danville State Hospital	334
Farview State Hospital	260
Harrisburg State Hospital	290
Norristown State Hospital	325
Torrance State Hospital	368
Warren State Hospital	300
Wernersville State Hospital	241
Western State Psychiatric Hospital	275
Total	2696
Feeble-Minded and Epileptic	
Laurelton State Village	221
Polk State School	320
Pennhurst State School	440
Selinsgrove State Colony for Epileptics	422
Total	1403
Penal and Correctional	
Pennsylvania Industrial School, White Hill	1100
Eastern State Penitentiary, Graterford	37
Eastern State Penitentiary, Philadelphia	.....
Western State Penitentiary, Pittsburgh	37
Western State Penitentiary, Rockview	256
Pennsylvania Training School, Morganza	40
State Industrial Home for Women, Muncy	91
Pennsylvania Industrial School, Huntingdon	202
Total	1763

Department and Institution	Additional Beds
Medical Hospitals	
Ashland State Hospital	.....
Blossburg State Hospital	.....
Coaldale State Hospital	25
Connellsville State Hospital	.....
Hazleton State Hospital	60
Locust Mountain State Hospital	.....
Nanticoke State Hospital (Nurses' Home)	.....
Philipsburg State Hospital	48
Scranton State Hospital (entirely new building)	72
Shamokin State Hospital	10
Total	215
Total, Department of Welfare	6077
DEPARTMENT OF HEALTH	
Mont Alto Sanatorium	*900
Butler—New Tuberculosis Hospital	550
Hamburg Sanatorium	200
Crippled Children's Hospital, Elizabethtown	160
Total, Department of Health	1810
DEPARTMENT OF PUBLIC INSTRUCTION	
Pennsylvania Soldiers' Orphan School, Scotland	135
Pennsylvania State Oral School for Deaf, Scranton	46
Thaddeus Stevens Industrial School	.....
Total, Department of Puplic Instruction	181

* Includes 510 beds replaced.

The following table lists the additional cells provided for institutions operated by the Welfare Department:

TABLE XXX-C

GENERAL STATE AUTHORITY
TOTAL ADDITIONAL CELL CAPACITY
FOR THE WELFARE DEPARTMENT

Institution	Additional Cells
Pennsylvania Industrial School, Huntingdon	204
Pennsylvania Industrial School, White Hill	1390
State Industrial Home for Women, Muncy	95
Western State Penitentiary, Rockview	256
Total	1945

Amortization of all buildings and projects will be completed after some thirty years. With this completion of amortization, the work of the Authority will have been accomplished. Logically, dissolution of the Authority should be the next step, but dissolution under the present law will be impossible because of the "perpetual existence" clause. Clear title to all properties will be, by law, in the name of the General State Authority. The Commonwealth does not automatically take title. If such a provision were part of the law, the Supreme Court has made it clear that it would, by virtue of such fact, consider it necessary to declare such a law unconstitutional. The fact that title to all properties will continue in the name of the Authority, after amortization, was one of the chief reasons given for declaring the Act constitutional. The present law does not state whether the Authority must, or need, continue renting or leasing its properties to the Commonwealth, ad infinitum, for "one dollar and other valuable considerations." Neither does it state that the Authority must, or need, sell, convey, transfer, or donate any or all of its properties to the Commonwealth, after amortization of buildings and projects is accomplished, or at any time. The fact that the present law does not specify what the legal aspects of the situation, with respect to the above, will be after thirty years, probably means that legislative action will be necessary at that time. Just what action it will be necessary for the Legislature to take thirty years hence will, of course, be best determinable at that time. In the meantime legal powers and duties of the Authority appear to be well defined, and so long as the Board consists of responsible State officials, the interest of the Commonwealth should never be in jeopardy.

D. PERSONNEL

The number of employes and salaries paid, as of June 1, 1940, are shown in the following table:

TABLE XXX-D

GENERAL STATE AUTHORITY
NUMBER OF EMPLOYES AND SALARIES PAID
As of June 1, 1940

Bureau and Personnel Classification	Number of Employes	Total Salaries
Executive Bureau		
Executive Director	1	$ 9,000
Technical Advisor	1	6,000
Secretary to Executive Director	1	3,600
Private Secretary	1	2,100
Secretary-Stenographer ($1,680)	2	3,360
Chauffeur-Clerk	1	1,380
Total	7	$25,440
Legal Bureau		
Chief Counsel	1	$ 7,500
Assistant Chief Counsel	1	4,500
Legal Clerk	1	2,640
Assistant Counsel	1	1,860
Secretary to Law Clerk ($1,680)	2	3,360
Stenographer	1	1,440
Typist	1	1,140
Typist	1	1,080
Total	9	$23,520
Engineering Bureau		
Chief Engineer	1	$ 7,000
Assistant Chief of Inspection	1	4,500
Engineer	1	3,600
Co-ordinator	1	3,000
Secretary ($1,680)	2	3,360
Typist	1	1,380
Typist ($1,200)	3	3,600
Total	10	$26,440
Accounting Bureau		
Comptroller	1	$ 5,000
Chief Auditor	1	3,600
Insurance Reviewer and Checker	1	3,600
Senior Accountant	1	3,000
Senior Accountant and Auditor	1	2,400

Bureau and Personnel Classification	Number of Employes	Total Salaries
Senior Accountant ($2,400)	2	4,800
Senior Personnel Bookkeeper	1	2,100
Junior Accountant and Auditor ($2,100)	4	8,400
Purchasing Agent	1	2,100
Technical Clerk	1	1,920
Technical Clerk	1	1,860
Personnel Bookkeepers ($1,800)	2	3,600
Payroll Checkers ($1,800)	2	3,600
Secretary	1	1,680
Stenographers ($1,440)	3	4,320
Bookkeeper-Typist	1	1,440
Stenographer	1	1,380
Personnel Clerk	1	1,380
Advance File Clerk	1	1,200
Typist-Accountant	1	1,200
Stenographer-Secretary ($1,200)	2	2,400
Typist ($1,200)	2	2,400
Messenger	1	1,080
Typist ($1,080)	12	12,960
Total	45	$77,400
Office Management		
Supervisor of Mails and Building Superintendent	1	$ 3,000
Office Manager	1	2,500
File Supervisor	1	2,200
Receptionist-Typist	1	1,500
Clerk	1	1,380
Principal Clerk	1	1,380
Typist	1	1,380
Mimeograph Operator	1	1,200
Janitor	1	1,200
Messenger ($1,080)	2	2,160
File Clerk ($1,080)	2	2,160
Assistant Mail Clerk	1	1,080
Chauffeur-Clerk	1	1,080
Typist-Clerk	1	1,080
Elevator Operator	1	1,080
Janitor ($1,080)	2	2,160
Watchman	1	1,080
Charwoman	1	1,080
Total	21	$28,700
Grand Total	92	$181,520

E. FINANCES

In carrying out its $65,000,000 building program, the Authority received from the Federal P.W.A. funds a grant equal to 10/65 of the approved cost of construction (limited in total, however, to $10,000,000) and a further grant from the same source equal to 1-1/3 times the relief labor payrolls (also limited in total to $10,000,000). Grants to October 31, 1940, however, totaled only $11,308,661.57. The remainder of the money was obtained from the sale of bonds to the State Employes' and State Teachers' Retirement Funds. Interest rate on bonds is four percent. This rate is paid because the State guarantees four percent to the Retirement Funds. Since rentals paid the Authority come from State appropriations which, in turn, are used to retire the Authority's bonds, the relatively high four percent rate does not impose any additional burden on the State.

In addition to the above, the Authority has issued, and is now selling, $8,500,000 worth of bonds in order to provide funds for equipment, grading, etc., as previously mentioned.

Since administrative expenses could not be paid out of moneys derived from P.W.A. grants or the sale of bonds, it has been necessary to rely on legislative appropriations. For the 1937-39 biennium, $1,400,000 was appropriated, and $750,000 was appropriated for the 1940-41 biennium. It is the opinion of present Authority executives that future administrative expenses may and should be paid out of revenues. If these fixed charges, therefore, are to be taken care of in this manner, it will be necessary to raise the present scale of rental and lease rates to a level sufficient to take care of the added burden.

The following cumulative statement shows receipts from various sources, expenditures, and balances as of October 31, 1940:

TABLE XXX-E

GENERAL STATE AUTHORITY

Receipts and Expenditures February 24, 1937 to October 31, 1940

Item	Building	Equipment	Appropriation	Total
RECEIPTS				
Sale of Bonds	$52,970,000.00	$1,000,000.00	.....	$53,970,000.00
Outright Grants	8,104,484.73	.....	.....	8,104,484.73
Relief Labor Grants	3,204,176.84	.....	.....	3,204,176.84
Rent Income	4,170,021.60	.....	.....	4,170,021.60
Accrued Interest on Bonds Sold	445,370.44	.....	.....	445,370.44
Appropriations	.....	.....	$1,596,516.00	1,596,516.00
Architects Assignments of Fees	.....	.....	67,681.77	67,681.77
Total	$68,894,053.61	$1,000,000.00	$1,664,197.77	$71,558,251.38

Item	Building	Equipment	Appropriation	Total
EXPENDITURES				
Buildings	$57,992,267.44	.....	$ 287,764.28	$58,280,031.72
Fixed Equipment	.....	$ 179,778.20	.....	179,778.20
Movable Equipment	.....	400,301.44	.....	400,301.44
Improvement of Grounds	.....	232,451.70	.....	232,451.70
Bonds Redeemed	5,597,000.00	.....	.....	5,597,000.00
Interest	3,912,768.35	.....	.....	3,912,768.35
Prepaid Insurance	196,348.73	.....	.....	196,348.73
Legal Expense	593.29	.....	.....	593.29
Maintenance	9,244.59	.....	.....	9,244.59
Fiscal Agent Fees	5,625.00	.....	.....	5,625.00
General Expenses	.....	.....	1,327,440.93	1,327,440.93
Total	$67,713,847.40	$812,531.34	$1,615,205.21	$70,141,583.95
Balance—Receipts Less Expenditures	$ 1,180,206.21	$187,468.66	$ 48,992.56	$ 1,416,667.43

CHAPTER XXXI

THE PENNSYLVANIA TURNPIKE COMMISSION

The Pennsylvania Turnpike Commission was created by an Act of the Legislature dated May 21, 1937. (P. L. 774.) It consists of five members, including the Secretary of Highways, who is a member ex-officio. The other four members are appointed by the Governor. Original membership appointments were for four, six, eight, and ten year terms respectively. Terms of successors in office are to be of ten years duration, except that any person appointed to fill a vacancy shall serve for the unexpired portion of the term only. Members receive $5,000 per year compensation, plus necessary expenses incurred during performance of duty.

For more than a hundred years, the Pennsylvania Legislature has considered, from time to time, the possibility and feasibility of a more direct route from the east to the west through Pennsylvania's mountains. Beginning in 1837, a preliminary survey of possible routes was undertaken upon authorization by the Pennsylvania Legislature. Numerous other surveys were made later. The initial objective was the eventual building of a railroad which would follow the most favored route. Finally, the South Penn Railroad Company, using funds advanced by William H. Vanderbilt of the New York Central Railroad, and Andrew Carnegie of Pittsburgh, attempted actual construction. Opposition to the venture was injected by the Pennsylvania Railroad because of their paralleling but more northerly line. A vicious fight between the opposing interests ensued. In 1883, however, a definite route was decided upon and construction was started. Contracts for bridges and tunnels were let and grading of roadbeds undertaken. After the Alleghenies had been pierced by nine tunnels and some fifty miles of roadbed graded, J. P. Morgan, one-time associate of Vanderbilt, became alarmed at the prospect of a rate war, and forced Vanderbilt and his backers to sell out their interests. The Pennsylvania Railroad purchased the right of way. When a ruling of the United States Supreme Court prevented the "Pennsy" from becoming owner, a half interest was acquired by the Baltimore and Ohio Railroad, and the other half by the Southern Pennsylvania Railroad, then a subsidiary of the Cumberland Valley Railroad, which in turn was a subsidiary of the Pennsylvania Railroad. The ultimate resultant was complete abandonment of the entire original project and the South Penn Railroad became only a memory.

With the rapid rise in motor travel and the obvious advantages which a low grade route through the mountains would possess, attention was again directed, in 1937, to the old South Penn right of way. Following a survey of the possibilities by the Works Progress Administration, the Pennsylvania Legislature approved the construction of a 160 mile super-highway, under State sponsorship, from Middlesex, Cumberland County, to Irwin, Westmoreland County (Harrisburg to Pittsburgh). It was decided to follow roughly the old South Penn right of way and to utilize, to whatever extent found desirable, the grading and tunnelling previously done and abandoned. To carry through this ambitious project, the Legislature created the Pennsylvania Turnpike Commission.

The Commission is unique, from a legal point of view, in that it is declared to be an instrumentality of the Commonwealth and exercises its powers and duties as a governmental function, yet it is empowered to borrow money, issue bonds, etc., without being a corporate authority, and without the State Government being liable for its obligations.

A. FUNCTION

Since the Legislature created the Pennsylvania Turnpike Commission in order to delegate proper authority to an organized body whose responsibility it would be to construct a low grade super-highway between the cities of Harrisburg and Pittsburgh, the chief function of the Commission became the accomplishment of that objective by such means and in such manner as their judgment directed and their delegated authority permitted.

Not only was the Commission created for the purpose of constructing the contemplated highway, but its responsibility included operating and maintaining same, as well as arranging for its financing as a self-liquidating project. Naturally, financing became the first and most important problem.

After consideration of numerous plans and various negotiations, a total of $70,050,000 was finally made available by the Federal Government. The Public Works Administration made an outright grant of $29,250,000, and the Reconstruction Finance Corporation purchased $40,800.000 of the Commission's bonds.

B. POWERS AND DUTIES

Legislative authority for carrying on the various phases of its work was given the Commission by the creating Act. Included among the powers and duties specifically mentioned in the Act are the following:

a. "The Pennsylvania Turnpike Commission is authorized and empowered to construct, operate and maintain a turnpike at such location as shall be approved by the Department of Highways, from a point at or near Middlesex in Cumberland County to a point at or near Irwin in Westmoreland County, together with connecting tunnels and bridges."

b. "To issue turnpike revenue bonds of the Commonwealth, payable solely from tolls, to pay the cost of construction . . . such bonds to contain a statement on their face that the Commonwealth is not obligated to pay the same or the interest thereon except from tolls, and that the faith and credit of the Commonwealth is not pledged to the payment of the principal or interest on such bonds."

c. "The term 'cost of the turnpike' shall embrace the cost of constructing the turnpike and all connecting tunnels and bridges; the cost of all lands, properties, rights, easements, and franchises acquired which are considered necessary for such construction; the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction; cost of traffic estimates and of engineering and legal expenses; plans, specifications, surveys, estimates of costs and of revenues; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; such other expenses as may be necessary or incident to the financing herein authorized; the condemnation of property necessary for construction and operation; placing of the turnpike in operation; and any obligation or expense . . . incurred by the Department of Highways in connection with the construction of the turnpike," which cost "shall be reimbursed to the Department of Highways out of the proceeds of the turnpike revenue bonds."

d. "The Commission shall make necessary rules and regulations for its own government and shall have power and authority to acquire, own, use, hire, lease, operate and dispose of personal property, real property, real property and interests in real property, and to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers . . . and to employ engineering, traffic, architectural and construction experts and inspectors, attorneys, and such other employes as may be necessary in its judgment, and fix their compensation."

e. "All contracts and agreements relating to the construction of the turnpike and the connecting tunnels and bridges shall be approved by the Department of Highways . . . and construction shall be under the supervision of the Department of Highways."

f. "The Commission, with the approval of the Department of Highways, is authorized and empowered to acquire by purchase, whenever it shall deem such purpose expedient, such tunnels, whether wholly or partly constructed, rights of way, franchises, easements and other interests in lands, as it may deem necessary for the construction and operation of the turnpike."

g. "Whenever a reasonable price cannot be agreed upon . . . the Commission is authorized to acquire by condemnation any tunnel or tunnels . . . and any lands, rights, easements, franchises and other property deemed necessary or convenient for the construction or efficient operation of the turnpike."

h. "The turnpike when completed and opened to traffic shall be maintained and repaired by and under the control of the Commission through the Department of Highways of the Commonwealth, and all charges and costs of such maintenance and repairs actually expended by said Department of Highways shall be paid to it by the Commission upon certification thereof out of tolls. Such turnpike shall also be policed and operated by such force of police, toll-takers and other operating employes as the Commission may in its discretion employ."

i. "The Commission is authorized to fix and to revise from time to time tolls for the use of the turnpike and the different parts or sections thereof, and to charge and collect the same, and to contract with any person, partnership, association or corporation desiring the use of any part thereof, including the right of way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, gas stations, garages, stores, hotels, restaurants, and advertising signs, or for any other purpose, except for tracks for railroad or railway use, and to fix the terms, conditions, rents, and rates of charges for such use. Such tolls shall be so fixed and adjusted as to provide a fund at least sufficient with other revenues of the turnpike, if any, to pay (a) the cost of maintaining, repairing and operating the turnpike; and (b) the bonds and the interest thereon, and all sinking fund requirements, and other requirements provided by the resolution authorizing the issuance of the bonds or by the trust indenture as the same shall become due. Such tolls shall not be subject to supervision or regulation by any other State commission, board, bureau or agency."

j. "The Commission is authorized to provide by resolution for the issuance of turnpike revenue refunding bonds of the Commonwealth for the purpose of refunding any turnpike revenue bonds issued under the provisions of the Act and then outstanding."

C. ORGANIZATION AND OPERATIONS

The functional organization of the Turnpike Commission changed rapidly as the work expanded and progressed. On June 1, 1940, there were three major divisions as follows:

1. Administration—including Auditing, Personnel, Legal and Right-of-Way, Publicity, Purchasing, Automotive Equipment, and Building Service.
2. Engineering—including Covered Construction (Roadway and Bridges), Drafting, Architectural, Traffic, Electrical, and Materials.
3. Tunnel Construction—including all operations in tunnels and tunnel approaches.

Since the Commission was without funds until such time as the bonds which it was authorized to issue were sold, some arrangement had to be made for financing the necessary preliminary work. Because of this fact the General Assembly directed and empowered the Department of Highways to pay for such preliminary engineering work as it saw fit to undertake. Under this authorization some $600,000 were expended. It was specified that money so expended must be refunded to the Department of Highways from the proceeds of the sale of bonds. All of the $600,000 referred to above has been repaid.

On October 10, 1938, the Commission received notice from the Federal Public Works Administration and the Reconstruction Finance Corporation that they had agreed to finance the project. Operations were started by the first contractor on October 27, 1938. The date set by the P.W.A. as the deadline for completion of the project was June 29, 1940. Later, because of unavoidable conditions beyond the control of the Commission, time extensions were granted. Finally, on October 1, 1940, the turnpike was declared to be ready to receive traffic and it was officially opened for public use at 12:01 A. M. of that day.

An idea of the size of the enormous task which the Pennsylvania Turnpike Commission undertook, and completed ready for traffic in 23 months actual construction time, may be gained from the following:

Referred to as "America's pioneer tunnel super-highway," the 160 mile Pennsylvania Turnpike is a modern four-lane concrete highway linking Harrisburg, the State capital, with Pittsburgh, the great industrial city. Each traffic lane is 12 feet wide. Throughout its length, except in tunnels, the highway consists of two dual-lane roadways each 24 feet wide and separated by a 10 foot center parkway. The roadway section reduces to two traffic lanes in the tunnels. Built over a minimum 200 foot right-of-way, it is graded 78 feet wide, in the open, which provides a 10 foot shoulder on each side.

There are seven tunnels; six were partially bored, more than 50 years ago, by the South Penn Railroad, and the seventh is entirely new. The total length of all tunnels is approximately seven miles. All approved engineering devices have been utilized in tunnel construction, which would assure safety, comfort and speed. Huge fans installed in tunnel portal buildings provide continuous and adequate supplies of fresh air. The road is lighted at tunnel portals, in the tunnels, and at interchanges.

Construction of the tunnels has made possible the maintenance of low grades through the Appalachian Mountains. The maximum grade is three percent, or three feet of rise in every 100 feet, while the maximum curvature is six degrees with a radius of 995 feet. Allowing for ample sight distance, curves are provided with superelevation and spiral easement. The result is greater driving comfort and convenience for the motorist.

Since no other highway is permitted to cross the Turnpike at grade, it was necessary to build 160 overpasses and underpasses to carry roads over or under the Turnpike. Spanning of streams and rivers meant the building of 139 bridges ranging from six foot culverts to a 600 foot viaduct. Most of the structures are of reinforced concrete but structural steel also was used in a number of long spans. In addition to the terminals at Middlesex and Irwin, interchanges and ticket booths have been built at Carlisle, Blue Mountain, Willow Hill, Fort Littleton, Breezewood, Bedford, Somerset and Donegal. These points of entrance and exit serve the major north and south routes. Direct traffic crossflow is avoided by means of looping ramps. Substantial fences will enclose the entire right-of-way between interchanges. All interchanges are so located that approaching traffic can look down on them and picture the layout. Deceleration and acceleration lanes, set parallel to and contiguous with the pavement for a distance of 1200 feet, are provided at each interchange. As a motorist enters the Turnpike at any point, he is given a ticket showing the time, place, and the various rates between interchanges. When he leaves the Turnpike he pays the rate indicated.

Vast quantities of materials, unexceeded in any highway project before, were used. For example, an average day's paving required 100 cars of cement, 18,000 tons of stone, 11,000 tons of sand, and 375 tons of steel. Aggregates for concrete were obtained from 35 quarries along the line. Thirty paving contractors, using about 50 complete outfits, operated simultaneously all along the Turnpike. Actual laying of paving averaged 3½ miles of four-lane per day. Value of equipment used was estimated at $25,000,000. Because of time limitations, it was necessary to work at unprecedented speeds. Never before was so great an amount of pavement laid in so short a period. Work involved was equivalent to paving 300 miles of ordinary highway. Concrete used was of a special dry nature designed to withstand heavy wear in all kinds of weather. All in all, approximately 26,000,000 cubic yards more than was involved in constructing the French Maginot line which, incidentally, took ten years to build.

Previous to opening the Turnpike for public use on October 1, 1940, a number of preplexing problems had to be solved or a definite policy determined with regard to same. Foremost among these were the following:

1. Toll Rates

Since the Turnpike Act specifies that the bonds issued by the Commission can only be amortized through application of the moneys derived from revenues, the question of toll rates became of the utmost importance. Then, too, operation and maintenance cost had to be considered. Obviously, rates should vary according to type and weight of vehicle. Traffic engineers were engaged to make a survey of the possibilities. Finally, based on the engineers' findings and estimates of traffic potentialities, vehicles were grouped into eleven classes, and a set rate was assigned to each class, ranging from $1.00 for a motorcycle, for the entire distance, to $10.00 for trucks with trailers weighing 39,000 to 62,000 pounds gross. Passenger cars, passenger cars with trailers, and light trucks (Class 2), weighing up to 7,000 pounds gross, pay $1.50 for the entire distance. A special full length round trip fare for $2.25 is in effect for passenger cars without trailers. Special round trip fares do not apply to any other classification. The Commission is empowered to increase or reduce fares, or make changes in classifications, at any time, should it decide that such changes are necessary or justified. A statement of revenues derived from tolls for the last quarter of 1940 is presented in Table XXXI-C, page 7120.

2. Service Stations and Restaurants

Under the powers granted to it by the Turnpike Act, the Commission may maintain and operate gasoline stations, restaurants and even hotels along its right of way. Since these service features should be provided for the convenience of motorists, it was necessary to decide whether or not the Commission would undertake to provide them or arrange for same through granting of concessions. The latter plan was adopted.

Because fences line the highway on both sides, operation of privately owned service stations bordering the

highway is not feasible. In addition to this fact, uncontrolled construction of service stations would result in the erection of a series of structures which would undoubtedly mar the architectural beauty of the highway itself. It was, therefore, decided to ask for competitive bids from oil companies for the privilege of operating gasoline service stations and restaurants exclusively. Four of the major gasoline companies submitted bids. After due consideration it was decided that the bid of the Standard Oil Company was the most favorable from the Commision's point of view, and the one which would result in the highest possible revenue return. A 25-year contract was entered into, therefore, with the Standard Oil Company, granting that company the exclusive right to erect and operate service stations and restaurants along the Turnpike right-of-way.

In line with the terms of the contract, the oil company has erected ten modern service stations, spaced approximately 15 miles apart. Spotting of stations follows a "staggered" arrangement, alternating sides of the highway, so that traffic in each direction may be serviced from the right at all times, and thus avoid cutting across traffic. The principal station, known as "Midway," is located near Bedford. It provides a dining room, barber shop, smoking lounge, recreation room, dormitory, showers, laundry and registration office, in addition to the standard gasoline station facilities. Ample parking space is provided on both sides of the Turnpike and a pedestrian tunnel permits safe passage from the north to the south side of the highway where the station is located.

Like the station at "Midway," all other stations also have ample parking space and each station and surrounding area is flood lighted at night.

Although the ten stations were erected by the Standard Oil Company at a total cost of $500,000, they are located on Turnpike property and belong to the Turnpike. If, for any reason, the 25-year lease is terminated before the expiration date, the Commission has agreed to pay for the buildings out of revenue from tolls after such revenue from tolls has retired the 30 year bonds. Price to be paid, in such an event, is to be $500,000 less 4% for each year the stations were operated by the Standard Oil Company. If the lease runs its life of 25 years, the Commission, of course, will be relieved of all payment obligations.

The contract with the Standard Oil Company also provides for payments to the Commission per the following:

2 1/3c for each gallon of gasoline sold
15c for each gallon of oil sold
5% of gross merchandise sales
3% of gross food sales

Total revenues from these sales averaged approximately $15,000 per month for the first three months of the Turnpike's operation.

3. Policing of the Turnpike

Policing of the Turnpike, and control of its traffic, required a determination of policy before the highway was opened to public use. What speed limit should be enforced and what policing authority, if any, should the regular Pennsylvania Motor Police exercise? These and other related questions become of prime importance because of the extraordinary conditions under which traffic would move, and also because the Turnpike was considered to be a sort of private road quite unlike the other roads of the State forming the State's highway system.

Insofar as the application of the Motor Code to the Turnpike was concerned, the Commission was advised in an opinion of the Attorney-General that the Motor Code did apply and that the Turnpike does fall within the definition of a public highway. It was finally agreed, after a conference with the Governor, that the Governor would approve an assignment to the Commission of a detail of Pennsylvania Motor Police to be known as "Pennsylvania Motor Police—Turnpike Division," under the provisions of the Act of June 29, 1937. It was also agreed that the compensation and expenses of such police would be paid by the Turnpike Commission out of its revenues. Since experience gained through actual operation would be the best basis for determining what regulatory measures were desirable, it was considered that the period from the opening date of the Turnpike to the next meeting of the Legislature should be regarded as an experimental period and that regulatory legislation, if any, recommended to the Legislature, should be based on the experience gained during this experimental period.

In order to increase the effectiveness of traffic control and policing activities, the Commission has contracted for the installation of a $300,000 radio system throughout the Turnpike. Two-way communication with all police cars, stations, intersections, the Turnpike Central office in Harrisburg, and the Department of Motor Police in Harrisburg will be established. This cooperative arrangement between the offices and patrolling officers of the Turnpike and the Department of Motor Police will undoubtedly prove mutually beneficial.

Now that the Turnpike has been officially opened and traffic is flowing east and west, in greater volume than the most optimistic prediction, little construction work remains outside of clearing up operations and beautification and landscaping of the right of way. Patrons generally are praising the highway and Pennsylvania is benefiting in a large measure from "induced traffic" which it would not enjoy were it not for the facilities offered by the Turnpike and the acclaimed attractiveness of a journey throughout its length. As the nucleus of a proposed system of national highways for defense purposes, the new Turnpike exemplifies the possibilities in that direction.

The Turnpike is the greatest single highway project ever attempted in the history of the United States. Its early extension to Philadelphia and the Atlantic seaboard was approved by the Legislature during the 1940 Special Session. Act No. 11, approved May 16, 1940, and known as the "Pennsylvania Turnpike Philadelphia Extension Act," authorized the Turnpike Commission to construct a Turnpike from Middlesex, Cumberland County, to Philadelphia. Surveys are now being made preliminary to undertaking the new extension project. Procedures in general will undoubtedly follow those developed during the planning and construction of the original Turnpike. It is estimated that the extension to Philadelphia, a distance of approximately 100 miles, will cost between $30,000,000 and $40,000,000.

D. PERSONNEL

As construction progressed, the number of people employed by the Commission increased rapidly until October

of 1939, when the total reached 1402. On January 1, 1939, there were 465 employes receiving a total monthly wage of $64,014.54; on October 1, 1939, there were 1402 receiving a total monthly wage of $204,222.96; and on January 1, 1940, there were 1,151 receiving a total monthly wage of $172,904.76.

Because the work was highly specialized and technical in character, the Commission found it necessary to seek and request the loan of skilled men from large corporations. Among the latter who cooperated in large measure were the United States Steel Corporations, the Jones and Laughlin Steel Corporation and the Pennsylvania Railroad.

For operation purposes, after all new construction, landscaping etc., are completed, it is estimated that 61 motor policemen, 49 tunnel guards, and 50 toll collectors will be needed, in addition to whatever personnel will be required for maintenance of the highway itself.

In Table XXXI-A is presented a summary of the Commission's personnel and annual salaries paid as of June 1, 1940. Although the nature of the project was such that many employes worked less than a year at their particular assignments, salaries are shown on an annual basis for comparative purposes.

TABLE XXXI-A

PENNSYLVANIA TURNPIKE COMMISSION
SUMMARY OF BUREAU PERSONNEL AND ANNUAL SALARIES JUNE 1, 1940

Bureau	Number of Employes	Total Annual Salaries
Administrative	176	$362,400
Engineering	1,131	2,030,738
Tunnel Construction	10	22,900
Total	1,317	$2,416,078

E. FINANCES

As of January 14, 1941, the revenues of the Turnpike Commission totaled $64,681,088.76, comprising $37,431,088.76 derived from bond sales and $27,500,000 received from the Federal Public Works Administration. Against the above income, the Commission has expended $62,550,735.54, thus leaving an unexpended balance on the above date of $2,130,353.22. The expenditures of the Commission are set forth in Table XXXI-B.

TABLE XXXI-B

PENNSYLVANIA TURNPIKE COMMISSION
EXPENDITURES AS OF JANUARY 14, 1941

Purpose	Amount Expended
Preliminary Survey	$90,730.43
Land, Right-of-Way and Easements	2,786,120.37
Land Acquisition Costs	521,589.30
Construction Contracts	50,969,032.33
Renovation of Police Barracks	7,965.08
Maintenance Shops and Storage Bldgs. at Everett	1,415.97
Township Relocations and Restorations	116,618.50
Public Utility Relocation Costs	143,609.79
Testing of Materials	97,792.24
W.P.A. Landscape Project	16,510.62
Construction Power	2,939.90
Engineering	4,496,030.91
Reimbursable Expenses to Department of Highways	20,917.73
Legal, Administrative and Overhead	945,950.50
Interest	1,808,062.49
Purchase of Equipment—Office, Engineering, and Automotive	258,464.12
Publicity	48,119.71
P.W.A. Reimbursable Expenses	21,645.93
Operation of Automotive Equipment	113,351.42
Training of Employes, Maintaining and Equipping of Turnpike for operation	54,523.27
Construction of Equipment, Labor and Materials	29,344.93
Total	$62,550,735.54

It is estimated that the annual cost of operating and maintaining the Turnpike will be approximately $400,000. If revenues derived during the first quarter of the Turnpike's operation continue at the same level, the total revenue during the first year of operation will exceed $2,400,000. Deducting $400,000 for estimated operation and maintenance cost, the net profit for the first year's operation will be in excess of $2,000,000. Profit from operations will, of course, be regularly applied against indebtedness.

Table XXXI-C sets forth a statement of traffic and revenue, by vehicle classification, during December 1940 and the first three months of operation. It evidences the extensive use already being made of the Turnpike's facilities

TABLE XXXI-C

PENNSYLVANIA TURNPIKE COMMISSION
STATEMENT OF TRAFFIC AND REVENUE DERIVED FROM TOLLS ACCORDING TO VEHICLE CLASSIFICATION DECEMBER, 1940

Vehicle Classification By Number and Type	December, 1940		Cumulative Totals 10/1 to 12/31/40	
	Number of Vehicles	Revenue	Number of Vehicles	Revenue
(1) Motorcycle	33	$ 10.70	527	$ 223.55
(2) Passenger Automobile or Passenger Auto with Trailer	112,251	85,699.65	513,704	387,176.12
(2A) Light Truck, to 7,000 lbs.	1,704	936.85	5,801	3,099.15
(3) Medium Truck, 7,000-15,000 lbs.	3,184	4,005.90	9,721	11,774.90
(4) Heavy Truck, 15,000-18,000 lbs.	1,254	3,052.50	3,797	8,656.35
(5) Heavy Truck, 18,000-22,000 lbs.	953	2,589.60	3,056	8,364.80
(6) Heavy Truck, 22,000-26,000 lbs.	3,106	11,564.60	6,074	21,355.35
(7) Heavy Truck, or Tractor Truck with Semi-Trailer, 26,000-30,000 lbs.	630	3,049.10	1,940	8,686.90
(8) Heavy Truck, or Tractor Truck with Semi-Trailer, 30,000-39,000 lbs.	6,605	40,115.80	17,722	108,685.20
(9) Truck and Full Trailer, 39-000-62,000 lbs.	2	11.25	59	379.90
(10) Bus, (Up to and including 12 passengers)	41	109.50	117	303.85
(11) Bus, (13 passengers and over)	765	1,069.00	2,292	3,342.65
Total	130,528	$152,214.45	564,810	$562,048.72

Complete schedules of official toll fares, effective between all interchanges for the eleven classes of vehicles, may be obtained from the Turnpike Commission office in Harrisburg, or from any of the interchange offices.

During the first quarter of operation the Commission derived $46,263.02 under the provisions of its contract with the Standard Oil Company. In Table XXI-D is shown the Commission's monthly revenues from the sales of gasoline.

TABLE XXXI-D

PENNSYLVANIA TURNPIKE COMMISSION
REVENUE FROM GASOLINE SALES

Month	Number Gallons	Per Gallon	Total
October	659,153	2.33c	$15,358.27
November ...	488,858	2.33c	11,390.40
December ...	390.888	2.33c	9,107.70
Total	1,538,899	2.33c	$35,856.37

In addition to the moneys for gasoline sales paid to the Commission by the Standard Oil Company, the State collected its regular tax of 4c per gallon, or a total of $61,555.96 during the three month's period referred to in Table XXXI-D. Since a goodly portion of the traffic passing over the Turnpike can safely be classified as "induced" traffic (traffic which would not have entered Pennsylvania or traveled as far in Pennsylvania had it not been for the attraction of the Turnpike) a large share of the $61,555.96 regular gas tax, referred to above, would not have been paid to the State. This tax money, derived from "induced" traffic, comes from out of the State. The Commonwealth, therefore, benefits to a substantial degree, in this additional manner, by virtue of the Turnpike's existence.

The Turnpike Commission's balance sheet, as of December 31, 1940, is presented in Table XXXI-E.

TABLE XXXI-E

THE PENNSYLVANIA TURNPIKE COMMISSION

BALANCE SHEET FOR THE CONSTRUCTION FUND DECEMBER 31, 1940

Assets			Liabilities		
CURRENT			CURRENT		
Cash			Accounts Payable		
Construction Fund	$5,091,139.31		Audited Vouchers	$581,196.33	
Right of Way Fund ...	1,242,208.00		Dept. of Highways	15,183.01	
Adm. Revolving Fund .	765.00		Dept. of Highways—		
Right of Way Revolv. Fund	2,546.45		Special Account	94.86	$596,474.20
Document Deposit Account	259.50	$6,336,918.26	Accrued		
			Bond Interest Payable	637,500.00	
Accounts Receivable			Contract Retentions ..	2,802,186.56	3,439,686.56
Miscellaneous		68.17	Fixed		
Turnpike Costs			Turnpike 3¾% Revenue Bonds Payable		
Preliminary Costs	90,730.43		Authorized Issue		40,800,000.00
Lands, Rights of Way and Easements	3,255,147.82		Capital		
Construction Costs	51,240,366.32		Grants from United States Government ..		27,250,000.00
Engineering Costs	3,837,038.81				$72,086,160.76
Legal, Adm. and Overhead	948,441.77				
Interest During Constr.	1,808,062.49				
Misc. Project Costs ...	523,052.35				
Bond Discount	3,368,911.24				
Landscape Costs	13,369.87				
	65,085,121.10				
Less: Miscellaneous Income on Turnpike Costs	1,168.50	65,083,952.60			
Deferred Costs					
Prepaid Insurance	629.93				
Dept. of Highways—Suspense Account ...	656,903.25				
Adm. Revolving Fund—Suspense Account ..	235.00				
Right of Way Revolving Fund-Suspense Account	7,453.55	665,221.73			
		$72,086,160.76			

CHAPTER XXXII

THE DELAWARE RIVER JOINT COMMISSION

The Delaware River Joint Commission is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created by Act No. 200 of the Commonwealth of Pennsylvania, 1931, and Chapter No. 391, Laws of New Jersey, 1931. As a public corporate body, this Commission replaced the preceding Delaware River Bridge Joint Commission which built, operated and maintained the Phliadelphia-Camden Bridge in behalf of the two States.

The Commission consists of sixteen members, eight resident voters of the Commonwealth of Pennsylvania, and eight resident voters of the State of New Jersey, who serve without compensation.[1]

Members from Pennsylvania consist of the Governor, Auditor General, State Treasurer, and the executive head of the City of Philadelphia, who are always members during their term of office. The other four members of the Commission from Pennsylvania are appointed by the Governor, each serving for a term of five years from the date of his appointment.

New Jersey members on the Commission are elected by the Legislature and serve for a term of five years. Should a vacancy occur in the New Jersey Commission membership, such vacancy is filled for the unexpired term by the Legislature, or if the Legislature is not in session when the vacancy occurs, such vacancy is filled by appointment of the Governor, and such appointee holds office until the Legislature convenes.

All commissioners continue to hold office after the expiration of their terms until their successors are appointed and qualified, but no period during which any commissioner shall hold over is deemed to be an extension of his term of office for the purpose of computing the date on which his successor's term expires.

The commissioners have charge of the Commission's property affairs, and, for the purpose of doing business, constitute a board, but no action of the commissioners is binding unless a majority of the Commission members from Pennsylvania and a majority of the Commission members from New Jersey vote in favor thereof.[2]

A. FUNCTION

The Commission is charged with the operation and maintenance of the Delaware River Bridge, which was completed in 1926, and connects Philadelphia, Pennsylvania, and Camden, New Jersey. Construction of the high-speed rail transit line across the Bridge which was completed in 1936 was another duty of the Commission, as set forth in the laws of the two States. Other functions assigned to the Commission are:[3]

1. Investigation of the necessity for additional means of communication between the Commonwealth of Pennsylvania in the vicinity of Philadelphia and the State of New Jersey opposite thereto, and between the ports of Philadelphia and Camden and the sea, and making such studies, surveys and estimates as may be necessary to determine the feasibility and cost of such additional means of communication, whether by bridge, tunnel, canal, or otherwise.
2. Cooperation with all other bodies interested or concerned with or affected by the promotion, development or use of the Delaware River.
3. The procurement from the Government of the United States of any consent which may be required to enable any project within its powers to be carried forward.
4. The promotion of increased commerce on the Delaware River, both freight and passenger, and, for this purpose, the publication of such literature and the adoption of such means as may be deemed appropriate.
5. To study and make recommendations to the proper authorities for the improvement of terminal, lighterage, wharfage, warehouse, and other facilities necessary for the promotion of commerce on the Delaware River.
6. Institution, through the Attorneys General of Pennsylvania and New Jersey, of or intervention in any litigation involving rates, preferences, rebates, or any other matters vital to the interest of the ports of the Delaware River.
7. Any other functions which may be of mutual benefit to the Commonwealth of Pennsylvania and the State of New Jersey, insofar as concerns the promotion and development of the ports of Philadelphia and of Camden, and the use by commercial vessels of their facilities.

B. POWERS AND DUTIES

In order to carry on its work, the Commission has been granted the following powers and duties:[4]

1. To have perpetual succession.
2. To sue and be sued.
3. To adopt and use an official seal.
4. To elect a chairman, vice-chairman, secretary and treasurer, and to adopt suitable by-laws for the management of its affairs. The secretary and treasurer need not be members of the Commission.
5. To appoint such other officers and such agents and employes as it may require for the performance of its duties and fix and determine their qualifications, duties and compensation.
6. To enter into contracts.
7. To acquire, own, hire, use, operate and dispose of personal property.
8. To acquire, own, use, lease, operate and dispose of real property and interests in real property, and to make improvements thereon.
9. To grant the use of, by franchise, lease or otherwise and to make charges for the use of any property or facility owned or controlled by it.
10. To borrow money upon its bonds or other obligations, either with or without security.
11. To exercise the right of eminent domain.
12. To determine the exact location, system and character of and all other matters in connection with any and all improvements or facilities which it may be authorized to own, construct, establish, effectuate, operate or control.
13. To exercise the powers, duties, authority and jurisdiction heretofore conferred and imposed upon the former Pennsylvania Commission and upon the former New Jersey Interstate Bridge Commission severally, or upon both of said Commissions jointly, by the Commonwealth of Pennsylvania or the State of New Jersey, or both of the said two states.
14. To exercise all other powers not inconsistent with the Constitutions of the two States or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments, and generally to exercise in connection with its property and affairs, and in connection with property within its control, and any and all powers

[1] Footnotes on page 7126.

which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

C. ORGANIZATION AND OPERATIONS

Chart XXXII-1, page 7124, shows the functional organization of the Commission staff and includes the following: administrative, toll collection, policing, cleaning and maintenance.

The chief administrative officer is the General Manager, who also acts as Secretary of the Commission. He is appointed by the members of the Commission, and serves at their pleasure. Other administrative functions are those of legal counsel, the treasurer, the accountant, the chief clerk and stenographers.

Toll collections on the Bridge are made by a staff consisting of a captain, chief teller, four lieutenants and 43 collectors.

Policing of the Bridge is conducted by a staff consisting of one captain, one lieutenant, three sergeants and 44 patrolmen. During 1939 one person was killed in an accident on the Bridge; 37 accidents were reported; 52 arrests were made; 4 persons committed suicide by leaping from the structure, and 459 disabled cars were removed by the police towing apparatus.

The cleaning work connected with the Bridge is performed by a foreman, assistant foreman and a staff of mechanics and helpers. Temporary employes are engaged by this bureau to meet emergency situations, such as snow removal. The annual report of the Commission for 1939 points out that 358 extra men were engaged on January 14th and 303 extra men on January 19th to clear the Bridge of snow.

Maintenance work on the Bridge is performed by the Maintenance Bureau. This Bureau consists of a chief electrician and staff, an inspector engineer and an assistant, a foreman, assistant foreman, and a staff of mechanics. The Bridge and its appurtenances, such as the administration building, toll houses, the rail high-speed line and its facilities, are inspected regularly and maintained in first-class condition by this organization.

D. PERSONNEL

As of June 1, 1940, the Delaware River Joint Commission had 159 employes, with annual salary payments totaling $407,967.08. The distribution of these employes and salary costs is shown in Table XXXII-A.

TABLE XXXII-A

DELAWARE RIVER JOINT COMMISSION
NUMBER OF EMPLOYES AND ANNUAL SALARIES, BY BUREAUS
JUNE 1, 1940

Bureau	Number of Employes	Annual Salaries
Administration	8	$ 48,000
Police	49	119,400
Toll	49	118,300
Maintenance	30	77,200
Street Cleaning	23	45,067
Total	159	$407,967

In reviewing the above table, it must be borne in mind that it only reflects the status of the payroll on June 1, 1940, and that additions and eliminations from the payroll can change the picture monthly. Attention is also called to the fact that the rules of the Commission provide annual increases of $100 a year in many positions during the first five years of service. This is illustrated in Table XXXII-B, which gives a detailed breakdown of the number of employes in each bureau, the personnel title, and the annual salary rate.

TABLE XXXII-B

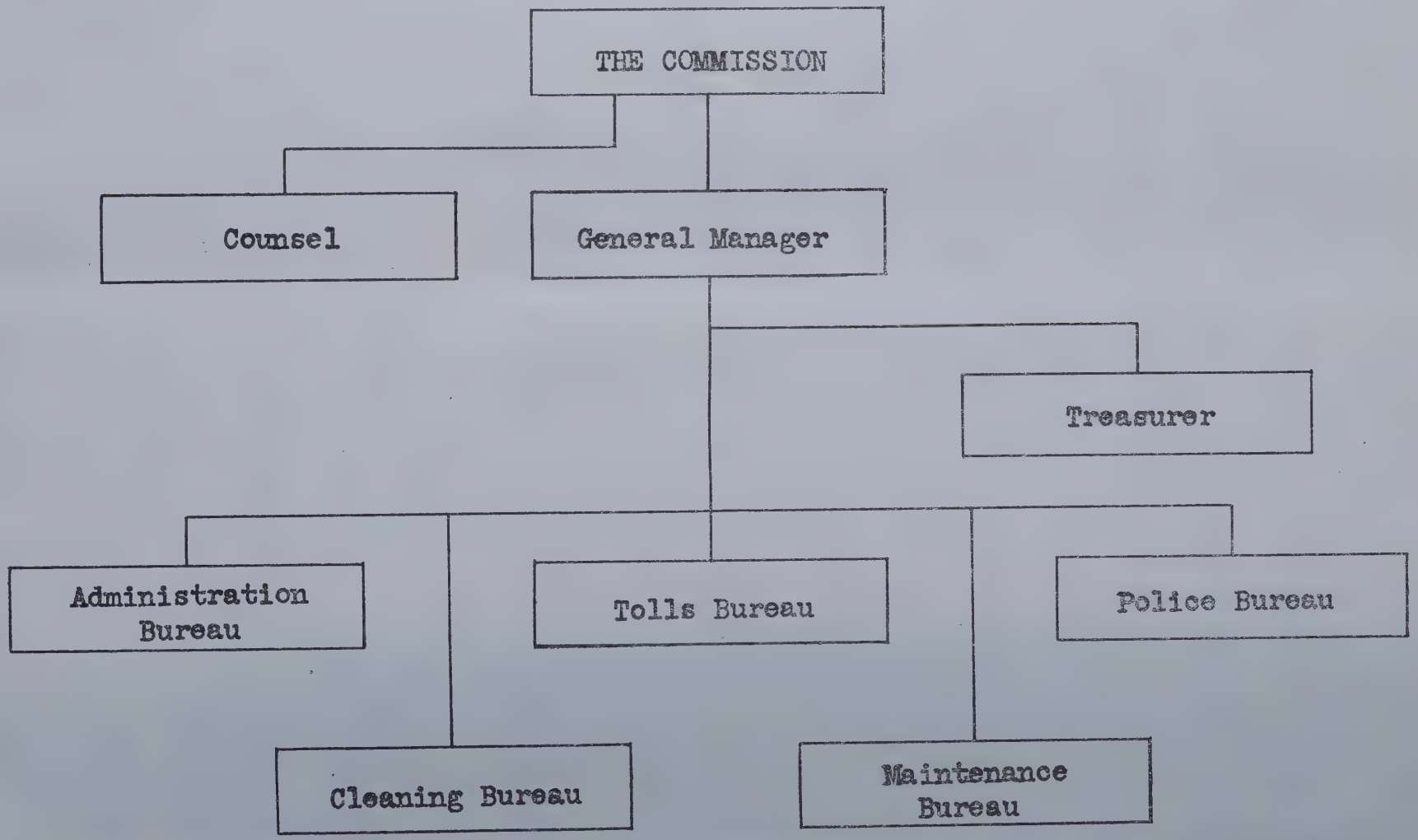
DELAWARE RIVER JOINT COMMISSION
EMPLOYES BY BUREAU, PERSONNEL TITLE AND ANNUAL SALARY
JUNE 1, 1940

Bureau and Personnel Title	Number of Employes	Annual Salaries
Administrative Bureau		
General Manager-Secretary	1	$15,000
Counsel ($7,500)	2	15,000
Treasurer	1	5,100
Chief Clerk	1	4,500
Accountant	1	3,800
Stenographers ($2,300)	2	4,600
Total	8	$48,000
Police Bureau		
Captain	1	$4,200
Lieutenant	1	3,200
Sergeants ($2,800)	3	8,400
Patrolmen: 1st year men ($2,000)	3	6,000
2nd year men ($2,100)	2	4,200
4th year men ($2,300)	2	4,600
5th year men ($2,400)	37	88,800
Total	49	$119,400
Toll Bureau		
Captain	1	$4,200
Chief Teller	1	3,200
Lieutenants ($2,800)	4	11,200
Toll Collectors: 1st year men ($2,000)	5	10,000
2nd year men ($2,100)	1	2,100
3rd year men ($2,200)	5	11,000
4th year men ($2,300)	2	4,600
5th year men ($2,400)	30	72,000
Total	49	$118,300
Maintenance Bureau		
Engineer	1	$4,200
Assistant Engineer	1	3,000
Foreman	1	3,800
Assistant Foreman	1	2,800
Chief Electrician	1	3,800
Electricians and Mechanics:		
4th year men ($2,300)	4	9,200
5th year men ($2,400)	21	50,400
Total	30	$77,200
Street Cleaning Bureau		
Foreman	1	$3,200
Assistant Foreman	1	2,400
Janitress	1	1,400

CHART XXXII-1

ORGANIZATION OF THE DELAWARE RIVER JOINT COMMISSION

OF PENNSYLVANIA AND NEW JERSEY



Bureau and Personnel Title		Number of Employes	Annual Salaries
Mechanics:	1st year men ($2,100) ..	1	2,100
	2d year men ($2,200) ..	1	2,200
	4th year men ($2,300) ..	1	2,300
	5th year men ($2,400) ..	3	7,200
Helpers:	1st, 2d, 3d year men ($1,565)	2	3,130
	4th year men ($1,665) ..	2	3,330
	5th year men ($1,765) ..	9	15,885
	5th year men ($1,922) ..	1	1,922
	Total	23	$45,067
	Grand Total	159	$407,967

E. FINANCES

The financial history of the Delaware River Bridge is summarized in the annual report of the Commission for 1939, from which the following is quoted:

"Briefly, the cost of the structure and land upon which it (the bridge) was built was $37,085,100.71. After the project went into operation, the Commission built the rail transit line between Philadelphia and Camden, a structure to house its maintenance forces and new toll buildings for a total charge against Commission funds of $8,421,772.80. The total cost of physical improvements was therefore $45,506,873.51. From the time of the original appropriations in 1919 by Pennsylvania, New Jersey and Philadelphia for the building of the bridge, interest was charged against all sums advanced to the Commission. This interest item was included in full in the reimbursements made to the States and the City in 1933 when the Commission sold its own bonds. Semi-annually since 1933, interest has been paid upon all outstanding bonds. In all, this interest amounted to $20,665,427.04 as of December 31, 1939, and is frequently overlooked when matters pertaining to the Delaware River Bridge operation are discussed.

"Total expenses of operation and maintenance to the end of 1939 were $6,311,477. All these costs must be added to determine the actual investment as of the close of the year. In brief, a total of $72,483,777.55 was expended for construction and operation of the Bridge during the period 1926 to 1939, inclusive. On the other hand, the Commission has been collecting tolls since July 1, 1926. The total collected to date is $40,914,776.82. Additional money was borrowed from the public through the issuance of bonds of $38,120,000. Of this amount, $1,066,000 has matured, making the present indebtedness $37,054,000. The Commission is, therefore, credited at the end of this year with receipts and unpaid borrowed money of $77,968,776.82, from which the total cost of $72,483,777.55 may be deducted, leaving an excess of $5,484,999.27 in the Commission's possession. This is represented by investments held in the Sinking and Surplus Funds amounting to $4,768,820.97, cash of $710,831.39 and prepaid insurance on the Bridge of $5,346.91."

The current financial picture of the Delaware River Joint Commission is given in the balance sheet and income statement for 1939 as presented in Table XXXII-C.

TABLE XXXII-C

DELAWARE RIVER JOINT COMMISSION BALANCE SHEET, DECEMBER 31, 1939

ASSETS			
Cash in Banks			
Operating Funds		$ 700,831.39	
Operating Funds on Deposit with Fiscal Agent for bond interest coupons (per contra)		5,078.75	$ 705,910.14
Operating Funds on Hand			
Toll Department			10,000.00
Sinking and Surplus Funds:	Sinking	Surplus	
Cash in Banks	$43,997.79	$	43,997.79
Investments (at par) in D.R.J.C. 1940's (cost) ..	75,000.00		75,000.00
U. S. Government obligations (Cost $4,782,178)	730,000.00	3,885,000.00	4,615,000.00
Interest accrued on investments	7,709.90	27,113.28	34,823.18
Prepaid Insurance Premiums			5,346.91
Investments in Physical Property:			
Bridge		33,207,410.82	
High-Speed Transit Project		10,985,383.53	
Maintenance Building and Toll House		269,515.61	44,462,309.96
			$49,952,387.98
LIABILITIES AND SURPLUS			
Bonded Debt			
4¼% Serial Bonds maturing 1935/73: Authorized ($41,000,000 less $2,880,000 cancelled)		38,120,000.00	
Redeemed through Sinking Fund ..		1,066,000.00	
Balance Outstanding			$37,054,000.00
Interest on Funded Debt			
Accrued—not due		524,931.67	
Coupons—not presented (per contra)		5,078.75	530,010.42
Other Liabilities			
Unpaid balance of land claim		800.00	
Payable to Commonwealth of Pennsylvania		9,137.38	9,937.38
Surplus			
Non-Operating		2,832,326.34	
Operating: Balance of surplus accumulated in operations from 7/1/31 to 12/31/39		9,526,113.84	
Total Surplus			12,358,440.18
			$49,952,387.98

1. Volume of Traffic

A measure of the volume of traffic using the Bridge is contained in Table XXXII-D, which shows the number of vehicles by types crossing the Bridge in 1939, and also from the opening of the Bridge to December 31, 1939:

TABLE XXXII-D

DELAWARE RIVER JOINT COMMISSION CLASSIFICATION OF VEHICLES CROSSING DELAWARE RIVER BRIDGE DURING 1939 AND FROM OPENING OF BRIDGE TO DECEMBER 31, 1939

Classification	1939 Number	1939 Percent of Total	From Opening to December 31, 1939 Number	From Opening to December 31, 1939 Percent of total
Automobiles and Light Trucks	12,021,179	89.85	129,497,788	87.14
Buses	917,042	6.85	15,168,352	10.20
Trucks, 2 to 5 tons	274,183	2.04	2,634,425	1.77
Trucks, 5 to 10 tons	95,227	0.71	707,812	0.47
Special Vehicles ..	47,720	0.35	210,092	0.14
Motorcycles	22,879	0.20	378,717	0.26
Horsedrawn, etc. ..	5	*	4,335	0.02
Total	13,378,235	100.00	148,601,521	100.00

* Less than one-half of one percent.

During 1939, the peak traffic months were July and August, when 1,452,952 and 1,425,646 vehicles crossed the Bridge, while the low volume months were January, February, and March, with 849,799, 822,749, and 972,969 crossings, respectively. More than 1,000,000 vehicles crossed the Bridge in nine out of the twelve months of 1939. A new all-time high for 24-hour traffic was made on Sunday, August 6, 1939, with the passage of 75,072 vehicles. Bridge officials report that with adequate approaches at both ends of the Bridge, it would be possible to accommodate as many as 100,000 vehicles in a 24-hour period.

2. Toll Rates

The rates of toll charged for bridge crossings are established by the Commission, and they must be set at such a figure that the revenues produced will be adequate to meet all operating and maintenance charges, interest on bonded indebtedness, and Sinking Fund requirements. The present schedule of tolls is shown in Table XXXII-E.

TABLE XXXII-E

DELAWARE RIVER JOINT COMMISSION
RATES CHARGED FOR DIFFERENT TYPES OF VEHICLES CROSSING DELAWARE RIVER BRIDGE

Type of Vehicle	Rate
Automobiles and Light Trucks:	
For single crossing	20¢
For commuter crossing	15¢
Buses	50¢-75¢
Motor Trucks:	
7,000 pounds gross weight (solid tires)	35¢
7,001 pounds to 18,000 pounds (pneumatic tires)	40¢
(solid tires)	50¢
18,000 to 26,000 pounds (pneumatic tires)	65¢
(solid tires)	75¢
26,001 to 28,000 pounds (pneumatic tires) (solid tire vehicles in excess of 26,000 pounds by special permit only)	90¢
28,001 to 36,000 pounds (pneumatic tires)	1.00
Horsedrawn vehicles (1 or 2 horses)	30¢
(3 or more horses)	40¢
Horse and rider	15¢
Motorcycle or Bicycle	10¢
One-wheel trailer	10¢

3. Receipts and Expenditures

During the calendar year 1939 the income of the Delaware River Bridge Commission amounted to $3,155,259.05. As an offset against this income, the Commission paid out $2,107,629.27 in operating and bond interest expenditures. Table XXXII-F presents a detailed statement of the Commission's financial operations for the calendar year 1939:

TABLE XXXII-F

DELAWARE RIVER JOINT COMMISSION
STATEMENT OF FINANCIAL OPERATIONS
FOR CALENDAR YEAR 1939

Item	Amount	
RECEIPTS		
Tolls and Rentals	$3,043,086.13	
High-Speed Line Fares	108,251.21	
Interest Received on Bank Balances	3,921.71	
GROSS OPERATING INCOME	$3,155,259.05	
EXPENSES (Operating)		
Salaries	$364,654.26	
Equipment	7,969.82	
Supplies	9,057.96	
Repairs	45,438.01	
Miscellaneous (including light and heat)	77,139.94	
Insurance (All Risk, Income and Groups)	22,286.74	526,546.73
		$2,628,712.32
Interest on Bonds Accrued (1-1 to 12-31-39)		1,581,082.54
NET OPERATING INCOME		$1,047,629.78
Non-Operating Net Income		
Sinking Fund — less net premium paid off	$ 7,593.76	20,229.44
Surplus Fund — less net premium paid off	44,976.56	57,279.71
NET INCOME		$1,125,138.93

With the favorable earning rate of the Bridge well established, it is the hope of the Commission that their present bonds, bearing an interest rate of 4¼% can be refinanced at a considerably lower coupon rate. The present bonds are callable at $105 on September 1, 1943. The Commission now has studies under way to determine at what interest rate the bonds can be refunded, giving due consideration to the necessity for paying a premium on the bonds called in, the cost of the refinancing operation, and whether or not the refunding issue would be exempt from Federal taxation.

FOOT NOTES

(1) 1931, P. L. 575, Article II, and Chapter 391, Laws of New Jersey, 1931
(2) 1931, P. L. 575, Article III
(3) 1931, P. L. 575, Article I
(4) 1931, P. L. 575, Article IV

SUPPLEMENT TO THE REPORT TO THE GENERAL ASSEMBLY ON THE ORGANIZATION AND ADMINISTRATION OF PENNSYLVANIA'S STATE GOVERNMENT

RECOMMENDATIONS

By The Joint State Government Commission of The General Assembly, Capitol Building, Harrisburg, Pa.

January, 1941

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939, P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

Chairman: Ellwood J. Turner, Speaker of the House
Vice-Chairman: Frederick T. Gelder, President Pro Tem of Senate*
Secretary: Robert E. Woodside, Jr., Representative
Treasurer: William E. Habbyshaw, Representative

Senate Members	House Members
Charles H. Ealy	Leo A. Achterman
Edward R. Frey	Herbert B. Cohen
James A. Geltz	Edwin C. Ewing
Frederick L. Homsher	Wilson D. Gillette

G. Mason Owlett
Harry Shapiro
George Woodward
Thomas Lyons
Charles W. Sweeney
John E. Van Alsburg
Edwin Winner

Director: A. Alfred Wasserman

COMMITTEE ON DEPARTMENTAL ORGANIZATION OF THE JOINT STATE GOVERNMENT COMMISSION

William E. Habbyshaw, Chairman

Edward R. Frey
G. Mason Owlett
George Woodward
Leo A. Achterman
Wilson D. Gillette
Thomas Lyons

* Resigned.

LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

Under the authority of the Act of July 1, 1937, P. L. 2460, as amended by the Act of June 26, 1939, P. L. 1084 (Act creating the Joint State Government Commission), we submit herewith the Supplement to the Report on the "Organization and Administration of Pennsylvania's State Government" containing recommendations.

ELLWOOD J. TURNER, Chairman
Joint State Government Commission.

January, 1941

FOREWORD

This Supplement to the Joint State Government Commission Report to the General Assembly on "The Organization and Administration of Pennsylvania's State Government" contains the recommendations approved by the Commission and its Committee on Departmental Organization.

The Recommendations are divided into three principal parts. PART I contains specific recommendations with respect to each department of the State Government. PART II is comprised of general or over-all recommendations concerning functions similar in nature as performed by several departments. PART III, or the Appendix, contains two special reports with recommendations relating to: (1) Auditing Practices in the State Government; and (2) The Commission's suggestions for a consolidation of present merit systems in the State civil service.

The Recommendations represent the considered judgment of the Commission and are based upon suggestions made at a series of more than fifty meetings with representatives from State departments, boards and commissions and also upon all other information in the Commission's possession.

The members of the Joint State Government Commission recognize that these Recommendations do not cover all problems of interest and importance in the State Government. However, it is the opinion of the Commission that they do constitute a forward step in the direction of the improved efficiency and economy in administration and it is hoped that they will serve as a basis for new or amendatory legislation to be introduced during the 1941 Session of the General Assembly or future legislative sessions.

A. ALFRED WASSERMAN, Director,
Joint State Government Commission.

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PART I

CHAPTER I

GOVERNOR'S OFFICE

The Joint State Government Commission makes no recommendations with respect to the Governor's Office at this time. Chapter I, page 6825 of the "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission contains a description of the organization and administration of the Governor's Office.

* The numbers designating each chapter correspond with the chapters appearing in the "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission.

CHAPTER II

GENERAL ASSEMBLY

Recommendations

1. The responsibility for the correction of typographical errors in Bills during passage through the legislature should be lodged with an agency or unit under the General Assembly.

Comment

Such an agency could check the bills for both branches of the General Assembly as they are introduced which would result in savings in printing costs through the correction of typographical errors before the Bills are reported to either the Senate or House for consideration. It would also save the time of the General Assembly in acting upon many amendments presented from the floor which are purely typographical in character. This work should be done by persons fully qualified in the art of proof reading and checking.

CHAPTER III

JUDICIARY

The Joint State Government Commission makes no recommendations with respect to the Judiciary at this time. Chapter III, page 6836 ofthe "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission contains a description of the organization and administration of the Judiciary.

CHAPTER IV

AUDITOR GENERAL

Recommendations

1. Payments should be made from the State Treasury on the basis of the Auditor General's warrant without the prior approval of the requisition by the State Treasurer.

Comment

The audit of requisitions by the State Treasurer is a duplication of the work already performed by the Auditor General thereby necessitating additional personnel, office equipment and records.

2. The scope of audits by the Auditor General should be defined by statute.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," pp. 7140 to 7147 of this Report.

3. The appointment of inheritance tax appraisers should be transferred from the Auditor General to the Secretary of Revenue.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

4. Mercantile tax appraisers should be eliminated and the levying of mercantile taxes by appraisers should be discontinued and the tax placed on a self-assessing basis as other taxes, with centralized collection by the Department of Revenue instead of having payments made to County Treasurers.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

5. The Auditor General should effect a reclassification of the employes in his department following the classification established by the Executive Board for State employes.

Comment

Employes of the State government performing similar duties should receive the same compensation. A similar recommendation was made by the Joint Legislative Committee on Finances* (Sterling Report) page 83. See also Recommendation No. 1, Department of Internal Affairs, below.

6. The Auditor General should be required by law to file a copy of his Report of the audit of each department, board, commission or other agency under the State Government with the Joint State Government Commission.

Comment

The Joint Legislative Committee on Finances recommended that a copy of the report of such audit should be filed with the Legislative Reference Bureau. See Sterling Report, page 82.

7. Further study should be made to determine the minimum number and kind of audits of State agencies required to safeguard the Commonwealth and to establish such minimum with adequate provision for enforcement.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

8. Study should be made of county audit requirements and methods of auditing to eliminate unnecessary audits and duplication.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

CHAPTER V

DEPARTMENT OF INTERNAL AFFAIRS

Recommendations

1. The Department of Internal Affairs should be removed from the Administrative Code and the Secretary accorded recognition as a constitutional officer. The State classification of employes, however, should apply.

Comment

See Recommendation No. 5, Auditor General, page 7128 of this Report and Recommendation No. 2, State Treasurer, page 7129 of this Report.

2. The budget appropriations of the Bureau of Topographic and Geologic Survey should be included in the General Budget of the Department.

Comment

At the present time the budget of the Bureau of Topographic and Geologic Survey is separate from the rest of the Department. By consolidating the Department Budget proper and that of the Bureau

* This report was made in 1933 by a Joint Legislative Committee appointed in 1929 and is known as the "Sterling Report".

of Topographic and Geologic Survey and the centering of accounting in one office, further economies could be effected.

3. Better facilities should be provided for the maintenance of land records.

Comment

The land records of the Department are reputedly in very poor condition. In addition, they are housed in inadequate, antiquated equipment. As these records are not replaceable and are of an inestimable value, provision should be made for repairing and reconditioning these records and for adequate housing equipment to properly protect them.

4. Methods should be adopted to provide for photographic reproduction for all valuable land records.

Comment

Many record offices now use devices by which it is possible to store in one small case films for photographic reproduction of all valuable records. These devices could be of tremendous value in this and other Departments of the State government.

5. The short weight law should be amended to give the inspectors power to compel any trucker to have his load weighed.

Comment

It appears that the inspectors in the Bureau of Weights and Measures, under existing law, have no power to compel a trucker to have his load weighed. At present an inspector can merely request a trucker to take his load to a scale for weighing purposes. If the trucker refuses to comply the inspector must follow the truck and make an information against him and have him taken into custody by an officer. By giving inspectors the right to compel a trucker to have his load weighed, it will be conducive to more effective enforcement of the law relating to short weights.

6. Duplication of reports and records from persons, corporations and companies submitted to this and other Departments should be eliminated. Reports should be adopted, if possible, which will contain similar data.

Comment

See General Recommendations No. 3, page 7139 of this Report.

7. The Division of Boroughs in the Department of Internal Affairs should be eliminated.

Comment

This Division appears to have no stated duties and there would seem to be no reason for its existence.

8. A Bureau of Local Government Finance should be established supplanting the Bureau of Municipal Affairs. The Division of Tax and Assessment Statistics and of Budgets and Reports in the Bureau of Statistics should be consolidated and placed under the Bureau of Local Government Finance.

Comment

The Division of Tax and Assessment Statistics was created many years ago to collect statistics on local government taxes and assessments. The Division of Budgets and Reports was recently established to handle the uniform budgets and financial reports required to be filed by local political units. The work of this latter division overlaps to a great extend the work of the former. The work performed by each appears to be quite similar in that they are working with local government units. If such consolidation were made, it should be possible to eliminate certain duplications of reporting now existing. See also General Recommendations No. 3, page 7139 of this Report.

The Department of Internal Affairs is charged with the duty of aiding on the development of uniform accounting by local governments. It may be that the future will see additional duties of this nature placed upon the Department. By establishing a Bureau of Local Government Finance, all the municipal finance duties of the Department could be consolidated in one bureau.

9. Those bureaus in the Department which are not already authorized to charge fees and which render services to any group of individuals should be authorized to charge fees for such services in accordance with a carefully prepared schedule.

Comment

See General Recommendations, No. 2, page 7139 of this Report. A similar recommendation was made by the Joint Legislative Committee on Finances, 1933, (Sterling Report) page 104.

CHAPTER VI

TREASURY DEPARTMENT

Recommendations

1. Payment should be made from the State Treasury on the basis of the Auditor General's warrant without the prior approval of the requisition by the State Treasurer.

Comment

See Recommendation No. 1, Department of Auditor General, page 7128 of this Report.

2. The State Treasurer should effect a reclassification of the employes in his Department following the classification established by the Executive Board for State employes.

Comment

A similar recommendation was made by the Joint Legislative Committee on Finances (Sterling Report) page 83. See also, Auditor General, Recommendation No. 5, page 7128 and Recommendation No. 1, Department of Internal Affairs, page 7128 of this Report.

3. The Fiscal Code should be amended to permit the deposit of all funds in one account with the identity of the funds being maintained and protected by accounting controls.

Comment

This recommendation will permit the lumping of all funds for deposit in one account with proper accounting controls to maintain and protect the integrity of the special funds. It will also enable the State Treasurer to secure more interest for the Commonwealth and will duplicate modern banking practice. In order to expend money from special funds specific authorization is required. Therefore, the funds would remain intact and be expended only as authorized.

CHAPTER VII

DEPARTMENT OF AGRICULTURE

Recommendations

1. Overlapping functions in the bureaus of the Department should be eliminated.

Comment

There are functions performed in the Bureau of Foods and Chemistry, Bureau of Plant Industry and Bureau of Animal Industry which overlap. The Bureau of Plant Industry tests and analyzes insecticides and fungicides prior to their being accepted for registration, yet the Bureau of Foods and Chemistry does the actual registering of the brands. Many of the duties performed by the various bureaus might be consolidated.

2. Experiments should be undertaken to determine the practicability of raising flax in Pennsylvania. An adequate appropriation should be provided for the purpose.

Comment

The Joint State Government Commission has made some preliminary studies and gathered considerable data on the raising of flax in Pennsylvania. Several meetings have been held with various persons interested in the subject and it appears there is a reasonable possibility of raising flax in Pennsylvania. This would provide another source of income for farmers and a new source of employment in a new industry.

3. Consideration should be given to the consolidation and coordination of food and sanitary inspection of restaurants.

Comment

The Department of Agriculture is charged with the enforcement of the food laws while the Department of Health is charged with the enforcement of the restuarant code. This results, in some degree, in a duplication of work which can be performed by a single inspection.

4. Consideration should be given to the advisability of establishing a central testing laboratory for the Department of Agriculture and other departments.

Comment

See General Recommendations No. 1, page 7139 of this Report.

5. Study should be made to determine methods which could be adopted to eliminate the abuses of the dog laws.

Comment

It appears that there have been some abuses of the dog-laws, particularly with respect to the payment of counties for killing stray, unlicensed dogs.

CHAPTER VIII

DEPARTMENT OF COMMERCE

The Joint State Government Commission makes no recommendation with respect to the Department of Commerce at this time. Chapter VIII, page 6887 of the "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission contains a description of the organization and administration of the Department of Commerce.

CHAPTER IX

DEPARTMENT OF FORESTS AND WATERS

Recommendations

1. Legislation should be enacted to make possible the acquisition, by commercial companies, of part or all of the 900 miles of telephone lines now owned, operated and maintained by the Department of Forests and Waters in connection with fire protection activities.

Comment

The maintenance of telephone lines has become an acute problem. Efficient operation of the lines by the Department of Forests and Waters is practically impossible, whereas improved service would be assured if the lines were owned and operated by established commercial companies.

2. The present fire protection laws should be amended to relieve the Department of Forests and Waters from primary responsibility and jurisdiction for the extinction of fires in the open, within the limits of boroughs, towns, cities and first class townships.

Comment

Most open fires within the limits of boroughs, towns, cities and first class township areas are grass or brush fires. Suppression of such fires involves tactics quite different from those used in fighting forest fires over wide areas and in most instances, prompt action on the part of local police or fire departments is all that is necessary. The Department of Forests and Waters should always stand ready to render cooperative assistance in emergencies.

In addition, the present responsibility imposes a financial burden on the Department of Forests and Waters which it should not be called upon to bear. With the proposed change in responsibility, as outlined, it is suggested that municapilities be authorized to collect expenses involved in fighting and extinguishing fires, from the person or persons responsible for such fires.

3. The present voluntary cooperative work of fire wardens, fish wardens and game wardens should be encouraged and extended through inter-departmental arrangements whereby the same man, when advisable, could officiate in any one or all three capacities concurrently. Inter-departmental arrangements between fire wardens, fish wardens and game wardens should include extension of powers and duties and sharing in personnel compensation and expense.

Comment

Under existing practices it would be necessary for one Department to deputize men on the payroll of the other two Departments in order to perform voluntary cooperative work of fire wardens, fish wardens and game wardens.

4. Study should be made to ascertain whether greater efficiency, economy and improved service to the public would result through the consolidation of the functions of this Department with those of the Fish Commission and Game Commission under a Department of Conservation.

Comment

A similar recommendation was made in the Report of the Joint Legislative Committee on Finances (Sterling Report) page 512. See also recommendation No. 3, Game Commission, page 7139 of this Report, and recommendation No. 3, Fish Commission page 7137 of this Report.

CHAPTER X

DEPARTMENT OF HEALTH

Recommendations

1. The employes of the Department of Health should be placed under civil service.

Comment

See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

2. The prosecution and enforcement activities connected with inspectional and investigational services of the Department in the matter of health laws on births and deaths, drug control, rural sanitation, restaurant hygiene, water and milk should be centralized in the Bureau of Health Law Enforcement in the interest of economy and greater over-all efficiency.

Comment

Formerly, the Bureau of Field Inspection was organized in 1927 in the Department of Health to enforce its rules and regulations. Inspectors in the various bureaus did inspection work only. If violations were found the Bureau concerned asked the violator to correct the conditions. If these orders were not complied with the Bureau then turned the report over to the Bureau of Field Inspection and Inspectors from this bureau would be assigned to handle such cases Under the law this was the only bureau which was authorized to enforce the rules and regulations of the Department and had the right to bring prosecutions. This unit has since been abolished. At the present time, due to the fact that there is no Bureau of Field Inspection, all bureaus doing inspectional work can only ask the violator to comply with their suggestions

3. Consideration should be given to the desirability of transferring the responsibility for sealing coal mines to arrest the generation of sulphuric acid and the resulting contamination of streams from the Department of Health to the Department of Mines.

4. Consideration should be given as to the desirability of transferring the responsibility for de-watering flooded coal mines, so as to make them workable and hence sources of employment, from the Department of Health to the Department of Mines.

Comment

It has been suggested that the engineering work involved in the functions of Recommendations 3 and 4 are more related to the special training and daily work of the staff of the Department of Mines than with the work of the sanitary engineers in the Department of Health.

5. Consideration should be given to the consolidation and coordination of food and sanitary inspection of restaurants.

Comment

See Recommendation No. 3, Department of Agriculture, page 7129 of this Report.

6. Consideration should be given to the advisability of establishing a central testing laboratory for the Department of Health and other Departments.

Comment

See General Recommendation No. 1, page 7139 of this Report.

7. The functions of the Department of Health and the Department of Labor and Industry in the matter of occupational disease control should be studied with a view toward integrating the research and enforcement activities of those two departments.

Comment

Until the Spring of 1939 Occupational Disease Control was a function of the Department of Labor and Industry. At that time through administrative agreement between the Secretary of Health and the Secretary of Labor the technical aspects of the work were transferred to the Department of Health. The police authority, however, remained with the Department of Labor and Industry so that their inspectors could investigate and learn of dangerous situations and report any hazards found in plants to the Department of Health. The Division of Industrial Hygiene in the Department of Health checks complaints, makes technical investigations and reports their findings for correction to the Bureau of Inspection of the Department of Labor and Industry. Also the Division of Industrial Hygiene in the Department of Health engages in research work through several well equipped laboratories financed by Federal funds.

CHAPTER XI

DEPARTMENT OF INSURANCE

Recommendations

1. A charge of $1.00 should be made to applicants who apply to take examinations for agent's or broker's license to cover the cost of holding such examinations.

Comment

In other departments of the State government, applicants for professional licenses, upon making application for examination pay a fee.

CHAPTER XII

DEPARTMENT OF JUSTICE

Recommendations

1. The Department of Justice should adopt methods to facilitate the collection of delinquent accounts owed to the State by counties for the maintenance of inmates in state mental institutions and plans should be formulated to make this possible.

Comment

There are counties indebted to the Commonwealth for the maintenance of inmates in state mental institutions.

2. Study should be made of the parole, probation and pardon system in Pennsylvania for the purpose of improving the system.

Comment

It is the opinion of many public spirited citizens as well as those interested in crime prevention that the present parole, probation and pardon system is outmoded and requires revision. Studies heretofore made might be brought up to date.

CHAPTER XIII

DEPARTMENT OF LABOR AND INDUSTRY

Recommendations

1. The Bureau of Unemployment Compensation should improve its system of payroll information so that it can be made more readily available, particularly to the Department of Public Assistance.

Comment

The Department of Public Assistance requires in-

formation on the employment and earnings of applicants for assistance. Much time and effort could be saved if the information on employment and payrolls is compiled in a form as to be readily available and useful to the Department of Public Assistance or any other agency finding it necessary to use the information. See Recommendation No. VII (A), "Report on Relief" by the Joint State Government Commission, January, 1941.

2. The Bureau of Rehabilitation and the State Employment Office should develop a cooperative arrangement to aid in obtaining employment for rehabilitated persons.

Comment

See Recommendation No. VII (A), "Report on Relief" by the Joint State Government Commission, January, 1941, page 6046.

3. Fees for all inspectional services should be sufficient to make each inspection division in the Department self-sustaining.

Comment

See General Recommendations No. 2, page 7139 of this Report.

4. The inspection of underground mining should be transferred to the Department of Mines.

Comment

See Recommendation No. 1, Department of Mines, page 7132 of this Report.

5. That part of the fire inspection and prevention service which involves the examination of plants and the enforcement of safety regulations in dyeing and cleaning establishments should be transferred from the Pennsylvania Motor Police to the Department of Labor and Industry. All other aspects of the fire inspection services now performed should remain with the Motor Police as heretofore.

Comment

See Recommendation No. 7, Pennsylvania Motor Police, page 7135 of this Report.

6. The merit system in the Bureau of Employment and Unemployment Compensation should be consolidated with the civil service systems in effect in other Departments of the State Government.

Comment

See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

7. The functions of the Department of Health and the Department of Labor and Industry in the matter of occupational disease control should be studied with a view toward integrating the research and enforcement activities of these two Departments.

Comment

See Recommendation No. 7, Department of Health, page 7131 of this Report.

CHAPTER XIV

DEPARTMENT OF MILITARY AFFAIRS

Recommendations

1. The custody and maintenance of all state airplanes should be transferred to the Department of Military Affairs from the Department of Revenue.

Comment

At present the custody of all airplanes owned by the Commonwealth is divided between the Department of Revenue and the Department of Military Affairs. The number of planes normally in the possession of the State government is not large and it would seem to be in the interest of economy that the care of these planes should be under one organization rather than under two. See Recommendation No. 4, Department of Revenue, page 7134 of this Report.

2. The Veterans' Compensation Division should be abolished when the work of the Bureau has been completed.

Comment

The Veterans' Compensation Division was charged with the work of distributing the Federal Soldiers' Bonus. Certain functions, such as recovering bonus payments made to illegal claimants, may shortly be concluded.

3. Study should be given to the advisability of moving the headquarters and the State Arsenal to Indiantown Gap in order to reduce the costs and improve the efficiency of the Department of Military Affairs.

Comment

It has been suggested that by transferring the present State Arsenal as well as the office of the Adjutant General to Indiantown Gap greater efficiency and economy could be secured. Preliminary study has been made by the Joint State Government Commission as to the expenditures necessary to construct adequate buildings at Indiantown Gap and the savings by the Commonwealth in rentals which it is now compelled to pay. Further study should be given to this problem.

4. Study should be given to the desirability of purchasing the nine Armories rented by the Department of Military Affairs.

Comment

It has been suggested that the rentals now being paid for the State Armories would be better expended if they were applied to the purchase of the buildings.

5. Study should be made as to the purposes and further use and availability of the State Military Cemetery.

Comment

The State Military Cemetery located at Boalsburg, Centre County, has never been utilized for the purpose for which it was established.

CHAPTER XV

DEPARTMENT OF MINES

Recommendations

1. The Department's function should be enlarged to cover all underground mining in the State in addition to coal mining.

Comment

The jurisdiction of the Department of Mines is limited to coal mining. Duties relating to other types of underground mining, such as limestone or iron

ore mining and to quarries are delegated to the Department of Labor and Industry, which, through its Mines and Quarries Division, inspects such mines and quarries and enforces the laws which apply to them. As the duties relating to underground mining are closely analagous to those of the Department of Mines with regard to coal mines, it is believed greater efficiency and economy could be realized by consolidating them. See Recommendation No. 4, Department of Labor and Industry, page 7132 of this Report.

2. The Anthracite and Bituminous Inspectors' Examining Boards should be transferred from the Department of Public Instruction to the Department of Mines.

Comment

The Department of Mines now performs nearly all the work of the Anthracite and Bituminous Inspectors' Examining Boards. The Secretary of Mines is Chairman of the Board and the Department of Mines does the major portion of the work involved in drafting examinations and grading papers. In addition, the Department of Mines keeps records of the results of examinations, certifications, appointments, etc. However, these Boards are officially under the Department of Public Instruction and the expenses of the Boards are paid from the appropriation to this Department. The Department of Public Instruction also keeps some records similar to those kept by the Department of Mines.

In view of the vital interest of the Department of Mines in the Anthracite and Bituminous Inspectors' Examining Boards and the fact that the Department performs the major portion of the work of these Boards, it is considered desirable to transfer these Boards to the Department of Mines. With such a change, the Department's regular employes could perform the necessary clerical work for the Boards and possibly eliminate considerable expenses. See Recommendation No. 2, Department of Public Instruction, page 7134 of this Report.

CHAPTER XVI

DEPARTMENT OF PROPERTY AND SUPPLIES

Recommendations

1. The Department of Property and Supplies should maintain a central inventory of all land and buildings owned by the Commonwealth and of all purchases and sales. Such inventory should cover:

(a) The number of acres owned by and under custody of each Department of the State authorized to hold or acquire land.
(b) The use for which such property was acquired or is being maintained.
(c) Its value when purchased or acquired, and its estimated value from year to year.
(d) The character of all construction, improvements and facilities.
(e) The first cost of such construction, facilities or plants and their estimated value from year to year.
(f) All additions to, or disposals of, State land through any of the State Departments or agencies.

Comment

While the Department of Property and Supplies maintains an inventory of all land purchased subsequent to 1929, it has no record of prior holdings. Titles to state lands are filed in the Department of Internal Affairs, but the acreage of holdings is generally known only to the Department through which the purchases were made. There is need for a division to maintain a centralized inventory of all state lands. The inventory recommended would be valuable for fire insurance purposes and for determining the value of the Commonwealth's holdings of real property.

2. A Board consisting of at least three elected State officers of the Commonwealth should be created and be vested with the function and power of acquiring and selling land under a uniform procedure.

Comment

There is no uniform land purchase law in the Commonwealth at the present time. The Department of Property and Supplies acts as general vendor for the Commonwealth under special authorization of the Legislature. An exception exists to this rule with respect to purchase and sale of land for their own purposes under the powers vested in the Department of Forests and Waters, in the Highway Department and in the Game Commission.

3. The membership of the Board of Public Grounds and Buildings should be increased to include representatives of each House of the Legislature. The members of the Board should be authorized to deputize a substitute.

Comment

At the present time the General Assembly is without any representative on the Board of Public Grounds and Buildings.

4. All state cars should be provided with readily distinguishable marks of identification to prevent personal use of State property, except in the case of the Pennsylvania Motor Police where, for police purposes, it is imperative that no identification be placed thereon.

5. Consideration should be given as to the advisability of establishing a central testing laboratory for the Department of Propery and Supplies and other Departments.

Comment

See General Recommendations, No. 1, page 7139 of this Report.

6. Whenever possible, and wherever the Federal standards equal, or are higher, they should be used in order to bring about uniformity in purchase specifications.

Comment

Since industry now operates on a mass production basis, and most of the articles and supplies used in the various governmental agencies are those which may be considered of a standard or uniform nature, it would seem to be economical and at the same time practical for the State department to supply each manufacturer entering bids or desiring to make a bid, with a set of already established Federal standards. The manufacturer would then bid on the basis of these standards without the need of following elaborate procedures set up for the establishment and adoption of standards and specifications by the Commonwealth. Where the Federal specifications will not fit the particular needs of an agency and where special articles are necessary, the Department should follow the practice of establishing and setting up its own standards.

CHAPTER XVII

DEPARTMENT OF PUBLIC ASSISTANCE

Recommendations

1. The merit system in the Department of Public As-

sistance should be consolidated with the civil service systems in effect in other Departments.

Comment

See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

2. The Joint State Government Commission in January, 1941, submitted a comprehensive report on the administration of Public Assistance and made a number of recommendations. See "Report on Relief" by the Joint State Government Commission to the General Assembly. The Recommendations appear on pages 6045 to 6047 thereof.

CHAPTER XVIII

DEPARTMENT OF PUBLIC INSTRUCTION

Recommendations

1. Provision should be made to establish a minimum annual salary of $1,000 for teachers of 4th Class School Districts.

Comment

See "First Report on the Tax and Financial Problems of the Commonwealth of Pennsylvania" by the Joint State Government Commission, January, 1941.

2. The Anthracite and Bituminous Inspectors' Examining Boards should be transferred from the Department of Public Instruction to the Department of Mines.

Comment

See Recommendation No. 2, Department of Mines. page 7133 of this Report.

3. A scientific system should be devised to apportion the funds now appropriated for aid to higher educational institutions.

Comment

The Joint Legislative Committee on Finances (Sterling Report) made a similar recommendation. On pages 339, 340 of that Report, the following language is contained:

".....there has been no attempt to allocate the amount of appropriation to be made to the several institutions upon a fair and equitable basis..... There has apparently been no careful or scientific attempt to determine how the amount available for appropriation for such purpose should be distributed among the institutions to be benefitted....."

See also "First Report on the Tax and Financial Problems of the Commonwealth of Pennsylvania" by the Joint State Government Commission, January, 1941.

4. A full and comprehensive study should be made of the entire subject of subsidies to distressed school districts and subsidy procedures now used for public education.

Comment

The question of subsidies to distressed school districts and the broad question of subsidy procedures now used for public education are discussed in the "First Report on the Tax and Financial Problems of the Commonwealth of Pennsylvania" by the Joint State Government Commission, January, 1941. See Recommendation XIII (1) thereof and pages 6462 to 6465, and 6493 to 6495.

5. Vocational education and training and retraining programs should be extended and related to the needs of the industries in the community in which such educational facilities are provided.

Comment

A similar proposal is contained in the "Report on Relief" by the Joint State Government Commission, January, 1941. See also: "First Report on the Tax and Financial Problems of the Commonwealth of Pennsylvania" by the Joint State Government Commission, January, 1941, pages 6493 to 6495.

CHAPTER XIX

DEPARTMENT OF REVENUE

Recommendations

1. The legislature should revise and codify the Mental Health Acts in order to clarify the collection provisions thereof.

Comment

It is believed that a revision and codification of the Mental Health Acts would simplify collections and add revenue to the Commonwealth.

2. The levying of mercantile taxes by appraisers should be discontinued and the tax placed on a self-assessing basis with centralized collection by the Department of Revenue instead of having payments made to County Treasurers.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

3. The advertising of mercantile license lists should be discontinued and notices should be entered in newspapers advising that the lists are on file at certain offices of the Department throughout the State.

Comment

The present detailed lists advertised in local newspapers appear to be of no real value. A notice that the lists are on file at the most available office of the Revenue Department (See Recommendation No. 2 above) would appear to be sufficient.

4. The custody and maintenance of all state airplanes should be transferred from the Department of Revenue to the Department of Military Affairs.

Comment

See Recommendation No. 1, Department of Military Affairs, page 7132 of this Report.

5. The number of investigators assigned to State institutions to investigate the financial ability of inmates should be increased.

Comment

See Recommendation No. 3, Department of Welfare, page 7136 of htis Report.

6. The appointment of inheritance tax appraisers should be transferred from the Auditor General to the Secretary of Revenue.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report. See also: Auditor General, Recommendation No. 3, page 7128 of this Report.

7. Consideration should be given to the desirability and the constitutional limitations of permitting reciprocal exchange of tax information with other states and the effect thereof.

CHAPTER XX

DEPARTMENT OF STATE

Recommendations

1. The Department of State should be relieved of its duty to register firearms and the duty placed on the Pennsylvania Motor Police.

Comment

See Recommendation No. 2, Pennsylvania Motor Police, page 7135 of this Report.

2. An appropriation should be made for the re-recordation of important books of record, many of which are in need of repair.

3. Adequate space and equipment should be provided for the Corporation Bureau and the offices of the State Employes' Retirement System.

CHAPTER XXI

PENNSYLVANIA MOTOR POLICE

Recommendations

1. The name "Pennsylvania State Police" should be adopted in place of the present name "Pennsylvania Motor Police."

Comment

At the present time the name "Pennsylvania Motor Police" only partly describes the organization's functions. The broader term of "Pennsylvania State Police" is, therefore, considered desirable.

2. The Department of State should be relieved of its duty to register firearms and that duty transferred to the Pennsylvania Motor Police.

Comment

The law now places the responsibility for issuing pistol permits with the Secretary of the Commonwealth, but, under agreement, issuances are actually being handled by the Motor Police. See Recommendation No. 1, Department of State, page 7135 of this Report.

3. The present Uniform Firearms Act should be amended to conform, to the extent considered desirable, with the Uniform Pistol Act as prepared by the Interstate Commission on Crime.

Comment

In Formal Opinion No. 322, issued by the Attorney General on February 27, 1940 to the Commissioner of the Pennsylvania Motor Police, the Attorney General ruled that the present Act permits the licensee to carry any firearm—that the license covers the person and not the firearm. Under this ruling it is not now necessary to register a firearm showing make, manufacturer's number. calibre. etc. Since indentification of firearms used in perpetration of crimes, through tracing of ownership, is an essential step in crime solution, inability to trace ownership, because of non-registration, defeats the prime purpose of the Firearms Act.

4. The present accounting practice of charging the cost of board and lodging in barracks, quarters and meal allowances, to the general classification "traveling expenses" should be discontinued in favor of showing the costs separately for the purpose of better accounting control and cost determination.

Comment

The expenditures for cost of board and lodging in barracks and quarters and meal allowances and travelling expenses are, it seems, unrelated and the greater item should not be charged to the lesser classification. The total "traveling expenses," as now computed, average $65,000 monthly and are large enough to justify their being accounted for separately.

5. The merit system should be adopted for the Pennsylvania Motor Police.

Comment

Although the system now in operation for the employment of personnel in the Pennsylvania Motor Police may be regarded as a form of civil service, it does not have the effect of law. See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

6. The powers of the Motor Police under the so-called "Lock-up Law," as well as the procedure for prosecuting cases before the minor judiciary, should be more clearly defined by means of amendments to existing laws incorporating specific limitations.

Comment

The powers and limitations of the Motor Police and the so-called "Lock-up Law" are vague and the procedure in prosecuting cases before Justices of the Peace are not well defined.

7. That part of the fire inspection and prevention service which involves the examination of plants for the enforcement of safety regulations in dyeing and cleaning establishments should be transferred to the Department of Labor and Industry. All other aspects of the fire inspection services now performed should remain with the Motor Police as heretofore.

Comment

A similar recommendation was made by the Joint Legislative Committee on Finance (Sterling Report) pages 430, 433. See also Recommendation No. 5, Department of Labor and Industry, page 7132 of this Report.

8. The Uniform Acts on the following subjects:

(a) Narcotic Drugs;
(b) Extradition;
(c) Rendition of Witnesses Across State Lines in Criminal Proceedings;
(d) Intra-State Fresh Pursuit of Criminals

should be studied with a view of either adopting the said Acts or to bring Pennsylvania Acts on the subjects, wherever possible, into conformity with the Uniform Acts.

9. Full study should be given to the desirability of the Commonwealth owning and operating its own barracks and buildings to house sub-stations.

Comment

The Commonwealth now owns barracks in Philadelphia and Harrisburg. It rents the grounds of the Training School at Hershey. All other troop barracks are now rented at sums ranging from $225.00 to $275.00 per month, and at a total annual rental of $47,000. The erection of a number of small buildings to house substations in strategic locations throughout the State in a manner in keeping with the dignity of the Commonwealth, would dramatize the police power and generate a wholesome inhibition in the minds of criminals.

As a matter of public convenience, as well as Departmental efficiency, these additional and better centers could serve for examining applicants for drivers' licenses.

CHAPTER XXII

DEPARTMENT OF WELFARE

Recommendations

1. The operation and ownership of the ten state owned medical and surgical hospitals should be transferred to private ownership and operation whenever satisfactory arrangements can be made for the protection of the health of the community.

Comment

The 1939-41 appropriation to these hospitals was $2,951,112 or 6.9% of the Department of Welfare budget of $42,888,662. These hospitals were originally privately owned and were acquired by the State during the period 1871-1923.

2. The practice of paying salesmen in the Prison Labor Industries Division of the Department of Welfare on a salary plus commission basis be discontinued and that these salesmen be paid on a straight commission basis wherever possible.

Comment

At the present time the four salesmen in the Prison Labor Industries Division of the Department of Welfare are paid on a salary plus commission basis, the salary being $1,860 annually. The Report on the Department of Welfare, Chapter XXII, indicates that there is no direct relationship between the amount of sales made by these salesmen and their commissions. For example, salesman No. 1 sold products amounting to $179,239 during the fiscal year 1938-39 for which he received $2,219.31 in commissions. However, salesman No. 3 returned $216,334 in sales and his commissions totaled $1,943.40. In other words, salesman No. 3 sold almost 21% more than salesman No. 1, yet his commissions were 14% less. In addition, each salesman receives traveling expenses. During the above period traveling expenses ranged from $34.75 to $1,680.75 for the four salesmen.

3. The number of investigators assigned to institutions to investigate financial ability of inmates or their relatives should be increased.

Comment

At one of the State mental hospitals it was found that the Department of Revenue had one investigator who was responsible for a check on approximately 1,500 inmates, covering four counties. At best, due to the volume of work entailed, it was impossible for him to investigate other than current cases. No recheck on old cases was maintained and in some instances re-investigations had not been made for a period of six years or more. As a result, it was found that the State Government was losing considerable sums from responsible relatives of inmates whose family status changed considerably during the above period of years. See Recommendation No. 5, Department of Revenue, page 7134 of this Report.

4. The employes of the Department of Welfare should be placed under civil service.

Comment

See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

5. The bed capacity in the State's Mental Hospitals should be increased.

Comment

It is estimated that the nine State Mental Hospitals are overcrowded to 25 per cent beyond capacity. For example, on July 31, 1940 the comfortable capacity of the above hospitals aggregated 17,613 although the number of inmates totaled 22,047.

CHAPTER XXIII

DEPARTMENT OF BANKING

The Joint State Government Commission makes no recommendations with respect to the Department of Banking at this time. Chapter XXIII of the "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission contains a description of the organization and administration of the Department of Banking.

CHAPTER XXIV

DEPARTMENT OF HIGHWAYS

Recommendations

1. Maintenance of township roads should continue as the responsibility of the township supervisors with State financial assistance as provided by Act 9-A and 10-A of 1939.

Comment

It has been frequently expressed that local political units could handle maintenance on purely local roads, with state financial assistance, at considerably less cost than if the Department of Highways assumed the responsibility.

2. Consideration should be given to the advisability of establishing a central testing laboratory for the Department of Highways and other departments.

Comment

See Recommendation No. 5, Department of Property and Supplies, page 7133 of this Report and Recommendation No. 1, General Recommendations, page 7139 of this Report.

3. Duplication of reports and records by the Township Supervisors to the Highway Department and other State Departments should be eliminated and reports should be adopted, if possible, which will contain similar data.

Comment

At the present time the Township Supervisors are required to file reports of their budgets with the State Highway Department and the Department of Internal Affairs. At the end of the year they are compelled to file reports with the State Highway Department and the Board of Auditors are required to file similar reports with the Department of Internal Affairs. See Recommendation No. 6, Department of Internal Affairs, page 7129 and General Recommendations No. 3, page 7139 of this Report.

4. Further study should be made to ascertain whether any additional roads should be added to the highway system before provision has been made to properly finance the cost of constructing and maintaining the present highway system.

Comment

Through additions to the State Highway System, the mileage has grown from 13,251 miles in May, 1931, to 40,522 miles at present. Approximately 8,000 miles are still unimproved, and some of the primary routes which were paved earlier are now in need of reconstruction. When additional miles are added to the system without provision for increasing the revenues available to the Department, a greater portion of the revenues must be devoted to maintenance work, thus reducing the funds available for new construction or reconstruction

CHAPTER XXV

BOARD OF FISH COMMISSIONERS

Recommendations

1. The present voluntary cooperative work of fire wardens, fish wardens and game wardens should be encouraged and extended through inter-departmental arrangements whereby the same man, when advisable, could officiate in any one or all three capacities concurrently. Interdepartmental arrangements between fire wardens, fish wardens and game wardens should include extension of powers and duties and sharing in personnel compensation and expense.

Comment

Under existing practices it would be necessary for one department to deputize men on the payroll of the other two departments in order to perform voluntary cooperative work of fire wardens, fish wardens and game wardens. See Recommendation No. 3, Department of Forests and Waters, page 7130 and Recommendation No. 1, Game Commission, page 7137 of this Report.

2. The Fish Fund should be required to bear the expense now borne by the General Fund for the following items:

(a) Auditing costs, as determined by the Auditor General's Department, upon completion of the work.

(b) Costs of check writing, etc., incurred by the State Treasurer.

(c) Heat, light, power and rent, as determined by the Department of Property and Supplies.

Comment

A similar recommendation was made by the Joint Legislative Committee on Finances (Sterling Report) page 511.

3. Study should be made to ascertain whether greater efficiency, economy and improved service to the public would result through the consolidation of the functions of the Fish Commission with those of the Game Commission and the Department of Forests and Waters under a Department of Conservation.

Comment

A similar recommendation was made by the Joint Legislative Committee on Finances (Sterling Report) pages 511, 512. See also Recommendation No. 4, Department of Forests and Waters, page 7130 and Recommendation No. 3, Game Commission, below.

CHAPTER XXVI

PENNSYLVANIA GAME COMMISSION

Recommendations

1. The present voluntary cooperative work of fire wardens, fish wardens and game wardens should be encouraged and extended through interdepartmental arrangements whereby the same man, when advisable, could officiate in any one or all three capacities concurrently. Interdepartmental arrangements between fire wardens. fish wardens and game wardens should include extension of powers and duties and sharing in personnel compensation and expense.

Comment

Under existing practices it would be necessary for one department to deputize men on the payroll of the other two departments in order to perform voluntary cooperative work of fire wardens, fish wardens and game wardens. See also Recommendation No. 3, Department of Forests and Waters, page 7130 and Recommendation No. 1, Fish Commission, page 7137 of this Report.

2. The Game Fund should be required to bear the expense now borne by the General Fund for the following items:

(a) Auditing costs, as determined by the Auditor General's Department, upon completion of the work.

(b) Cost of check writing, etc. incurred by the State Treasurer.

(c) Heat, light, power and rent, as determined by the Department of Property and Supplies.

Comment

See Recommendation No. 2, Fish Commission, page 7137 of this Report.

3. Study should be made to ascertain whether greater efficiency, economy and improved service to the public would result through the consolidation of the functions of the Game Commission with those of the Fish Commission and the Department of Forests and Waters under a Department of Conservation.

Comment

See Recommendation No. 4, Department of Forests and Waters, page 7130 and Recommendation No. 3, Fish Commission, page 7137 of this Report.

CHAPTER XXVII

MILK CONTROL COMMISSION

Recommendations

1. The organization of the Milk Control Commission, its administration and the effect of price fixing in Pennsylvania and other states where milk control laws are in operation should be studied further before any changes are recommended.

Comment

The "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission contains in Chapter XXVII a description of the operations and expenditures of the Milk Control Commission.

2. The effect of the recent opinion by the Pennsylvania Supreme Court on consignment contracts should be considered by the legislature.

Comment

Under a consignment contract, a dealer may avoid compliance with the Milk Control Act by simply refraining from "purchasing milk". He becomes the agent or factor of the producer, handles the producer's milk and remits to the producer whatever the value of the milk proves to be. This type of contract was upheld in the Dauphin County Court of Common Pleas. Upon the basis of a strong dissenting opinion in the case the Milk Control Commission appealed the decision to the Supreme Court of Pennsylvania, which, in a divided opinion, upheld the decision of the Dauphin County Court (GREEN et al v. PENNSYLVANIA MILK CONTROL COMMISSION, 340 Pa. 1). The Commission has now filed a petition for a writ of certiorari to the United States Supreme Court.

CHAPTER XXVIII

PUBLIC UTILITY COMMISSION

Recommendations

1. Legislation should be enacted to authorize Examiners, on cases heard by them, to make Reports and Recommendations to the Commission.

Comment

In the case of JOHN BENKART and SONS CO. et al v. PENNSYLVANIA PUBLIC UTILITY COMMISSION, 137 Pa. Super. Ct. 5, the Court held that Examiners were not permitted to make recommendations. Although the Examiners hear the cases and examine witnesses, they have no authority to make recommendations. The Examiners when hearing cases can determine more accurately the veracity and credibility of witnesses. In other Boards and Commissions, Examiners who hear cases are permitted to make recommendations.

2. Legislation should be enacted to provide for uniform filing fees.

CHAPTER XXIX

LIQUOR CONTROL BOARD

Recommendations

1. The Liquor Control Act should be amended to clearly define the auditing function of the Auditor General and to eliminate duplication of the Auditor General's audits by employes of the Liquor Control Board.

Comment

See Appendix A, "A Study of Auditing Practices in the State Government, Commonwealth of Pennsylvania," page 7141 of this Report.

Comment

2. The merit system in the Liquor Control Board should be consolidated with the civil service system in effect in other Departments.

Comment

See Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

CHAPTER XXX

THE GENERAL STATE AUTHORITY

Recommendations

1. The General State Authority Act of June 28, 1935, P. L. 452, as amended by the Acts of May 18, 1937, P. L. 676 and June 15, 1939, P. L. 379, should be further amended to provide that no new project may be undertaken without authorization of the General Assembly.

Comment

Under the present law, the General State Authority undertook a $65,000,000 building program. The rentals to amortize the bonds issued to pay the cost of the program are paid by the Commonwealth of Pennsylvania upon the signing of a lease by the Secretary of Property and Supplies. Therefore, through these rentals the General State Authority obligates the Commonwealth without the General Assembly approving the projects.

2. The General State Authority Act should be further amended to provide that the incumbents of the Board of the General State Authority continue in office until their successors are chosen and qualify.

CHAPTER XXXI

THE PENNSYLVANIA TURNPIKE COMMISSION

Recommendations

1. The exact status of the Turnpike as a public highway and as a link in the State's system of highways should be specifically defined.

Comment

The present law fails to set forth the exact status of the Turnpike as a public highway and as a link in the State's system of highways as well as the ultimate status after the obligations of the Turnpike Commission have been paid.

2. Legislation should be enacted to permit the Turnpike Commission to adopt its own traffic regulations and police the Turnpike, or any extension thereof.

Comment

The system and method required for policing the Turnpike differs from that necessary on other State highways. The experience which will be developed on the Turnpike will, therefore, be considerably different than on the other state highways. The Turnpike Commission should be given full power and authority to develop its own police and accident record and adopt such regulations and policing as their experience will dictate.

3. Study should be made to determine the procedure to be adopted ultimately for the purpose of auditing the financial affairs of the Turnpike Commission.

Comment

The Turnpike Commission at the present time is audited monthly by a firm of independent certified public accountants selected by the Commission and is also audited by independent certified public accountants selected by the Trustee for the Bondholders, but is not audited by any State agency. It is advisable, therefore, that the matter be studied

with a view of determining whether any auditing should be made now by any State agency or should be delayed until the bonds have been paid.

CHAPTER XXXII

DELAWARE RIVER JOINT COMMISSION

Recommendations

1. A study should be instituted to determine the need for approaches to the Delaware River Bridge and the factors involved in financing the cost of constructing the approaches.

Comment

See Chapter XXXII of the "Report on the Organization and Administration of Pennsylvania's State Government" by the Joint State Government Commission which contains a description of the organization and administration of the Delaware River Joint Commission.

PART II

GENERAL RECOMMENDATIONS

1. Consideration should be given to the feasibility of establishing a central testing laboratory to make all of the tests of the several departments and agencies of the State Government.

Comment

At the present time the Department of Agriculture maintains laboratories for experiments on livestock work. The Bureau of Foods and Chemistry in that department has a Laboratory Division for testing food and chemical products and specimens. In addition it occasionally makes use of private laboratories. The Bureau of Plant Industry has a laboratory for testing and classing of seeds.

The Department of Health has a Division of Laboratories for the purpose of aiding physicians in scientific diagnoses of cases where the patients are unable to have such work done by a private laboratory or where a laboratory is not available. The central laboratory of the Department is located in Philadelphia and branch laboratories are located at each of the three state sanitoria and the Hospital for Crippled Children at Elizabethtown. In addition there are other laboratories in the various bureaus of that Department.

In the Department of Property and Supplies there is a Division of Laboratory Tests and Inspection Service to which is assigned the duty of testing materials purchased by the Department.

The Department of Highways also has a laboratory for the testing of highway materials and products.

Suggestion has been made that by consolidating all of the laboratories in the State under a central laboratory with specialized divisions there could be greater economy and efficiency. The advocates of this proposal suggest there could be established a central laboratory in Harrisburg with branch laboratories in Philadelphia and Pittsburgh to handle the testing and analyses which could not be sent to Harrisburg. It has also been suggested that the overlapping of the work in the several departments mentioned above would thus be eliminated; that there would be more efficiency and higher technical standards and that other departments of the State Government, at present without any laboratory facilities, which might occasionally require the services of such centralized laboratory, would be encouraged to make use thereof.

The Joint State Government Commission has made some preliminary study as to the advisability of establishing a central laboratory.

2. Consideration should be given to the possibility of making all inspectional, investigational or examining services self-sustaining where the benefits of such services are clearly direct and where such charges or fees would not react against the public welfare.

Comment

For many of the State inspection services, charges already are made which produce considerable revenue. For instance, the various Divisions (Boiler, Elevator, Bedding and Upholstery, Buildings, etc.) of the Bureau of Inspection of the Department of Labor and Industry are either partly or wholly self-sustaining, as the result of permit and inspection fees. Other agencies likewise charge for inspection and examination services.

There remain, however, State agencies which conduct chemical analyses, inspection and examinations, and make no or insufficient charge therefor. The Department of Health, for example, makes initial examinations, prior to granting permits, and subsequent periodic inspections of public water supplies. In addition the Department conducts investigations of water sources prior to issuance of bottled water permits. Charges might be made for both these services.

The Department of Internal Affairs might charge appropriate fees for the testing and examining of weighing and measuring devices.

It is suggested, therefore, that a thorough study be made of all inspection, testing and examination services with a view toward making them self-sustaining.

3. A comprehensive survey should be made of reports and returns required to be made to State agencies with a view toward:

(1) Coordinating such reports wherever possible;
(2) Eliminating duplications;
(3) Compiling standard classified address lists of respondents which would be available to all report-collecting agencies;
(4) Examining and revising, where necessary, all report forms and schedules from the standpoint of providing cogent and complete statistical data.

Comment

The work of State agencies requires many types of information from the persons or organizations with whom it deals. Many of the reports and returns made by private individuals, business concerns, and other respondents are administrative in character: that is, they are used by the collecting agencies to administer some law or regulation affecting the respondent.

The United States Central Statistical Board places these under three general headings:

(1) Those connected with some service or benefit to the respondent, many being in the nature of applications; (2) those essential for the regulation of individual respondents in the public interest; (3) those incidental to the collection of taxes from respondents.*

Thus, the tax laws administered by the Department of Revenue require certain tax returns and reports from individuals, corporations, tax collectors and others. The Public Utility Commission for its regulatory purposes requires annual statements from public service companies. The Departments of Banking and Insurance receive and audit annual statements

* Central Statistical Board: Report....on the Returns made by the Public to the Federal Government, 1939.

from the business concerns under their respective jurisdictions.

Employers subject to the Unemployment Compensation Act are obliged to file quarterly payroll reports with the Bureau of Employment and Unemployment Compensation.

Other reports obtained by the State Government may be labelled "non-administrative." The information contained in these reports is collected primarily for policy-making or general statistical purposes. The Bureau of Statistics of the Department of Internal Affairs collects reports from manufacturing and mining establishments and public utilities for the compilation of its productive industries and utilities statistics. In addition, in relation to local finance, it collects tax and assesment reports from all tax collectors; and all local government units are required to file detailed financial reports with this Bureau. The Department of Labor and Industry receives reports from industrial establishments on employment and payrolls.

4. A consolidated civil service agency is recommended for those departments or agencies now under civil service, namely, the Bureau of Employment and Unemployment Compensation of the Department of Labor and Industry, Department of Public Assistance and Liquor Control Board. It has been recommended in the prior Chapters that the civil service system be extended to the following Departments or agencies of the State Government: Department of Welfare; Department of Health and Pennsylvania Motor Police.

The provisions which should be included in a measure to put the above recommendations into effect are listed in detail, with the reasons therefor, in Appendix B, "Consolidation of Present Merit Systems in the State Civil Service Under One Administrative Agency," page 7147 of this Report.

PART III

APPENDIX A

A STUDY OF AUDITING PRACTICES IN THE STATE GOVERNMENT COMMONWEALTH OF PENNSYLVANIA

PART III

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PART III

A STUDY OF AUDITING PRACTICES IN THE STATE GOVERNMENT

I. SUMMARY OF FINDINGS AND RECOMMENDATIONS

In the brief time allowed for this study, little more can be done than to show a very broad picture of State auditing practices with merely sufficient detail to highlight the weak spots and indicate where improvements can be made to safeguard the interests of the Commonwealth. There is little doubt that a further survey would reveal other weaknesses and duplications. However, on the basis of this study, the following conclusions are reached:

1. The Liquor Control Board duplicates the work of the Auditor General in its audit of State Liquor Stores, contrary to the intent of the Liquor Control Act.
2. The State Treasurer duplicates the work of the Auditor General in its audit of requisitions, but does this within a reasonable interpretation of the Fiscal Code.
3. The Department of Revenue duplicates the audit of mayors, aldermen, etc., made by the Auditor General, but such duplication is probably within its rights under the Fiscal Code.
4. The Department of Public Assistance performs duties placed by the Fiscal Code upon the Auditor General and to a limited degree work done by the latter.
5. The Auditor General by his appointment of mercantile and inheritance tax appraisers and by his general involvement in the fiscal affairs of the Government cannot make an independent audit of value to the Commonwealth since he is practically sitting in judgment of his own acts.

It is therefore recommended that the Fiscal Code be amended:

1. To clearly define the auditing function of the Auditor General.
2. To require payment by the Treasurer on the warrant of the Auditor General.
3. To eliminate duplication or performance by any administrative agency of any work or duty placed upon the Auditor General by the Fiscal Code.
4. To assess, settle and collect mercantile taxes on a self-assessing basis as other taxes with centralized collection by the Department of Revenue instead of having payments made to County Treasurers.
5. To provide for appointment of inheritance tax appraisers by the Secretary of Revenue.

It is further recommended that the Liquor Control Act be amended:

1. To clearly define the auditing function of the Auditor General.
2. To eliminate duplication of the Auditor General's audits by employes of the Liquor Control Board.

It is also recommended that:

1. A careful and comprehensive study be made of the audit situation with the idea of restoring an independent audit without the shortcomings of the old system.

The organization outlined from time to time as the result of nation-wide surveys by experts in Government provide for a comptroller and treasurer appointed by the Governor, and an independent auditor. This program, to be effective, it is contended by some, should be adopted in its entirety. Until such time that any change seems desirable, the Auditor General should continue as an elected officer, independent of the Governor, as his audit affords some safeguard to the interests of the Commonwealth.

II. PURPOSE OF THE STUDY

The purpose of this study is to determine whether

1. The audit of the Auditor General is duplicated by any executive branch of the Government.
2. Any executive branch of the Government performs any duty placed upon the Auditor General by the Fiscal Code.
3. The auditing function as carried out by the Auditor General is adequate to the protection of the Commonwealth.
4. Improvements or additional audit safeguards seem necessary.

III. SCOPE OF THE STUDY

Due to the very short time available, it was necessary to limit this study to a review and comparison of the duties placed upon the Auditor General and the Department of Revenue by the Fiscal Code; the examination of the testimony of the various executive officers before the Joint State Government Commission; and more or less confidential information developed in conversations with various supervising auditors of the Auditor General's Department.

IV. FISCAL STRUCTURE PRIOR TO FISCAL CODE

Before setting forth in detail the powers and duties of the Auditor General, it might be well to examine briefly the situation before the passage of the Fiscal Code in 1929. In that period, the Auditor General settled and collected all taxes, appointed mercantile and inheritance tax appraisers, examined all requisitions for payment from the State Treasury and if approved by himself and the State Treasurer drew warrants authorizing such payment. In this he acted as a controller rather than an auditor. As a matter of fact, the only purely audit function performed was in the determination of taxes.

The audit of governmental departments, boards and commissions was done by commercial auditing firms. The various agencies requested an audit through the Governor's Budget Office, who assigned the job to the auditor. The report was made to the head of the agency audited with copies to the Governor, Auditor General, etc.

When it was determined to reorganize the fiscal activities of the Commonwealth considerable antagonism was aroused against the removal of so many important functions from the province of the Auditor General. The outcome was a compromise in which the ideal was sacrified to the practical. Thus, the appointment of the mercantile and inheritance tax appraisers was retained while their supervision of the latter was placed in the Department of Revenue to whom they both report. Approval of all tax settlements was also placed upon the Auditor General.

To further compensate the Auditor General for the powers transferred and to reduce the cost, auditing was taken from the outside firms and placed in the Auditor General's Bureau of Audits. This followed, in a general way, the Budgets and Accounts Act, passed by Congress in 1921, in that both audit and control functions were combined under one head. It seems inevitable that, with functions not exactly defined and settled on a compromise basis, a certain amount of overlapping and uncertainty as to duties should follow. A discussion of these matters will be developed at a more appropriate point of the study.

A. "Account" and "Control" Defined

It is desirable at this point to define two words which occur frequently in the course of the discussion, "audit" and "control". The President's Committee on Administrative Management in a report dated January 8, 1937, set forth the following definitions:

> "An audit, as understood in business practice and in other governments, is an investigation and report upon the fidelity and legality of fiscal transactions. It is ordinarily made by an independent officer, to a body having authority to hold the spending officers accountable."
>
> "Control . . . is the power to pass on expenditures and prevent their being made."

V. DUTIES OF THE AUDITOR GENERAL

The constitutional duties of the Auditor General, a constitutional officer,[1] relate to the approval of certain types of contracts.[2] All other duties are imposed by the Fiscal Code and other acts of legislature. Those duties may be classed broadly into three different types of auditing:

1. The accounts of those owing money to or collecting money for the Commonwealth.
2. The disbursement of funds appropriated to the various governmental agencies.
3. The accounts or records of those, other than governmental agencies, receiving appropriations payable out of the State Treasury or entitled to receive any portion of any State tax for any purpose whatsoever.

A. Audit of Debtors to the Commonwealth

Under the powers and duties of the Auditor General relating to debtors of the Commonwealth, the Fiscal Code[3] lists the following:

1. To audit all accounts for taxes, or other money due to the Commonwealth, which have been settled by the Department of Revenue.
2. To audit the accounts of city and county officers, in so far as may be necessary to determine whether such officers have reported and transmitted all moneys payable by them to the Commonwealth.
3. To audit the accounts of magistrates, aldermen, justices of the peace, burgesses, mayors, and court clerks, for the purpose of ascertaining whether all fines and penalties collected by them and payable to the Commonwealth, have been correctly reported and promptly transmitted.
4. To audit the accounts and records of all agents of the Commonwealth charged with the duty of assessing, appraising, or collecting State taxes or license fees.

[1] Footnotes on page 7147.

5. To audit all other accounts between the Commonwealth, acting through any administrative agency thereof, and any person liable to pay money thereto for any purpose whatsoever.

1. Overlapping Duties of the Department of Revenue

In considering these powers and duties of the Auditor General, it is well to bear in mind that the Department of Revenue[4] is charged with the collection of every item, in relation to which an audit is here directed to be made. It must also be remembered that, in relation to this duty to collect, the Attorney General[5] has ruled that it is the responsibility of the Department of Revenue to see that the proper amount of taxes, fees and other money is collected except where the money is collected by the departments, boards and commissions. In the latter case, the responsibility is upon the Auditor General.

The Department of Revenue maintains a force of field auditors who function in relation to the settling of taxes, the collection of fines and penalties by aldermen, justices of the peace, mayors, etc. This Department has the primary responsibility under the Law to settle or determine the amount of certain taxes payable to the Commonwealth. In certain other taxes, the duty imposed is that of collection. In either case, an audit may be necessary to the proper fulfillment of the statutory responsibility. This work is not duplication. In some instances, where the amount of tax or its importance warrants, a joint audit with the Auditor General may be conducted. Under this plan, both departments are in possession of the necessary facts. The stand might be taken, of course, that the Department of Revenue is responsible for settlement on the basis of the facts submitted by the taxpayer and that the Auditor General has the sole responsibility for any audit going beyond the facts submitted. From a cost point of view, there is no practical difference.

There is some question as to whether the function of the Auditor General in relation to tax settlements is not an unnecessary duplication; whether it does not tend to diffuse responsibility and weaken rather than strengthen the taxing procedure. The settlement of the more complicated taxes, such as the capital stock tax, depends a great deal upon the judgment of the taxing officer. Certain factors must be evaluated or appraised in the course of the computation. Taxing officers of equal training and experience may differ by as much as 5-10% in the amount of the tax. Where the turnover of taxing officers is high and there is considerable difference in experience, the variation as to amount of tax may be considerably larger. This is entirely a matter of securing and keeping properly trained personnel. The same result as at present could be attained by having a small reviewing group within the Department of Revenue. A clarification of the law as to the functions of the two departments in this regard would be helpful.

The Department of Revenue cannot be expected to fulfill its responsibility to collect fines and penalties in their proper amounts from aldermen, mayors and others without a careful audit of the records of these officers. The fact remains, however, that the Auditor General is charged with and performs this work, duplicating to some extent the work performed by the other Department.

2. Mercantile and Inheritance Tax Appraisers

Mercantile appraisers, who fix the mercantile taxes, are appointed by the Auditor General.[6] However, in all cases, he approves the expense accounts of the appraisers, the clerks and assistants, and the number and compensation of clerks or other assistants appointed by the appraiser. His only duty to the Department of Revenue is to certify the names of his appointees, the salary payable to him, the number, names and compensation of clerical assistants, and all approved expense accounts.

The Auditor General also appoints or approves[7] the appointment of such clerks, investigators, appraisers or other employes, necessary to assist the registers of wills to collect transfer inheritance taxes upon the estates of resident decedents. He also approves the expense accounts of such appointees. This group of appointees of the Auditor General is supervised by the Department of Revenue[8] to whom it reports.

An audit, to be of real value and adequately protect the interests of the Commonwealth, should be made by an independent agency, one that has no connection, however remote, with the transactions to be audited or examined. It was upon this basis that the old system, of having the auditors responsible to the agency under audit, was changed, making the Auditor General the auditing agency reporting to the Governor.

When the Auditor General, in carrying out his statutory duty, audits the records of all agents of the Commonwealth who assess, appraise or collect State taxes or license fees, he is auditing among others the work of his own employes. These appraisers and employes are dependent upon his goodwill for their tenure of office; thus, he may hire or fire at will.

B. Audit of Governmental Agencies

Within the State Government itself, the second type of auditing, the Auditor General is required[9] "to make all audits, which may be necessary, in connection with the administration of the financial affairs of the Government of the Commonwealth." At least one audit is required to be made annually of every executive branch except the State Workmen's Insurance Board. Special audits "of the affairs" of any executive branch of the State except as above may be made at any time by the Auditor General on his own initiative and must be made when requested by the Governor.

1. Interpretation of Auditing Responsibility

In certain administrations, a very broad interpretation has been placed upon the powers of the Auditor General in his annual audits so as to include an examination into the operation and efficiency of a governmental body, and at times, the efficiency of the individual employes thereof. This was on the basis that every act of an employe or group of employes costs the State money, therefore it is a "financial affair" and subject to review. Other administrations have held to the theory that only financial transactions, as such, are subject to examination and class organization, operation and efficiency as purely administrative matters in which the Auditor General has no interest or authority.

During the course of an annual audit of the Insurance Department in 1934, the right of the Auditor General to examine certain records was questioned. Since the right was based upon a duty imposed, the Auditor General requested an opinion from the Attorney General. An in-

formal opinion [10] by Deputy Attorney General Harold Saylor, after stating that "it is to be assumed" that the officers involved were performing their duties, said in closing:

> "In summary, you are advised that in the course of the ordinary audit made by your Department . . ., it is your duty and responsibility to audit only the financial affairs of the Department and not to investigate the functioning of the Department in other respects."

The opinion, in fixing responsibility and thus determining the access to insurance examiners' reports, states that the responsibility does not extend to the examination of such reports, "except to the extent that they involve the receipt of money by the Insurance Department." It further states:

> "The purpose of the ordinary audit of a department is to determine the condition of its affairs with respect to financial matters generally. If there is reason to believe that particular financial activities of a department should be audited, then such audit should be made pursuant to the additional provision of Section 402 of the Fiscal Code . . ."

Accepting this opinion, the Auditor General, having found evidence of defalcation in the course of his ordinary" or regular audit, would be compelled to declare a "special audit" in order to examine all the records to establish the amount of the shortage and the responsibility for it and to keep within the law.

This opinion has greatly reduced the scope and effectiveness of the audits made and shows definitely the need for clarification of the law relating to audits.

2. Weakness of Old and New Methods

One of the weaknesses of the system of auditing prior to 1929 was that the auditing firm was hired by the Governor for the governmental unit to be audited and reports were made to the head thereof. Consequently, if the audit report was considered too critical of the Department, a new auditor was likely to be requested next time. Despite this fact, the reports analyzed organization, operation and efficiency and were at times extremely critical.

Under the Fiscal Code[9] the audit of governmental agencies is for the information of the Chief Executive, the Governor. He is entirely dependent upon the heads of departments and the Auditor General for knowledge of the working of the various executive branches of the State government. It would be indeed a rare type of individual who would report to the Governor that the agency for which he was responsible was operating inefficiently, extravagantly or contrary to law. As a matter of cold fact, the average department head has little first hand knowledge as to the detailed operation of his department; has small opportunity to get such knowledge. He depends upon the bureau chiefs to keep him posted and bureau chiefs are fairly human too.

If the Auditor General then, either by law or policy, is prevented from going behind financial transactions, as such, into studies and surveys of the units under audit, a valuable source of unbiased information is lost.

3. Auditors on Administrative Staffs

Unless the Auditor General fails to make the required audits, no administrative agency may expend any part of its appropriation for an audit of its affairs, except for the payment of salaries and expenses of auditors regularly employed as a part of its administrative staff.

The Liquor Control Act[11] substantially repeats the above provision as to required audits, annually for the Liquor Board and quarterly for the collections of the State Liquor Stores. The prohibition as to expenditures for audits is also included.

In these provisions as to audit of agencies of the Commonwealth, certain controversial questions arise. The Auditor General being charged with making "all audits, which may be necessary," would seem to place any other audit by a State agency in a position of making an extra-legal or at best an unnecessary audit. However, the provision for auditors "regularly employed as a part of the administrative staffs" seems to indicate the intent on the part of the Legislature for some auditing outside of the functions of the Auditor General. It is possible that the confusion arises from a rather loose use of the word "audit." Persons performing the purely clerical function of verifying invoices prior to payment are sometimes spoken of in State employment as "auditors" and the place where the work is performed as the "audit section." Applying this interpretation to the statutes quoted removes the seeming conflict in the different portions.

C. Duplication of Audits

In practice, the conflict of interpretation is not so easily disposed of. Certain departments, from time to time, have had, as a part of the administrative staffs, a large group of auditors whose work was, at least in part, in conflict with that of the Auditor General. It is true, perhaps, that the payroll classification of these employes was, and is, that of inspector, examiner, field accountant, etc. Seldom is one designated as an auditor. An examination into the work performed soon discloses that they are, in point of fact, auditors.

An excellent example of both the practice above described and the philosophy responsible for it is shown by the Liquor Control Board.

1. Pennsylvania Liquor Control Board

The Pennsylvania Liquor Control Board at September 30, 1940, had a group of 73 "field accountants" drawing annual salaries of $139,440 engaged in the audit of the State Liquor Stores. At the same time, the Auditor General had 40 auditors at annual salaries of $76,400 doing the same work. The force used by the Auditor General in this work has varied from 20 to 55 employes, averaging from two to four audits of each store per year. During one year, ending May 31, 1939, each store was audited an average of seven times, four by the Auditor General and three by the field accountants of the Liquor Board.

The Liquor Control Act[11] requires the Auditor General to audit the collections of the liquor stores quarterly. In order to audit collections, the auditors must count the cash on hand, establish the current inventory and on that basis ascertain from the records of the store and the central office whether the store has accounted and transmitted for all merchandise sold. This involves from one to three days work depending upon the size of the store.

The field accountants must also count cash and inventory and reconcile both to existing records; check the books and records of the store to see that the entries therein are correct and that reports have been submitted properly to the central office in Harrisburg. This is the identical operation performed by the Auditor General who reports the findings to the Secretary of the Liquor Control Board, one copy of each report being addressed to the Accounting Office, where it serves as a basis for adjustments to the records of the store and central office.

The field accountants check personnel as to carrying out procedure as well as to financial transactions and accountability. They thus have duties beyond those performed by the Auditor General. When irregularities occur, the hearings are initiated and conducted by the Director of Operations.

There is undoubtedly a need for a small field force under the Comptroller to see that procedure is carried out and to check details of operation not pertinent to a financial audit. On the other hand, the Auditor General should regularly meet the legal requirements to audit the stores quarterly, which has been and is now being violated. The so-called check made at the time of personnel changes is actually an audit, regardless of the name adopted by the board to describe it, and should be performed by the Auditor General.

The conclusion is inescapable that the field accounting force of the Liquor Control Board:

1. Duplicates all the work of auditing performed by the Auditor General in his audit of State Liquor Stores.
2. Performs certain personnel transfer checks which are actually audits and properly the functions of the Auditor General.
3. Expends needlessly in this duplication at least 50% of the salaries and expenses of the field accountants or approximately $125,000.00.

2. Department of Highways

The Department of Highways maintains a small field force under the Comptroller which checks the various field offices and verifies estimates on which payments to contractors are based, use of equipment, personnel employed, and the like. This work is done from a cost angle and does not duplicate the Auditor General's work to any important degree since the latter audits but once each year while the Highway Department works currently. The audit of the Auditor General would undoubtedly be more comprehensive if it were not for this field force. There is a serious question, however, as to whether the annual audit would be adequate to protect the Commonwealth against fraud and payroll padding.

3. Department of Public Assistance

It will be noticed that the instances of duplication cited above frequently include, as well, the situation in which other agencies are performing the duties imposed by law upon the Auditor General. However, a clear-cut example of this latter phase is found in the Department of Public Assistance.

A group of 37 field auditors with annual salaries of approximately $71,000 is employed by the Department of Public Assistance. These employes audit the various county boards and State offices, examining into the advancement accounts for surplus product stamps which are administered by the State, and reviewing expenditures of various kinds. It audits the accounts of the Claims Settlement Division of the Department of Public Assistance, which is charged with the collection of amounts owed to the Commonwealth by persons receiving relief payments due to error or fraud. At June 1, 1940, there was $10,645,000 of such money outstanding while $1,168,000 had been collected in the year ended May 31, 1940. This group also makes surveys of various types in relation to expenditures. A typical survey was one on the use of State telephones by other than State employes. A check by the Auditor General of a requisition, disclosing approximately $300.00 in such calls in one office in a four-month period, gave incentive to this survey.

There can be no doubt that those field auditors are performing a function belonging exclusively to the Auditor General. That the latter does not carry out this duty is undoubtedly due to the lack of personnel and funds. This lack, however, arises from an unwillingness to increase expenditures in an era of economy. There would seem to be little difference in cost whether the Auditor General or the Department of Public Assistance did the work. In actual practice, however, especially where the employes are under civil service, the tendency is to increase the activity in some other line to absorb the employes who would otherwise be laid off. This tendency is well illustrated by the field accounting force at the Liquor Board. When, after two years of urging on the part of the Auditor General, the Board decided to include tax as an element of price, the Comptroller admitted that it would save 10% of the time of the field accountants, an extremely conservative estimate. No reduction has been made in the force, however, as they were diverted to a study of inventory turnover and other work.

Even though there is an additional cost by the Auditor General doing the work, there would be the advantage that the Governor would be kept informed as to any misdirected activity of one of his departments. Under the present set-up, the report is made to the Secretary of the Department of Public Assistance where it can be covered up, with or without correction. Access to these reports was previously denied the Auditor General on the ground that they were administrative matters. Later the Department, still insisting on the administrative nature of the reports, extended to the Auditor General the privilege of examination which he has insisted on exercising.

D. Audits of Those Receiving Appropriations, etc.

The Auditor General is further charged[12] with the audit of the accounts and records of every person, association, corporation and public agency receiving an appropriation payable out of the State Treasury or entitled to receive any portion of any State tax for any purpose whatsoever in order to determine whether the money is expended for the purpose of the appropriation. This is the third distinct type of auditing required by the Fiscal Code.

1. Department of Welfare

The Department of Welfare formerly maintained a field auditing group which audited the records of State-aided institutions, thereby duplicating certain phases of audits

by the Institutional group of the Auditor General. This duplication has been entirely eliminated by agreement between the two departments under which the Auditor General furnishes the Department of Welfare with the necessary information in relation to those institutions.

E. Audit of Requisitions

Closely related to the audit of the financial affairs of the various agencies is the audit of requisitions. Each governmental agency to which money is appropriated has the authority to incur indebtedness for its necessary operations. To pay such indebtedness, the agency must requisition payment.

All requisitions for the disbursement of money from the State Treasury must be carefully audited by the Auditor General.[13] He may draw his warrant for the payment of such requisition only when it has been approved by the State Treasurer or, in case of disagreement between the State Treasurer and the Auditor General, the Governor.[14]

1. Requisition System Described

The requisition system may be better understood by use of an example. The purchase of and payment for liquor affords a good illustration since it involves only the Liquor Board and the Fiscal Officers. At the time a purchase order is sent to the vendor, a copy of the purchase order is filed with the Disbursements Office of the Board and with the pre-audit unit of the Auditor General at the Board. When the invoice is to be paid, the disbursement office of the Board prepares a requisition to which is attached a copy of the purchase order, the invoice, and a receipt of material form showing that the merchandise was received by a store or warehouse. These are carefully checked by the disbursement office to see that prices are in agreement with those shown on the purchase order and that the merchandise received was that ordered. Extensions and totals are also checked. The requisition shows the name and address of the vendor and the amount to be paid. If any discount is to be taken it is shown separately as a deduction from the gross amount.

Two copies of the requisition together with the invoices, purchase orders, and supporting papers properly signed are submitted to the pre-audit unit of the Auditor General. Here the purchase order attached to the requisition is compared with the one in the files of the office to verify prices, quantities and brands. The invoices are again verified as to extensions and totals and the receipt of material forms totaled and examined for signatures. All papers are then securely fastened on top of one copy of the requisition which is stamped and signed by the supervising auditor, the second copy of the requisition is folded and clipped to the first. This material is then sent by messenger to the main office of the Auditor General, where it is routed through a Review Board which reviews the papers and makes a spot check of calculations, signatures, forms, etc. and submits them to the Director of the Disbursement Bureau for signature.

The material is then sent to the Audit Section of the State Treasurer where computations, etc., are checked. If found correct, one copy of the requisition is retained and the other, with papers attached, is signed and returned to the Auditor General where a warrant for payment is drawn on the State Treasurer and the requisition filed. The warrant is the authority for the State Treasurer to draw checks.

It should be noted that the Fiscal Code does not direct the Treasury Department to audit requisitions but to cooperate with the Auditor General in the[15] "examination and audit of requisitions . . ." At another point the Auditor General is directed to submit requisitions to the Treasury Department[14] "for examination and approval." There is little doubt, however, as to the right of the Treasurer to determine for himself the conditions under which he will approve a requisition even though, in so doing he duplicates the work of the Auditor General.

2. Possible Economies

From a sound organization basis, there is no good reason why the Auditor General should not issue a warrant after careful audit without approval of the Treasurer. It would, of course, require an amendment to the Fiscal Code to permit such action. In this particular transaction, the Auditor General stands in the position of a comptroller of a commercial organization and the Treasurer should function as a custodian of funds with no responsibility for disbursement other than to hold a warrant or similar authority for such payment.

In Commonwealth v. Globe Indemnity Company,[16] the principle is established that:

> "The Fiscal Code of 1929, providing that all requisitions shall be audited by the Department of the Auditor General, does not require that Department to hold a semi-judicial hearing of evidence in support of every claim but only to ascertain that it appears to be proper; in reaching that decision, it may rely upon the fact that the claim has been approved by officials of the appropriate department in the usual course of business, which involves a careful examination of the validity of the claim."

Were this principle followed to its logical conclusion, the work of the auditing force of the Auditor General, engaged in the examination of requisitions could be greatly reduced. It would seem that the interests of the Commonwealth would be adequately protected by one thorough examination of an intended expenditure. Such an examination would, of course, have to cover legality, proper supporting documents and any other pertinent matters in addition to the arithmetical accuracy.

As in the case of the State Treasurer, the Auditor General, under the Fiscal Code, is the sole judge of the tests he will make to determine that the requisition is "lawful and correct." These tests could probably be defined by statute in the light of a further comment by the Court in the case quoted:

> "It is to be presumed that the State officials know the practice of the executive departments. The treasurer therefore knew of the care taken with the supporting papers, concerning which no criticism has been or can be made, and knew that the requisitions were founded upon them."

The power to establish a uniform accounting system, with the forms, records and reports pertaining thereto, rests with the Governor.[17] He is required, however, to

consult with the Auditor General before taking action in this direction. This requirement is honored as much in the breach as in the observance. Even though rigidly observed, the Auditor General cannot prevent the adoption of a system, form or record regardless of his objection to it. A change of law requiring approval of accounting systems, etc., by the Auditor General, or an agreement between him and the Governor, would enable him to establish a minimum standard of procedure for the audit and verification of the various elements of the requisition. There would be little difficulty in securing cooperation of the several agencies as each is interested in securing prompt payment of bills and payrolls. With a minimum procedure established, the work of the auditor would consist very largely of seeing that the procedure was followed and in making test checks. This would in no way reduce the Auditor General to a merely ministerial function as the determination of legality would still remain. This change would eliminate unnecessary duplication of work in every Department. The plan, however, would require a higher type of auditor than the average under the present system.

VI. IS THERE AN INDEPENDENT AUDIT?

As previously stated, the Fiscal Code combined with the audit and control functions under one head, the Auditor General. Some semblance of independent audit remained, however, since, in checking requisitions, one bureau was checking the work of another bureau in the same department. The rivalry between the bureaus assured a thorough post-audit, which was at times not without embarrassment to the Auditor General.

For approximately two years, a new practice has been in force, especially in the larger departments. Now, as outlined in the illustration tracing the course of a requisition, there is but one examination, the one prior to payment. In the past several months, units not having the pre-audit crews, are handled in a similar manner so that it can be safely said that there is no longer an independent audit. The Auditor General, in the present organization, functions as a comptroller since he alone can warrant payment. The comptrollers of the various departments are performing more routine duties in relation to disbursements since they simply prepare requisitions and submit them for approval. The Auditor General under present organization is too much involved in the fiscal operations of the Government to permit his audit of those affairs to be of much value.

This is emphasized by a recent incident in relation to the audit of the Department of Public Assistance. Here, a situation was criticized which added to the cost of administering relief due to a policy established by the Board of Public Assistance. The Department in its answer to the criticism stated that the Auditor General was a member of the policy-making board and that, since there was no record of a protest by him at the time the regulation was adopted, there was no reason for him to take exception later.

The question most raised as to fiscal affairs by the various government units is, "Who audits the Auditor General?" Nor is this unnatural. Here we have an elected officer of the State receiving an appropriation and sitting in judgment as to the correctness and legality of proposed disbursements of State funds, and he, himself, is responsible to no one even for the money appropriated to him, much less for the matters of judgment. Even though his requisitions must be approved by the Treasurer and his purchases by the Budget Office, he is in position to enforce his will on any matter within the law. Some instances have reached the public where there was a conflict between the Auditor General and some other officer and in the compromise which followed the former had his way.

The Auditor General can change policies at will or have different policies for different departments, favoring one or imposing difficulties on another. A long standing policy in regard to pay increases has been the refusal to pay any retroactive increases which go back for more than 30 days. Within the past few years, increases in the Health Department have been approved which were retroactive for six months or more. Shortly after this approval, retroactive increases for a group of enforcement officers of the Liquor Control Board were refused and the increases held to the thirty-day limit. If the acts of the approving power, the Auditor General were subject to audit, greater care and uniformity of policy would be insured.

VII. THE LEGISLATIVE AUDIT

The General Assembly, through taxes, licenses and other fees, provides funds for the operation of the State Government. It then makes appropriation to the various agencies within statutory or constitutional limitations. It has been suggested that it would be logical to provide for a legislative audit to determine whether the money is properly collected or at least to ascertain whether the funds collected and appropriated are properly spent. It has also been suggested that this independent auditor could examine into the organization and operating efficiency of the agencies under audit.

A. Massachusetts System

In two States, Massachusetts[18] and Virginia, the functions of the Auditor have been systematized along the lines suggested above. In Massachusetts the Auditor is limited to auditing by the post-audit method; he keeps no accounts but audits those of the controller whose bureau is a part of the Commission of Administration and Finance. The auditor is required to report to the legislature but is not directly responsible to it, being elected by the people.

B. Virginia System

In the State of Virginia, the Comptroller heads the Division of Accounts and Control in the Department of Finance. He is appointed by the Governor and pre-audits all bills, authorizing the Treasurer to make payment just as our Auditor General does. The Auditor of Public Accounts, a constitutional officer appointed by the Legislature for a term of ten years, performs an independent post-audit reporting to the Legislature.

The contention that the appropriating body should not audit disbursements may have little merit. The expenditures of the legislative body itself represent a very small portion of the biennial cost of government, are largely fixed by law and are subject to the same approval as those of other agencies, viz: Auditor General and Treasurer. Aside from legislative disbursements, the legislative auditor would be checking the work of the approving agency and the executive branch of the government for which appropriations are made.

FOOTNOTES

(1) Article IV, Section 1
(2) Article VII, Section 12
(3) Fiscal Code, Section 401
(4) Fiscal Code, Sections 202-206 inclusive
(5) 13 D and C, 626
(6) Fiscal Code, Section 406
(7) Fiscal Code, Section 407
(8) Fiscal Code, Section 1201(c)
(9) Fiscal Code, Section 402
(10) Informal Opinion No. 479, November 15, 1934
(11) P. L. 15-ss 1933-34, Section 306
(12) Fiscal Code, Section 403
(13) Fiscal Code, Section 404
(14) Fiscal Code, Section 1502
(15) Fiscal Code, Section 306
(16) 21 D and C, 610
(17) Administrative Code, Section 701, (d) and (e)
(18) "The Reorganization of States in the United States," National Municipal League Series

PART III

APPENDIX B

CONSOLIDATION OF PRESENT MERIT SYSTEMS IN THE STATE CIVIL SERVICE UNDER ONE ADMINISTRATIVE AGENCY

SUMMARY OF RECOMMENDATIONS

I. The Civil Service System should be extended to the Departments of Health, Welfare, and Motor Police.

II. The present Civil Service systems should be combined under a Civil Service Commission and cover all agencies of the State government operating under a merit system.

III. CIVIL SERVICE COMMISSION

A. The Commission shall consist of three members with overlapping terms of six years each.

B. The salaries of the members shall be $5,000 per annum.

C. The Commission shall be an independent administrative agency and the Administrative Code which provides that the Civil Service Commission shall be in the Department of Public Instruction should be so amended.

D. The members of the Commission shall be citizens of the Commonwealth who are in sympathy with modern personnel methods and the application of the merit principles to public employment. The minority party shall be represented on the Commission.

IV. ADMINISTRATOR

A. The Administrator shall be appointed by the Commission subject to the approval of the Governor from a list of five certified in the same manner as provided in Senate Bill 420. The Administrator shall be subject to removal by the Governor, with or without hearing. The Governor should be required to state the reason for removal of the Administrator.

B. The salary of the Administrator shall be $7,500 per annum.

C. The Administrator shall carry out the administrative functions of the Act in the light of the plans and regulations prescribed by the Commission.

V. ADOPTION OF RULES

A. The Civil Service Commission shall have the power to hold hearings before the adoption of rules and regulations.

VI. CLASSIFICATION

A. The Civil Service Commission, after consultation with the appointing authorities, shall prepare classification plans for the approval of the Executive Board under which all positions are to be graded.

B. All additions and changes in the classification plan should be acted upon by the Commission in the same manner as the original plan.

VII. RATING OF APPLICANTS AND EXAMINEES IN THE CLASSIFIED SERVICE

A. Rating of Competitors

1. The Civil Service Commission, after consultation with the appointing authorities, shall determine the weights for each test.

B. Nature of Examinations

1. The examinations for employment shall be practical in their character, and so far as may be possible, shall fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed, but no applicant shall be required to have had any scholastic education in social service work, nor to have had any other special scholastic education or special training or experience, except in technical positions, where tcehnical education may be required. In written examinations, the identity of each applicant shall be unknown to the examiners

C. Promotion

1. As far as possible, vacancies shall be filled

by promotion. Such promotions may be made without examination when made from one class to another in the normal line of advancement. It should be required that any such line of promotion shall be clearly set forth in the classification plan.

2. A minimum number of grades should be created with a wide salary range within each class in order to afford more opportunities for salary advancement.

D. Service Standards for Ratings

1. The standards for rating of employes in the classified service shall be established by the Civil Service Commission in cooperation with the appointing authorities.

VIII. APPOINTMENT OF EMPLOYES

A. A name certified to an appointing authority and rejected by that authority once may not be certified to him again for the same grade of position, except upon written request of the appointing authority to the Civil Service Commission.

B. Temporary employes to extra positions

1. In case of emergency, positions shall be filled from the eligible list wherever possible, and if eligible persons are not available then appointments may be made outside of the eligible list by the appointing authorities for periods not exceeding ninety days. There shall be no successive appointments of emergency or extra positions.

C. Probationary Period

1. Not more than three employes shall be removed successively from the same position during their probationary periods without the approval of the Commission and no appointing authority may remove any employe within the first two months of his probationary period, without the approval of the Commission.

2. The Commission shall have the power to restore an employe who was removed during or at the end of his probationary period to the list from which he was certified.

D. Status of Present Employes

1. Any employe who has a status under the merit system in any department which is now under a merit system shall retain his status under the new Civil Service Bill.

2. Those positions in the department now subject to the merit system which are exempt shall continue to be exempt from the classified service.

3. Present employes in a department not under the merit system shall be permitted to take a non-competitive examination and failure to attain a passing grade shall disqualify them from immediate appointment, but they shall be permitted to take a competitive examination and requalify with all other applicants.

IX. REGULATION OF EMPLOYES IN THE CLASSIFIED SERVICE

A. Training and Health Programs

1. The appointing authorities shall develop training and health programs for the employes in the classified service.

B. Holidays, Hours of Work, Attendance and Leaves.

1. All working conditions under the civil service shall be submitted by the Commission to the Governor for approval of the Executive Board.

X. DEMOTION AND REMOVAL

A. Voluntary Demotion

1. The Commission shall have the power to determine whether an employe is able to perform the duties of the position to which he petitions to be demoted.

B. Demotion and Removal

1. Causes for removal shall be incompetence, insubordination, inefficiency, unpatriotic activity, membership in any political party or organization designed to destroy the American form of government or for any form of political activity and any other just cause. In no case shall religion, race or political affiliation be the primary or secondary cause for removal.

2. An appeal may be taken to the Civil Service Commission by an employe demoted or removed by the appointing authority. The Commission shall have the authority to determine whether an employe shall be reinstated at the head of the appropriate eligible list but not to the position from which he was removed.

3. Provision should be made to permit the appointing authority to present his facts in writing to the Commission rather than to appear in person at the hearing.

XI. RECEIVING FUNDS AND ALLOCATION OF OPERATING COSTS

A. The Civil Service Commission shall receive funds for the use of the Commission and allocate or apportion among the appointing authorities their share of administering the cost.

CONSOLIDATION OF PRESENT MERIT SYSTEMS IN THE STATE CIVIL SERVICE UNDER ONE ADMINISTRATIVE AGENCY

Evidence of a desire on the part of the General Assembly to improve the method of selecting state employes is given in the fact that merit systems for the selection of personnel have been included in each of the most recently created branches of the state service—the Liquor Control Board, the Unemployment Compensation Board and the Department of Public Assistance. Impetus was given to this movement for merit selection by the requirement of the Federal government that the granting of federal funds for state services, particularly in the social security field, shall be contingent upon the expenditure of the fund by persons selected and retained on the basis of a merit system.

While the progress in this direction has thus been real in Pennsylvania, it has also been piecemeal, since a separate system has been adopted for each new agency as it was created. As a result the selection process is carried out at the present time, not only under three separate and widely varying sets of laws and administrative regulations, but also by three separate and unrelated agencies whose work duplicates and overlaps each other at many points.

It is the opinion of the Joint State Government Commission that the merit system should be extended to certain other departments, as follows:

Department of Welfare
Department of Health
Pennsylvania Motor Police

It is obvious, therefore, that further separate civil service systems should not be established and in view of that fact the present systems should be combined to cover all agencies of the State government operating under a merit system.

Recognizing the advisability of combining the State's merit systems and agencies under one administrative body, the General Assembly in 1939 adopted Senate Bill 420 which provided for the creation of a state civil service system and delegated to it the duties of administering a unified civil service system for the three agencies now functioning under similar but uncoordinated systems. This Bill was vetoed by the Governor in a statement which expressed endorsement of the idea of combining the systems in the interest of economy and elimination of overlapping functions, but raised objection to certain administrative features of the bill. (See Vetoes by the Governor, Page 146).

In view of the many advantages to accrue from such action, we recommend that the General Assembly again adopt legislation to this end, incorporating into the measure certain changes which should help to meet objections to its previous proposal without impairing the effective operation of a unified merit system. These suggestions include:

1. Civil Service Commission

As pointed out in the veto message of the Governor, the establishment of a State Civil Service Commission, whose duties Senate Bill 420 prescribed, has already been authorized by law in amendments to the Administrative Code carried in the Act of June 6, 1939, P. L. 250 (Act No. 144). This act provides for a commission of three members to be appointed by the Governor for overlapping terms of six years each and fixes their compensation at the rate of twenty-five dollars per day for the time actually devoted to the business of the Commission, but no member to be paid more than $1,500. except during the first year after the effective date of the act when such payments may not exceed $2,000.

The Commission has been made an administrative division of the Department of Public Instruction.

There is great question whether an agency whose duty is to serve a number of departments should be attached to one department. This arrangement is undoubtedly an outgrowth of the fact that the work of professional licensure, with its examining functions, has been assigned to the Department of Public Instruction. The Department was also named as the examining agent for the Liquor Control Board under its merit system. The arrangement was probably based on the principle that newly created agencies of the state should be incorporated into existing administrative divisions whenever this is possible and practicable.

There is much to be said for the fact that an agency of the importance of the contemplated Commission which functions cooperatively with a number of departments of the Commonwealth should have been constituted an independent commission under the general authority of the Governor.

The Joint State Government Commission recommends, therefore, that the Administrative Code be amended and that the Civil Service Commission be taken from the jurisdiction of the Department of Public Instruction and made an independent administrative commission, and that the salaries of the Commissioners should be $5,000. per annum. Due to the changes hereinafter mentioned, the duties of the Civil Service Commissioners will be greater than those placed upon them by Senate Bill 420.

Senate Bill 420 provided that no person shall be eligible to be a member of the Civil Service Commission who has held public office within one year preceding his appointment, has been an officer of a political party or has been a candidate for public office, but does not provide for minority representation. The Joint State Government Commission therefore recommends that this provision should be eliminated, but should provide instead that the members of the Commission shall be citizens of the Commonwealth who are in sympathy with modern personnel methods and the application of the merit principles to public employment and that the minority party shall be represented on the Commission.

Senate Bill 420 contains a list of persons who shall be exempt from the classified service. In addition to those enumerated therein, the Joint State Government Commission recommends that those positions in the three Departments under the merit system now exempt shall continue to be exempt from the classified service. Similar exemptions should be made in the additional departments recommended to be included in the Civil Service Bill.

2. Administrator

In the Governor's message much concern was expressed

over the exceptional powers granted to the Administrator provided under the Bill. With regard to this officer the Joint State Government Commission recommends:

a. Selection.

The Administrator should be appointed by the Civil Service Commission, subject to approval by the Governor, from a list of five certified in the same manner as provided in Senate Bill 420. The Administrator shall be subject to removal by the Governor, with or without hearing. The Governor, however, should be required to state the reason for the removal of the Administrator.

b. Compensation.

The annual salary of the Administrator was fixed in Senate Bill 420 at $7,000. In order to obtain the services of a qualified and experienced personnel administrator it is believed by many that this salary should not be less than $7,500. which corresponds to the amount paid to other state officers with equivalent responsibilities and duties. The Joint State Government Commission therefore recommends that the salary for the Administrator be fixed at $7,500 per annum.

c. Powers and duties

In some instances under Senate Bill 420 the Administrator was given direct policy-forming power, as for example, in the matter of making changes and additions to the Classification Plan. While the Bill provided for approval and adoption of the original plan by the Commission, the Administrator was given authority to make changes or additions to the plan without a specific requirement of approval or further action by the Commission. In this and every other instance involving the determination of policy, the Joint State Government Commission recommends that definitive action should be required of the Commission, or the Commission and the Governor and/or the Executive Board, as the case may be. As a result the powers of the Administrator would then be limited to the administrative functions of carrying out the provisions of the Act in the light of policies and regulations fixed by the Commission or recommended by the Commission and approved by the Executive Board.

3. Adoption of Rules.

The Civil Service Commission, under Senate Bill 420 was required to hold a public hearing before adopting or amending its rules or approving, modifying or rejecting classification and compensation plans, and provided for a method of giving public notice. The Joint State Government Commission feels that there are many instances in which a public hearing would not be necessary or advisable. Therefore, it recommends that this provision be changed to read that the Civil Service Commission shall have the power to hold hearings before the adoption of rules and regulations.

4. Classification of Personnel

Some objection has been raised on the ground that, under the present civil service provisions, the appointing authorities have not been given sufficient participation in the preparation and adoption of the classification plans under which all positions are to be graded. Provisions for cooperation at this point should be based on the principle that the appointing authority should have some power to specify the qualifications for the particular positions under his jurisdiction and that this should not be determined solely by the Commssion. The Joint State Government Commission suggests that this situation can be satisfactorily adjusted after the creation of the Civil Service Commission through conferences between the Commission and the appointing authorities. The Commission should submit these classification plans to the Executive Board for approval.

All changes in and additions to the classification should be acted upon by the Commission in the same manner as the original plan, instead of by the Administrator as provided in Senate Bill 420.

5. Compensation of Personnel

The Joint State Government Commission recommends that the Civil Service Commission, after consultation with the appointing authorities, shall submit a schedule of compensation, or any changes thereof, to the Executive Board for approval. This will eliminate the possibility of having two complete series of compensation scales in the State service.

6. Ratings of Examinees and Promotion in the Classified Service

a. Rating of Competitors

The Joint State Government Commission recommends that the determination of weights for each test shall be established by the Civil Service Commission after consultation with the appointing authorities, and not the Administrator.

b. Nature of Examinations

The Joint State Government Commission recommends that examinations for employment shall be practical in their character, and so far as may be possible, shall fairly test the relative capacity and fitness for persons examined to discharge the duties of the service into which they seek to be appointed, but no applicant shall be required to have had any scholastic education in social service work, nor to have had any other special scholastic education or special training or experience, except in technical positions, where technical education may be required. In written examinations, the identity of each applicant shall be unknown to the examiners.

c. Promotion

Under Senate Bill 420, promotions for all positions in another grade are to be made by means of promotion examinations. It would appear that certain exceptions could be made to this provision without serious interference with the merit principle. Under the federal system prior to 1938, certain related grades of positions were established in a so-called normal line of advancement, and promotion could be made by the appointing authority from one grade in this to another, upon approval of the Civil Service Commission, after satisfactory demonstration to the Commission of the ability of the employe to be promoted. Examination, either competitive or noncompetitive, was required only when the employe sought to be moved into another line of work for which he had never demonstrated his qualifications to the Commission.

The Joint State Government Commission recommends that as far as possible, vacancies should be filled by promotion, which may be made without examination, when made from one class to another in normal line of advancement. It should be required that any such lines of promotion be clearly set forth in the classification plan.

There is a tendency under the present civil service systems of the state to have a large number of grades of positions in each class with very narrow salary ranges. This makes salary advancement difficult because if set within the narrow range salary, advancement constitutes a promotion from one grade to another with attendant promotional examinations and separate eligible lists.

The Joint State Government Commission recommends that in order to afford opportunities for salary advancement, fewer grades should be created with a great salary range within each. For the types of positions which require much the same skill, increased usefulness in the service depends upon experience and familiarity with the particular functions of the bureau or divisions. Such a program permits the appointing authority a necessary latitude for promotions within his own organization and provides the necessary stimulus to the employe. This suggestion applies particularly to positions such as stenographer and general clerkships which have been classified into junior, intermediate and senior grades.

At the present time, promotion in the Department of Public Assistance is by examination on practically the same basis as provided in Senate Bill 420. The Unemployment Compensation Act is silent on the method of making promotions and the Liquor Control Act provides that "promotion shall be based on merit, and upon the superior qualifications of the person promoted, as shown by his previous service." This latter provision was apparently referred to by the Governor in his veto message as the greater flexibility in promotion which he believed to be essential to the operation of the Liquor Control System. The changes suggested above would increase the flexibility for a large portion of the promotions in any of the services without prejudice to the merit principle.

d. Service Standards for Ratings

The Joint State Government Commission recommends that the standards for rating of employes in the classified service shall be established by the Civil Service Commission in cooperation with the appointing authorities.

7. Appointments

The Joint State Government Commission recommends that a name certified to an appointing authority and rejected by that authority once may not be certified to him again for the same grade of position, except upon written request of the appointing authority to the Civil Service Commission.

At the present time and as provided in Senate Bill 420 the same name must be certified to the same appointing authority three times for the same position. In some cases this gives the appointing authority choice only between persons who have already been considered and passed over when another appointment in the same position must be made. The recommendation will give the Department head a wider range of choice in making subsequent appointments in the same grades.

a. Temporary Appointments to Extra Positions.

Under Senate Bill 420 extra positions may be created for periods of less than six months in the case of pressure work, and filled from among qualified persons certified by the Administrator, who was given the authority to make appointments, with or without examinations, for a period not exceeding ninety days.

The Joint State Government Commission recommends in cases of emergency, positions shall be filled from the eligible list wherever possible, and if eligible persons are not available then appointments may be made outside the eligible list by the appointing authorities for periods not exceeding ninety days. There shall be no successive appointments of emergency or extra positions.

b. Probational Period.

Senate Bill 420 provided that not more than three employes shall be removed successively from the same position during their probationary periods without the approval of the Administrator, and that the appointing authority may remove an employe within the first two months of his probationary period only with the approval of the Administrator. The Joint State Government Commission recommends that these approvals should be vested in the Commission and not the Administrator.

The Bill also provided that the Administrator shall have the right to restore an employe who was removed during or at the end of his probationary period to the list from which he was certified. The Joint State Government Commission believes that this power should be vested in the Commission and not the Administrator.

c. Status of Present Employes.

The provisions of Senate Bill 420 follow the principle that all present employes who were appointed from eligible lists under a merit system shall continue in their same status under the new Act. All others would become provisional appointees who, in order to retain their positions, would have to qualify in the same manner as any other applicant under a competitive examination.

The Joint State Government Commission recommends that any employe who has a status under the merit system in any department shall retain his status under the new Civil Service Bill. These positions in the Departments now under the merit system which are exempt shall continue to be exempt from the classified service.

The Joint State Government Commission further recommends that in the case of a new Department which enters the civil service system for the first time and none of whose employes have been appointed under the merit system, the present employes shall be allowed to retain their positions on the basis of non-competitive examinations. Failure to attain a passing grade on such a non-competitive examination would require the present employe to enter a competitive examination and requalify along with all other applicants.

8. Regulation of Employes in the Classified Service.

a. Training and Health Programs.

Senate Bill 420 provided that the Administrator shall

devise plans for and cooperate with appointing authorities and other supervising officials in the conduct of employe training programs and developing health, safety and recreation programs.

The Joint State Government Commission recommends that the subject of developing training and health programs shall be left to the discretion of the appointing authorities.

b. Regulation of Working Conditions.

Blanket authority is given under Senate Bill 420 to the Administrator to propose for approval of the Commission and the Governor regulations regarding holidays, hours of work, attendance, sick leave, etc.

The Joint State Government Commission recommends that all working conditions under the state civil service shall be the subject of recommendation by the Commission to the Governor for approval or disapproval by the Executive Board.

It is evident that there should not be two complete series of working conditions in the state service. The Administrative Code is clear that all salaries and working conditions for employes in the state service shall be approved by the Executive Board.

9. Separation from the Service.

a. Retirement.

Senate Bill 420 provides that the Administrator, with the approval of the Commission, may recommend to the Governor the retirement of any employe in the classified service who, in his judgment, has become unfitted for the efficient performance of his duties owing to age, physical or mental disability.

The Act of June 27, 1923, P. L. 858, establishing the State Employes' Retirement System, provides for a method of retirement due to physical incapacity. The provision in Senate Bill 420, it would seem, is therefore unnecessary and might result in conflicts.

b. Voluntary Demotion.

Senate Bill 420 provides, inter alia, that a demotion may also be made by an appointing authority with the approval of the Administrator upon the written petition of the employe stating the reasons therefor and supported by such evidence as the Administrator may require to show that the employe is able to perform the duties of the class of position to which he petitions that he be demoted.

The Joint State Government Commission recommends that the Comission, instead of the Administrator, shall have the power to determine whether an employe is able to perform the duties of the class of position to which he petitions to be demoted.

c. Demotion and Removal.

Under Senate Bill 420, an employe who is involuntarily separated from the service or demoted should have the right to appeal to the Commission for an investigation of his case and a public hearing. The findings of the Commission under that Bill shall be forwarded to the appointing authority but do not bind the authority to reverse his position in the face of an adverse finding by the Commission. The Commission, in its discretion, however, may reinstate the employe at the top of the reemployment list for the same grade of position or make a transfer to another department. On this basis, the investigation of the Civil Service Commission constitutes an examination of the right of the employe to be further employed by the Commonwealth instead of simply a review of the appointing authority's decision. The Joint State Government Commission is in general agreement with this provision.

The Joint State Government Commission recommends that the appointing authority shall have the right to demote or remove from the service. Causes for removal shall be incompetence, insubordination, inefficiency, unpatriotic activity, membership in any political party or organization designed to destroy the American form of government or for any form of political activity and any other just cause. In no case shall religion, race or political affiliation be the primary or secondary cause for removal.

The Joint State Government Commission further recommends that provision should be made to permit the appointing authority to present his facts in writing to the Commission rather than to appear in person at the hearing.

11. Appropriation

Due to the fact that operation of the merit system has in each case been only one of the functions assigned to the new agencies to which the merit system has been applied, it is particularly difficult to isolate the cost of administering the system under the un-coordinated plan which now exists. Preliminary figures, which do not cover the same periods in every case or the same functions, are given in Exhibit 1, page 7153 of this Report. While it is not possible to derive any reliable measure of cost from these limited items, the general indication is that the three agencies probably have expended not much less than $1,000,000 during a biennium.

It is obvious that consolidated civil service can be operated at much less than this figure. The manner of appropriation to carry on the work of the new Civil Service Commission requires much consideration in view of the participation of the Federal Government in the administrative costs of the operations of the Department of Public Assistance and the fact that it pays all unemployment compensation administrative costs and half of the employment service costs in the Bureau of Employment and Unemployment Compensation.

If the Department of Health employes are added to the merit system, the Federal Government will also pay a portion of the costs of operating the Commission as applied to these employes.

In view of these conditions it is evident that while provision must be made to pay a certain portion of the operating costs of the Civil Service Commission from the General Fund, accounting methods must be devised to pro rate these costs among the departments serviced by the Commission in order to take advantage of Federal participation in administrative costs of the agencies named.

The Joint State Government Commission recommends that the Civil Service Commission shall receive funds for the use of the Commission and allocate or apportion among the appointing authorities their share of administering the cost.

12. Other Provisions.

The Joint State Government Commission further recommends that the provisions of Senate Bill 420 should be followed in the main as the basis for the proposed Bill to unify the employment services of the three Departments now functioning under a merit system and of other departments to which the General Assembly may desire to extend the system.

Through the combination under one agency of these duties, now scattered among so many offices, performance will not only be standardized and equalized, but should be provided with a considerable improvement in efficiency at a reduction in cost. At the same time, by enlarging the scope of the work, the duties become of sufficient importance to command the time and effort of a thoroughly competent commission and administrative officer.

Attached herewith as Exhibit 2, page 7154 is a statement showing the principal provisions of the present laws regulating employment in the Department of Public Assistance, Bureau of Employment and Unemployment Compensation and the Liquor Control Board. The diversity of the administrative provisions under the present statutes indicates the necessity for consolidation and standardization.

APPENDIX B

EXHIBIT 1

STATEMENT REGARDING EXPENDITURES FOR ADMINISTRATION OF MERIT SYSTEMS IN THREE DEPARTMENTS OF THE STATE GOVERNMENT

In response to a requst for information regarding the cost of conducting civil service examinations in the departments (Pennsylvania Liquor Control Board, Bureau of Employment and Unemployment Compensation of the Department of Labor and Industry, and the Department of Public Assistance) which have operated under a merit system, the following information was furnished by each agency:

1. Liquor Control Board

Expenditures by the Department of Public Instruction for examining and other personnel service for the Liquor Control Board for the two biennia 1933-35 and 1935-37 were:

1933-35	$100,641.25
1935-37	52,525.44

Figures for the 1937-39 biennium were not furnished by the Board. It should be noted also that this information does not include any of the expenses of the Liquor Board itself, in maintaining its personnel records, etc., which are also a function of the administrative agency under any merit system. Data showing partial costs of conducting certain examinations indicate that in four examinations held during the two biennia a total of 14,565 persons were examined. The statement does not indicate whether or not this was the total number examined during the period.

2. Bureau of Employment and Unemployment Compensation

Figures from this agency were submitted for calendar years instead of for biennia as follows:

1937	$208,398.55
1938	163,835.59
1939	70,854.54
Total	$443,088.68

During these three years the total number of persons taking examinations was 54,214.

The following statement from the Secretary of the Unemployment Compensation Board of Review indicates the difficulty of attempting to obtain accurate cost figures for the examination of personnel function, particularly where it is combined with other duties. He writes:

"You will note that the total cost of examinations and the administration of the civil service program up to January 1, 1940, amounts to $443,088.68. I believe this figure represents rather definitely the amount of money expended in the administration of the civil service program under the Board of Review, but due to the fact that the Board of Review had a dual function of administering the unemployment compensation appeals program, covering both unemployment compensation appeals to the Referees throughout the Commonwealth, as well as further unemployment compensation appeals to the Board of Review, and the civil service provisions of the Unemployment Compensation Law, you can appreciate the fact that it is not possible to obtain complete and exact figures relative to expenditures, particularly as far as supplies, postage and items of equipment are concerned.

"During the year of 1937, the Board of Review spent its entire time in the preparation for and administration of the civil service program. Starting with January of 1938, the benefit payment provisions of the Unemployment Compensation Law became effective, and hence it became necessary from thereon for the Board of Review to handle both unemployment compensation appeals along with the civil service program. In compiling the report submitted herewith, the salaries of the Board and certain of the personnel of the Board of Review were proportioned in arriving at the figures contained in the report."

3. Department of Public Assistance

Cost figures for the Department of Public Assistance were submitted by the Employment Board as follows:

October, 1937 to May 30, 1939	$432,523.41
June 1, 1939 to December 30, 1939	210,406.49
Total	$642,929.90

The total number examined was 147,907. The number of appointments during the above period was 7,526, indicating a cost of $85.43 for each appointee or $4.35 for each examinee in the Department of Public Assistance (See "Report on Relief" to the General Assembly by the Joint State Government Commission, January 1941, page 6182 of Appendix of that Report).

This information was accompanied only by the statement that it constituted "the information requested." Since the request called for costs of examinations only it is apparent that the data cover only this one phase of the work of the Employment Board.

It will be noted that the foregoing cost figures apply to different phases of the cost. Only in the case of the Unemployment Compensation Board do they cover the full cost of the personnel function which includes the maintenance of employment and re-employment lists, full em-

ployment records of each employe, records of meetings and decisions of the Employment Boards, etc. For these reasons, these cost statements must be regarded as tentative only, calling for much more complete examination and analysis before they can be regarded either as a reasonable measure of the cost of operating the uncoordinated agencies or as an indicator of the probable cost of maintaining the combined civil service commission.

APPENDIX B

EXHIBIT 2

Digest of Present Acts Providing for a Merit System in the Civil Service of the Commonwealth of Pennsylvania

Subject	Public Assistance	Unemployment Compensation	Liquor Control Board
Citation	1937 Act #395 (P. L. 2003) Amended 1939 by Act #384 (P. L. 1091)	1936—Special Session Act No. 1 (1937 P. L. 2897) Amended 1937 by Act No. 175 (P. L. 658)	1933—Special Session Act #4 (P. L. 15) Reenacted and amended 1937 Act #370 (P. L. 1762)
Employes Covered	"Employe" means any person employed by Department of Public Assistance, State Board or Local Board, except Secretary to Secretary of Public Assistance and to Local Board.	Employes not subject to civil service include: 1. Members and Secretary of Board. 2. Referees, attorneys and experts appointed by Attorney General or Secretary and approved by Governor. All others appointed from eligible lists.	All offices, places and employments in Pennsylvania Liquor Stores or establishments shall be filled by selections from persons who have satisfactorily passed the examination. Under Article III, Pennsylvania Liquor Stores Act further provides: "No officer or employe, except as otherwise provided, shall be appointed or employed by the Board after January 1, 1934, except as provided in this section . . . Every person desiring employment under the Board shall file application and take examination."
Administration	Employment Board 3 members appointed by Governor with approval and consent of Senate receive per diem as fixed in amount by Executive Board and Governor not to exceed $25 per day.	Unemployment Compensation Board of Review 3 members appointed by Governor with approval and consent of Senate. 6 year terms staggered— Chairman $9,000 per year Members $8,500 per year	Department of Public Instruction performs examining and grading functions for Liquor Control Board.
Administration	Qualifications and Removal Not provided by law. Duties—Prepare and conduct examinations. Grade each person examined. Make rules for order and use of eligible lists and to carry out provisions of Act.	Duties — Conduct examinations designate committee to grade examinations. Certify eligible lists to Secretary. Make rules and regulations necessary for execution of provisions of the personnel section of Act. Power to administer oaths and subpoenas. Employ necessary experts and clerical assistants. Number and compensation subject to approval of Secretary.	
	Administrator None provided by law.	Administrator Board may appoint a Secretary. No duties or qualifications listed.	Administrator None provided by law.
Administration		Miscellaneous Duty of officials and employes of Department and applicants to give Board all required information and testimony and to subscribe to testimony under oath.	

Subject	Public Assistance	Unemployment Compensation	Liquor Control Board
Classification of Positions	Department of Public Assistance and Employment Board shall jointly classify positions and establish qualifications.	Secretary of Labor and Industry shall establish classes of employment. Secretary shall prescribe qualifications required in various grades.	Liquor Control Board authorized to prescribe, from time to time, the qualifications to be possessed by persons desiring employment under it.
Compensation	Department of Public Assistance and Employment Board jointly fix maximum and minimum salaries for each class No provision.	Secretary of Labor and Industry shall specify salary range for each grade. All appointments made at lowest salary in grade. Secretary may increase salary of any employe after end of probation period up to maximum for grade.	Liquor Board shall fix compensation of employes.
Selection	After March 1, 1938, all employes, except special examiners, appointed from eligible lists. Transfer to new class of employment having same or higher slaray shall be by examination, same as original appointment. Examinations practical in character and related to matters bearing on and which will test relative capacity and fitness of persons to discharge duties to which they seek appointment. Race, religion or political or labor union affiliation shall not be a qualification of applicant nor just cause for change in status. No applicant required to have any scholastic education in social work of any other special educational training or experience. Identity to remain unknown to persons grading (Preference of 5 points to veterans) This provision superseded by Act of 1939 (P. L. 1198) requiring appointment of soldiers if appearing on certified list and permitting appointment of soldier, if appearing at any point on eligible list. Lists arranged as decided by Employment Board. For appointment to Central Office—Applicant must be resident of Pennsylvania, one year; to local office, resident of Pennsylvania, one year, District, 6 months.	Vacancies as far as practical, filled by promotion. Secretary may promote an employe after 6 months upon certification by Board. Board shall satisfy itself of qualifications of employe for higher positions and may require qualifying or competitive examinations. Individuals desiring employment shall file application with Board and shall be admitted to next examination in grade. Examinations practical in character and related to matters, etc. (Same as Public Assistance). Examinations in writing but Board may take into consideration experience and persons' qualifications provided same standards apply to all applicants in same grade. Application shall not require information re race, creed, color or political affiliation. No requirement of scholastic education or training. Candidate given number so identity not known to graders. Papers marked by Committee designated by Board, approved by Governor, consisting of school teachers. Compensation $15 per day Lists arranged in rank from highest to lowest. Residence and veterans' preference requirements same as Public Assistance.	Vacancies as far as practical, filled by promotion. Person promoted shall have served at least 6 months. Promotion shall be based on merit and superior qualifications as shown from previous service. Individuals desiring employment shall file application with Board. Board shall transmit application to Department of Public Instruction, which shall determine qualification for examination. Those accepted admitted to next competitive examination. Examinations practical in character, etc. (Same as P.A.) Application shall not require information as to color, religion or political affiliation. No requirement of any scholastic education, or training. Every candidate given a number so identity not known to graders. Papers marked by Committee designated by Department of Public Instruction, same as Unemployment Compensation. Citizens of the United States—store operators same as Public Assistance on residence. Veterans preference—Same as Public Assistance.
Appointment and Promotion	Lists used and names placed in order fixed by Employment Board provided no name on list longer than 2 years. On approval of Employment Board provisional appointments may be made in emergency as result of non-comp. examination if no list available. After June 1, 1938, pro-	List shall be valid until next examination but not less than 1 year. Secretary shall make appointments from 3 persons ranking highest on list. For second vacancy Secretary shall select from 3 highest who have not been within his reach for 3	If list is available, no examination within 12 months of last examination. When new list certified by Public Instruction, previous list expires. When position is to be filled, and no list, examinations shall be held at earliest convenient date. "Persons receiving highest

Subject	Public Assistance	Unemployment Compensation	Liquor Control Board
Appointment and Promotion—(Continued)	visional appointments not valid for more than 90 days. Probation period—not less than 3 or more than 6 months as fixed by Employment Board. During period employment may be terminated for just cause. Present employes No provision (New Department)	separate vacancies. Third and additional vacancies in like manner. Provisional appointments not later than January 1, 1938. Persons so appointed cease to be employed within 30 days after list of eligibles certified. Probation period of 9 months. If unsatisfactory, employment may be terminated during period after notice in writing with reasons, from which employe may appeal, as in case of dismissal. Retention beyond end of probation period automatically confirms permanent employment. Present Employes No provision	grade shall be first appointed and so on." No appointment from list shall be made to any position having rate of pay higher than paid to any appointed from same list within 6 months prior. No provision for probation. Present Employes All prior employes except Alcohol Permit Board considered provisional and retained only upon qualification through examination.
Regulation of Employes	Transfers between classes same as new appointment by examination.		
Separation from Service	No provision. Suspension Employer may suspend, for just cause, total not more than 30 days in year. Written reasons filed with Employment Board. Resignation No employer shall demand from any employe before or at time of appointment any resignation or agreement to resign. Removal Employer may demote or remove for just cause only after giving employe written reasons and opportunity to file answer. Both statements to Employment Board and made part of public records. Appeal and further procedure according to rules established jointly by Department of Pub-	Secretary may summarily dismiss any employe convicted of offense in connection with duties or felony or crime involving moral turpitude. Secretary may suspend for not more than 30 days or dismiss employe for delinquency or misconduct in duties. Secretary may furlough for lack of funds, on curtailment of work. Furloughed employes re-instated on eligible lists and given preference over all other persons for future appointments. All dismissed, suspended or furloughed entitled to hearing before Board. Furnished copy of charges and allowed to answer in writing. If sustained by Board re-instated with back pay. Appeal may be taken to court. (See prior page)	Lay-off, etc. employe may appeal. When any subsequent appointments are made, employe laid off or furloughed shall be recalled to service, in proper class and in order of their rank, before new appointments can be made. Employe may be removed, suspended, demoted, transferred, reprimanded, etc. for incompetency, inefficiency, insubordination, dishonesty, intemperance, immorality, profanity, discourteous treatment of public or other employes, wilful disobedience, violation of law or regulations, or acts incompatible with public service. Employe so removed, etc. has right of appeal for hearing and consideration of his case. Employe may be removed by Governor when deemed in best interests of public service. (See prior page)

Subject	Public Assistance	Unemployment Compensation	Liquor Control Board
Separation from Service—(Continued)	lic Assistance and Employment Board. Department of Public Assistance and County Boards, may recommend to Governor that employe be suspended or removed. Governor may do so if deems same to be to best interests of public service. Executive Directors of local boards without regard for these laws, but must be appointed from those certified by Department of Public Assistance as qualified through unassembled examination.		
Enforcement	No employe shall receive compensation until Employment Board certified his lawful employment. Employe shall be removed if he shall be, during employment, a member of political committee or officer of political organization; solicit or receive a political contribution; injure or benefit or threaten to do so to employe or applicant for relief for any political activity or vote.	No provision. Whoever makes false statements or withholds pertinent information, etc. shall, upon summary proceedings, pay a fine of $20. to $200 and name removed from eligibles. No provision for political activity. No provision.	No provision. No person shall hold any other position in Commonwealth or political subdivision or become a candidate for office during employment by Board. No person shall be required to contribute to political funds, nor support any party or organization, nor be removed or otherwise prejudiced for failure to do so.
Schedule	No provisions.	No provisions.	No provisions.

REPORT OF THE COMMITTEE TO INVESTIGATE THE DEPARTMENT OF HEALTH AND THE BUREAU OF VITAL STATISTICS RELATIVE TO DELAY IN THE ISSUANCE OF CERTIFICATES FROM BUREAU OF VITAL STATISTICS

LETTER OF TRANSMITTAL

To the Members of the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania

In pursuance to House Resolution No. 87, we submit herewith the report concerning the issuance of certified copies of records from the Department of Health and the Bureau of Vital Statistics.

JOSEPH J. McINTOSH, Chairman
JAMES H. J. TATE
L. D. STAMBAUGH
H. D. SARGE

AUTHORIZATION

The House of Representatives, on April 24, 1941, adopted House Resolution No. 87, which reads as follows:

Whereas, It is the duty of the Department of Health and the Bureau of Vital Statistics under the provisions of the acts approved the 7th day of June, 1915, (Pamphlet Laws 900), and the 9th day of April, 1929, (Pamphlet Laws 177), to supply certified copies of the birth, death and marriage records maintained by that Department upon the payment of the prescribed fee; and

Whereas, The effect of the present National Defense Program, together with the requirements or certain new legislation, has given rise to a greatly increased demand for certified copies of birth, death and marriage records; and

Whereas, The Department of Health and the Bureau of Vital Statistics have apparently been unable to meet the increased demand for such certified copies thereby depriving the Commonwealth of considerable revenues and greatly and unnecessarily inconveniencing the large number of persons to whom a certified copy of a birth or death record is an immediate necessity now; therefore be it

Resolved, By the House of Representatives of the General Assembly that the Speaker of the House shall appoint a legislative committee consisting of five members whose duty it shall be to investigate the reasons for the failure or inability of the Department of Health and the Bureau of Vital Statistics to supply promptly on request, certified copies of birth, death and marriage records for the purpose of ascertaining whether such conditions are due to lack of adequate funds, insufficient personnel, or equipment, or to administrative inefficiency; and be it further

Resolved, That said Committee report the results of its investigation to this House as speedily as possible, together with its recommendations as to the steps which should be taken to clear up this situation

REPORT

Procedure

The Committee held public hearings on Resolution No. 87 on June 4, 1941, on June 11, 1941 and on June 18, 1941.

The Committee heard a number of witnesses which included Representatives in the General Assembly; the Director of the Bureau of Vital Statistics and several of his assistants; Mr. E. J. McNamara, chief of the Division of Accounts in the Department of Health; Mr. William Wall, Senior Auditor in the Auditor General's Department, Auditor in charge in the pre-audit and post-audit in the Department of Health which includes the Bureau of Vital Statistics; and other persons interested in the problem.

All of the meetings were open to the public and the

fullest opportunity was given to all witnesses to tell the Committee all the facts pertinent to the investigation.

Although the Department of Health and the Bureau of Vital Statistics were included in Resolution No. 87, the Committee confined for investigation to the Bureau of Vital Statistics because this Bureau alone has the duty to issue certified copies of statistical records.

In addition to the testimony of the above witnesses, the Committee had for reference, data concerning the Bureau of Vital Statistics, which was supplied by Mr. Tom Williams, the Director of the Bureau of Vital Statistics and by Mr. J. Robert Painter, Assistant Director of the Bureau of Vital Statistics. The Committee also made several personal tours of the various branches of the Bureau.

FINDINGS AS TO FACT

The Bureau of Vital Statistics was originally organized as a Recording and Filing Bureau rather than a Bureau to issue certified copies of statistical records. Demands on The Bureau are greatly increased with the advent of Social Security, Public Assistance and its various phases and the necessity for proof of American citizenship as required in the National Defense Program. The Federal Government, in conjunction with this National Defense Program, has established certain requirements for the proof of American citizenship and it will accept a certified copy of a Birth Certificate of a resident of Pennsylvania as proof of that citizenship. It, therefore, follows that practically every individual working for a concern that has a National Defense Contract is required to furnish a certificate of birth record. This has changed the volume of work in the Bureau of Vital Statistics from a few thousands requests per month to many thousands requests per month and the number is rapidly increasing.

The Committee finds that there has been a delay in the issuance of records from the Bureau of Vital Statistics. A break-down by month of the testimony reveals that from the years 1938, up to and including the first 4 months of 1941, there was an increase of approximately 300 per cent in the number of certified copies issued from the Department; an increase of approximately 280 per cent in the number of searches made by the Department; an increase of approximately 230 per cent in the certified copy mail that was handled; an increase of 50 per cent in the total mail handled; and an increase of 370 per cent in the fees transmitted to the Revenue Department.

The testimony indicated that from June 1940 until June 2, 1941, there had been an increased accumulation of approximately 43,000 applications which have not been filled by the Department.

Testimony indicates that the demands on the Bureau of Vital Statistics for proof of American citizenship, as required by the National Defense Program, are increasing at a rapid rate as a result of the delay in the issuance of the certified copies of records as required by this Program. Many persons have been delayed in obtaining employment, the positions of those having employment have been jeopardized and the National Defense Program itself may be impeded.

Testimony indicated that where personal application was made to the Bureau, and the application was in proper form, service was up to date. However, it was also testified that the Bureau was at least two weeks behind in the handling of its current mail applications. The Committee wishes to emphasize that this situation does not apply to the cases of deferred birth certificates.

This delay is attributed to the following causes:

1. The increased demand for proof of American citizenship due to the National Defense Program.

2. The standards required for proof of American citizenship by the Federal Government.

3. The failure of the physician or midwife to properly fill out the original records.

4. The failure of the applicant to properly fill out his application forms.

5. The inability of the applicant to obtain the required proof of birth.

6. The Bureau's lack of Office space to cope with the increased demand upon the Bureau.

7. The antiquated system of indexing and antiquated system of transcribing certified copies of records.

8. The fact that the Bureau has three (3) un-coordinated systems of indexing.

9. The accumulation and confusion caused by the deferred correspondence cases.

10. The lack of sufficient trained personnel in the Bureau.

11. The centralized delegation of authority in the Bureau at the present time.

12. Lack of funds with which to modernize the Bureau.

RECOMMENDATIONS

1. The Committee feels that the National Defense Program may be endangered by foreign agents or other persons antagonistic to the defensive measures taken by the United States. The Committee is of the opinion that these persons may, in some way, secure the Birth Certificates of deceased or absent citizens after obtaining the required documentary evidence through false representations. The Committee is of the opinion that unceasing vigilance is necessary in the prosecution of our National Defense Program and, therefore, recommends that the Bureau continue its present policy of requiring that the applicant meet the standards of proof of American citizenship as set up by the Federal Government.

2. The Committee recommends that the laws requiring a physician or midwife to properly fill out original birth records be enforced by the Bureau. The testimony indicated that only flagrant violations of this law were prosecuted.

3. It is the opinion of the Committee that the failure of the applicant to properly fill out the required application forms and the failure of the applicant to obtain the proper documentary evidence of birth is one of the outstanding reasons for the delay in the Bureau. This is largely due to the applicant's misunderstanding the request of the Bureau for information. The procedure of the Bureau is to answer the request of an applicant by sending a form or other letter stating what documentary evidence the applicant is required to furnish. In a great many cases, the applicant can not understand the technical requirements as set forth in the letter of the Bureau and a large volume of correspondence between the applicant and the Bureau ensues, with the attendant delay of the issuance of the certificate. The Committee, therefore, recommends that because of the importance of this problem in relation to the National Defense Program that the Bureau formulate a plan whereby an applicant can contact persons in his community as to the proper method of filling out his application forms and supplying documentary evidence of birth.

4. The Committee is of the opinion that the Bureau has insufficient office space at this time with the result that confusion arises in all functions of the Bureau. It necessarily follows that this causes much delay. It is, therefore, recommended that steps be taken to acquire more office space for the Bureau to alleviate this crowded condition.

5. The testimony shows that the Bureau has an antiquated system of indexing. This indexing system consists of three (3) different types of indexing covering three (3) different periods of years and, as a result, there is a great deal of confusion and delay. The three (3) different systems of indexing were set up over a period of years by various Directors of the Bureau and the present Director of the Bureau had no control over this matter. Under the present system, copies of the original records are made by hand and this results in delay because of the manual labor and the human element that

is involved. Because of this handling of the original records, many of them are becoming worn and illegible. The Committee, therefore, recommends that one system of indexing be installed for at least the active files and that provision be made for the recording and preservation of the original records in the Bureau.

6. The testimony indicated that there was a great accumulation and confusion of correspondence in the deferred correspondence cases. One reason for this accumulation is the failure of the applicant to supply the proper information in his initial application and, as a result, the correspondence between the applicant and the Bureau is necessary. Some of this correspondence resulted from the claim of the applicant that he had sent the required fee with his original letter and the Bureau claiming that they had not received the fee. From personal observation, the Committee found that the fees received in the mail by the Bureau passed through the hands of at least two (2) persons before a receipt was written for the same. The Committee, therefore, recommends that when mail requests are received by the Bureau, the person opening this mail should immediately stamp thereon whether or not a remittance was enclosed and, if enclosed, the amount thereof. The Committee also recommends that the Bureau consider a plan whereby the Bureau, after a certain period, return to the applicant the papers on file under his name when he has failed to meet the requests or standards of the Bureau, together with any money due him.

7. The testimony showed that there was a lack of sufficient trained personnel. One of the reasons for this was the great number of per diem employes in the Bureau and the fact that these employes were leaving for better positions. The Committee, therefore, recommends that a sufficient number of these per diem employes be placed on a salary basis so that they will not be leaving the Bureau at the time they become trained in their work.

8. The testimony indicates that the authority in the Bureau has been highly centralized and because of this, those Executives who have this authority are burdened with work. The Committee recommends that there be a broader delegation of authority in the Bureau so that those Executives who now have the authority will not be burdened by detail work. In addition, this broader delegation of authority will tend to raise the standards of the personnel and thus alleviate the delay caused by the lack of trained personnel.

9. The testimony indicates that the Bureau is steadily falling behind with its work and there is every indication that the demands on the Bureau will increase. One of the big causes for the delay, as testified before the Committee, was the fact that the Bureau had only one set of records. Since it naturally follows that only a certain number of persons can work with a single set of records the logical answers to this problem would appear to be a double working shift in the Bureau. Testimony from witnesses of the Bureau was to the effect that a double working shift was not practical because of the lack of supervisors and the lack of trained personnel. The figures submitted by the Bureau to the Committee indicate that the increased demand on the Bureau began in the latter part of 1939 and has steadily increased since that time. The Committee feels that the Bureau was aware of this situation and made no effort to increase the number of people who would serve in the Bureau in a supervisory capacity. The Committee, therefore recommends that the Bureau take immediate steps to train sufficient persons for work in a supervisory capacity so that a double working shift may be installed and properly supervised in the Bureau. The Committee feels that if their recommendations as to trained personnel are adopted that there will be sufficient trained personnel to carry out the duties of a double working shift.

10. The Bureau has recommended legislation to the General Assembly with a view to clarify the standards required by the Bureau for the issuance of certified copies of records and legislation has been introduced in the General Assembly by members for the same purpose. The Committee believes that these Bills have been thoroughly discussed by the membership of the House and, therefore, feels that it should make no recommendation to the House on this legislation.

11. The Committee recommends that sufficient funds be appropriated to the Bureau to carry out the recommendations for modernizing the Bureau and that these funds be allocated to the specific use of the Bureau of Vital Statistics.

In Conclusion—

It is the opinion of the Committee that because of the National Defense Program, the issuance of certificate relative to proof of American Citizenship has become one of the most vital functions of the State Government. The delay in the issuance of these proofs may have serious results and therefore every effort should be made by both the Bureau and the Government of Pennsylvania to facilitate to the functions of the Bureau of Vital Statistics.

REPORT OF COMMITTEE TO INVESTIGATE CONTROVERSY AT WESTERN PENNSYLVANIA HOSPITAL OF ALLEGHENY COUNTY

Pursuant to Resolution No. 94, adopted by the House of representatives on May 20, 1941, the Committee to Investigate the Controversy at the Western Pennsylvania Hospital of Allegheny County held public hearings at Pittsburgh on May 24, 1941, and on June 7, 1941, at which time testimony was taken from witnesses on behalf of the Hospital Workers' Union, Local No. 255 of the State, County and Municipal Workers of America, and from representatives of the Western Pennsylvania Hospital and the Allegheny County Hospital Council. Lack of time before the close of the present session of the General Assembly makes it impossible for the Committee to present a complete report. The Committee, however, has met and carefully considered the issues and on the basis of the testimony taken and arguments heard at the time of the hearings makes the following findings and recommendations.

First: We find that the prevailing wage scale at the West Penn Hospital is too low to provide an adequate return for the work performed by the service employes. The Committee further believes that a minimum wage of $45.00 a month is necessary and desirable, but recognizes the fact that the West Penn Hospital at the present time is financially unable to increase wages to this point. The Committee recommends that the appropriation to the Hospital be substantially increased to remedy this situation.

Second: The Committee does not favor the unionization of hospital workers but it believes that, in order to settle disputes arising between employes of hospitals and the management thereof, the workers in every hospital should be entitled to elect representatives from their own group to deal with the management of the hospital as a grievance committee in connection with all complaints or disputes; and further, that the management of the hospitals be required to deal with the committee appointed by its employes for the settlement of all disputes. In the event that no agreement can be reached between the management of the hospital and the representatives of the employes, the controversy should be determined by a board of mediation and conciliation, composed of three members, which would have final and exclusive jurisdiction over all such matters. Legislation should be enacted to provide for the establishment of such a board.

Third: The Committee believes that the responsibilities placed upon a hospital for the care of the sick make it necessary for employes acting collectively to waive their right to strike or suspend their duties. We deplore the use of violence or intimidation in connection with strikes against hospitals or religious institutions and believe that no disputes between the employes and the management of a hospital would justify a strike or other stoppage of work to the prejudice of patients actually within the hospital at the time. Likewise, the Committee believes that the management of a hospital has a duty to its employes to adjust complaints and grievances and to refrain from taking advantage of its employes by arbitrary, capricious or illegal acts.

Respectfully submitted,

(Signed) GEORGE J. SARRAF
(Signed) JOHN J. BAKER
(Signed) EDWIN M. RHEA
(Signed) MAURICE L. REYNOLDS

MINORITY REPORT OF THE INVESTIGATION AT WESTERN PENNSYLVANIA HOSPITAL OF ALLEGHENY COUNTY TO THE HOUSE OF REPRESENTATIVES

July 12, 1941.

Pursuant to Resolution No. 94, Messrs. Sarraf, Baker, Reynolds, Rhea and Moran held public hearings at Pittsburgh on May 24, 1941, and on June 7, 1941, at which they heard statements made by witnesses offered by the Hospital workers union, Local No. 255 of the state, county and municipal workers of America and by the Representatives of the management of the Western Pennsylvania Hospital and by the Allegheny County Hospital Council.

The inquiry was directed to ascertain the causes of the abnormal situation found at the Hospital and as a result of a strike of the service employes. This strike was called April 19, 1941.

After consideration of the testimony and evidence offered at the hearings, I wish to submit the following recommendations for immediate consideration of the members of the House of Representatives.

That the prevailing wage scale at the West Penn Hospital is too low to provide an adequate return for the work performed by the service employes. I further believe that a minimum wage of $45.00 a month would be desirable and necessary and commensurate increases for other employes of the Hospital.

I believe that the employes of the West Penn Hospital are entitled to organize for collective bargaining and to be represented in negotiations with the management of the Hospital by representatives of their own choice.

An examination of the testimony will clearly reveal, by the admission of the management of the West Penn Hospital, that had the hospital bargained collectively with its employes, this strike could have been avoided.

I believe that if hospitals come under the jurisdiction of the State Labor Relations Act, that the controversy at the Western Pennsylvania Hospital would have been averted, and I further believe that legislation should be enacted to bring the hospitals under the Labor Relations Act.

Since from a practical point of view, it is too late in this session of the Legislature to enact the necessary legislation, it is my suggestion that the hospital immediately proceed to bargain collectively, in the American Way, with representatives of employes own choosing.

No individual deplores more than myself the violence or intimidation in connection with the strike at the West Penn Hospital or any other institution.

I believe that in order to settle disputes arising between employes of hospitals and the management thereof that the workers in every hospital be entitled to organize and to select representatives of their own choice to deal with the management of the hospital, as a grievance committee in connection with all complaints or disagreements; and further, that the management of the hospitals be required to deal with the committee selected by its employes for the settlement of all disputes. In the event that no agreement can be reached between the management of the hospital and the representatives of the employes, a board of mediation and conciliation to be composed of three members, one member to be appointed by the hospital management and the third member to be chosen by agreement between the other two.

Respectfully submitted,

J. P. MORAN,
House of Representatives.

REPORT TO THE GENERAL ASSEMBLY OF THE JOINT LEGISLATIVE COMMITTEE ON THE ADMINISTRATION OF CIVIL SERVICE IN THE DIVISION OF UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE

To the Honorable, the Members of the General Assembly:

The Joint Legislative Committee to Investigate Civil Service in the Division of Unemployment Compensation and Employment Service was created by the Act of June 27, 1939, P. L. 1120, which reads as follows:

An Act creating a Joint Legislative Committee, for the purpose of investigating the manner of conducting certain civil service examinations and appointments thereafter; providing for its appointment; authorizing the employment of necessary assistants; authorizing the subpoenaing of witnesses and records, and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Whereas, It is rumored and generally believed that the civil service examinations held for the purpose of selecting employes by the Department of Labor and Industry for the purpose of administering the Unemployment Compensation Law were arranged so as to favor particular persons and eliminate others not desired for political reasons; and

Whereas, It is alleged that the appointments made thereafter were not made within the spirit of the law; and

Whereas, A fair and impartial investigation of the manner in which such examinations were held and appointment made, would either quit such rumors or uncover any fraud.

Section 1. A committee of three senators, to be appointed by the President Pro Tempore of the Senate, and three members of the House, to be appointed by the Speaker of the House of Representatives is hereby created, whose duty it shall be to make a thorough investigation of the manner in which certain civil service examinations were held for the purpose of rating applicants for appointments to positions by the Department of Labor and Industry for the purpose of administering the Unemployment Compensation Law, and the subsequent appointments made as a result thereof, and make a full report of the result of such investigation to the General Assembly of the Commonwealth at the next regular or special session of the General Assembly.

Section 2. The said committee shall have power to issue subpoenas, under the hand and seal of its chairman, requesting and commanding any person or persons to appear before them and to answer such questions touching matters properly being inquired into by the com-

mittee, and to produce such books, papers, records and documents as the committee may deem necessary. Such subpoenas may be served upon any person, and shall have the force and effect of subpoenas issued out of the courts of this Commonwealth. Each member of said committee shall have power to administer oaths and affirmations to witnesses appearing before the committee. Any person who shall wilfully neglect or refuse to testify before said committee or to produce any books, papers, records or documents shall be subject to the penalties provided by the laws of the Commonwealth in such cases.

Section 3. The persons appointed as members of said committee shall meet immediately after appointment and select one of their number to act as chairman and one to act as secretary of the committee. The committee may employ any necessary clerks and stenographers as they deem necessary and fix their compensation. The members of the committee shall receive no compensation for their services, but shall be reimbursed for living and traveling expenses necessarily incurred in the performance of their duties.

Section 4. The sum of ten thousand dollars ($10,000) is hereby specifically appropriated to the said committee, for the purpose of paying the expenses of the members and the salaries and traveling expenses of employes and any other necessary expenses incident to the work of said committee.

Approved—The 27th day of June, A. D. 1939.

ARTHUR H. JAMES.

Under authority of this act, Honorable Frederick T. Gelder, President Pro Tempore of the Senate, appointed the following Senators as members of the Committee:

C. Gilbert Wolfenden of Indiana County, Oscar Jacob Tallman of Lehigh County, and Robert Lee Jacobs of Cumberland County.

Honorable Ellwood J. Turner, Speaker of the House of Representatives, appointed the following Representatives as members of the Committee:

William R. Shearer of Cumberland County, Paul L. Wagner of Schuylkill County, and John J. O'Keefe of Allegheny County. Mr. O'Keefe did not serve as a member of the Committee and the Speaker of the House of Representatives did not appoint anyone to take his place.

ORGANIZATION

The organization meeting of the Committee was held at the office of the Secretary of the Senate at 1:00 p. m., on August 14, 1939.

Senator C. Gilbert Wolfenden was elected Chairman of the Committee and Representative William R. Shearer was elected Secretary. On December 11, 1940, Senator Wolfenden resigned as Chairman and Senator Tallman was elected as his successor.

HEARINGS

The Committee held fifteen formal and many informal hearings. On fifteen separate days witnesses were examined, notes of testimony taken and transcribed, and this testimony now forms a part of the permanent records of the Committee.

GENERAL DISCUSSION

At the outset the Committee decided to investigate every phase of the Civil Service program. This necessitated the examination of every step in the Civil Service procedure from the receipt of the applications by the Board of Review until appointments were finally made by the Secretary of Labor and Industry. Because of the large number of applications filed, (73,162), it was impossible for your committee to investigate each one; however, the policy was adopted of spot-checking applications in every class of position. In certain classes of positions where the number appointed was small, a check was made of the records of all the appointees, as well as those on the eligible lists. In all these cases applications were scrutinized, comparisons were made with the evaluation charts, verifications were confirmed and personnel action sheets were checked to verify the appointment.

Employes of the Division were interrogated either at formal or informal hearings on every phase of the Civil Service program. Visits were made to many districts and local offices for the purpose of questioning employes.

As the present Board of Review was rechecking the applications of appointees and candidates for minimum qualifications and also for falsification, many of the hearings held by this body were attended by representatives of the committee.

Many complaints received from applicants for Civil Service positions, who felt that they had been treated unfairly, were also investigated.

As section 208 of the Unemployment Compensation Act was amended May 18, 1937, so as to regulate promotions of Civil Service employes, this phase of the program was also investigated.

FEDERAL PARTICIPATION

The following statement will explain in brief the part the Federal Government, through the Social Security Board, plays in the administration of the Pennsylvania Unemployment Compensation Act.

On August 5, 1935, the Federal Social Security Act was passed by the Congress of the United States. It became effective August 14, 1935, and provided for a tax of one per cent on the employers' payrolls for 1936, two per cent for 1937 and three per cent for 1938 and thereafter. This act provided that if employers pay contributions into an approved State Unemployment Compensation Fund, they may credit the payments to this Fund against the Federal tax up to 90% thereof.

The Pennsylvania law gives employers the maximum credit against the Federal tax without imposing any additional burden, it collects only that part of the Federal tax which would be lost to Pennsylvania workers in the absence of such a law.

The Federal Government, through the Social Security Board, provides the funds that are necessary to administer the Pennsylvania Unemployment Act. Section 203 (a) of the Federal Act provides that: "The board, (Federal Social Security Board) shall, from time to time, certify to the Secretary of the Treasury, for payment to each State which has an unemployment compensation law, approved by the Board under the Federal Unemployment Tax Act, such amounts as the Board determines to be necessary for the proper and efficient administration of such law during the fiscal year for which such payment is to be made.

In accordance with this section of the Federal Act, the Pennsylvania Unemployment Compensation Act was transmitted to the Social Security Board for its approval. The approval was granted on December 8, 1936.

UNEMPLOYMENT COMPENSATION BOARD OF REVIEW

The Unemployment Compensation Board of Review is a departmental administrative board having all the powers and duties generally vested in such boards by the Administrative Code of 1929 and its amendments. One of the functions of this board is the administration of the civil service system and the establishment of certified lists of eligibles.

The first Board of Review was appointed January 1, 1937, by Governor George H. Earle in accordance with the provisions of Article II, section 203 of the Unemployment Compensation Law.

Robert L. Myers, Esq., was designated as Chairman of the Board; Mr. James L. McDevitt and Mr. George E. Prindible were designated as members. This Board held its first meeting and started its work the same date it was appointed, January 1, 1937.

ADMINISTRATION OF THE ACT

The administration of the Unemployment Compensation Act was made a function of the Department of Labor and Industry through a new division known as the "Division of Unemployment Compensation and Employment Service." Into this new division was merged the former State Employment Service, which, for fifteen years, had operated under the Secretary of Labor and Industry. An Executive Director was appointed to supervise the work of the division.

The Act authorized the Secretary of Labor and Industry to make all appointments of personnel in the division with the exception of the Board of Review and its secretary, referees and attorneys. It authorized the Secretary of Labor and Industry to make provisional appointments in the division until such time as the Board certified the lists of eligibles, as a result of the civil service examinations, but in no case later than January 1, 1938. The Secretary of Labor and Industry also established, by rules and regulations, the classes of employment in the division and prescribed the qualifications to be possessed by persons desiring employment in these classes.

II

FACTS SHOWN BY TESTIMONY AND EXHIBITS

The material which follows in this division represents an endeavor to condense the facts testified to by the witnesses called by the Committee and those discovered from exhibits taken from the files of the Unemployment Compensation Division and the Board of Review. In a few cases exhibits are in the form of letters and other documents furnished to the Committee.

The Committee has not undertaken to make any findings of fact from the testimony for the reason that much of it was ex parte. The views of the Commission are set forth in subdivision IV of the report. The purpose of this division is to advise the reader of the pertinent facts which can be learned if the testimony is read and the exhibits studied.

The numbers in parenthesis refer to pages of testimony in the files of the Committee.

MINIMUM QUALIFICATIONS OF APPLICANTS

The United States Employment Service established in 1933 under the Wagner-Peysner Act required minimum qualifications for every position in every state accepting the provisions of that act. Pennsylvania accepted this act and thereafter those employed in the State Employment Service were presumed to meet these minimum qualifications. After the enactment of the Unemployment Compensation Act of 1936, the Secretary of Labor and Industry advised the Federal Employment Service that the minimum standards set up in Pennsylvania were the same as those required by the Federal Employment Service. Actually the minimum qualifications for positions in the Division of Unemployment Compensation and Employment Service were established by the former Secretary of Labor and Industry (5). In preparing the qualifications for applicants the Social Security Board, United States Employment Service and members of the Board of Review were consulted (5). The minimum qualifications were therefore developed after conference by a number of persons before submission to the Secretary (92) who established 90 classes of positions (92).

These minimum standards were however disregarded when the Secretary of Labor and Industry began making provisional appointments in the employment service under the Unemployment Compensation Act. The Federal service required the submission of applications for provisional appointments in state service, but this requirement was not always complied with. For instance, none of the Philadelphia managers had their standards submitted to Washington while holding provisional appointments. The United States Employment Service became suspicious of the standards applied in Pennsylvania; and raised questions from time to time whether minimum standards were being met. Certain persons appointed to the service were rejected by the Federal Service as not meeting the Federal requirements, but eighty-four such persons are still employed in various parts of the state (196-200) in civil service positions and none have been (Exhibit No. 55) dismissed (203).

An affiliation agreement is entered into between the state and Federal authorities as of July first each year. There was considerable controversy over the affiliation agreement at the time the cases referred to above were pending which is shown in correspondence. In Federal correspondence, dated October 7, 1937, directions were given to remove employes, not meeting minimum qualifications from the payroll, but for two years thereafter no person was removed. It was in the province of the Board of Review to govern these matters by their certification (204-208). The state requirements met the Federal standards and those applicants not meeting these requirements should have been rejected before examination (210).

The Board of Review early in 1937 established an evaluating or review section which checked all applications to determine whether the applicant met the minimum qualifications for the positions for which they were applying (110). Two raters in this section originally checked, independently of each other, the applications, to determine whether or not the applicant met the minimum qualifications (1059). The applications of those applicants who

failed to meet the minimum qualifications were marked with an (0) (1060).

Many of the applicants who were orginally turned down by the reviewing section were later declared, by the Board of Review, to be passed as meeting the minimum qualifications (1057). The applications of these people were considered by the board at a meeting at which no employe was present and this was the only time in the history of the board when a meeting was held without even the Secretary of the board being present (1060).

There were at least 1000 applications of this kind which were declared eligible by the board (1058) (1069) where the markings on the applications were changed by the board from Zero, ineligible, to plus, eligible (1060). In Allegheny County a survey indicated that applications for 24 positions affecting 18 individuals were reviewed and changed from ineligible to eligible (1146). This was done at the solicitation of the Democratic State Chairman (1146).

The erasure evidence on applications themselves show the changes from Zero to plus (1069).

Many employes who upon mechanical examination of applications did not have the minimum qualifications for a position (1019-1021) were nevertheless, declared by the first Board of Review as being eligible (1020).

For example, one applicant filed an application for the position of Junior Interviewer and took the examination for that position. The application was marked as failing to meet the minimum qualifications by the Review Section of the Board of Review. The minimum qualifications for the position were, (1) with high school education, three years full-time paid employment in work giving the applicant familiarity with employment problems and practices, (2) with graduation with a degree from a college, one year's full-time special work experience. In this particular case, the applicant had high school education and one year of college. In accordance with the statement of work experience listed on the application, the applicant had a total of seven months and two weeks of work experience of any kind. This person did not meet the minimum qualifications described above, but the Board of Review overruled the review section and declared this applicant eligible (1019-1020).

Another example is an application filed for the position of Senior Clerk. For this position the requirements were, with high school graduation, two years of full-time paid employment in recent years. The applicant did have the high school graduation, but his application showed no employment of any kind before the date on which he filed his application. In this case the Review Section had originally marked the application as failing to meet the minimum qualifications, but the board declared him eligible and did not disturb him on the eligible list before appointment (1021-1022).

The minimum qualifications for the stenographic series as publicized carried with them special requirement as to typing ability from plain copy, ability to take dictation at a certain speed and to transcribe notes at a prescribed speed. The first Board of Review ignored the minimum qualifications as stated in these special requirements. There were 598 persons appointed from the eligible lists in this series; only 66 of this number qualified as actually meeting the minimum qualifications (Exhibit 53).

On December 9, 1937 the chairman of the first Board of Review notified the Secretary of Labor and Industry that certain persons did not meet the minimum requirements for specified positions in the division. In spite of the letter some of the persons on the list were later given civil service appointments for these positions and passed as meeting the minimum qualifications (Exhibit 54).

ADVANCE KNOWLEDGE OF EXAMINATION QUESTIONS

It was testified that every possible precaution was taken to guard against any leaks in the examination questions (12) (123-125). The examination papers were to be available only to the members of the Board of Review and their secretary (116). Nevertheless, a letter mailed from the department, which was returned because it lacked the name of the city on the envelope, was found to contain a copy of the examination questions and this letter was mailed prior to the examination. The matter was investigated by the State Police but no prosecution was entered on the advice of the Attorney General. The examination was subsequently changed (12) (115-117).

An employe was found to have examination papers in a folder which he was going to take home. He is still employed (30-31).

There was evidence that examination questions and answers for the managerial series were sent to Philadelphia before the examination and were studied by the provisional managers the night before the examination (462).

SCORING THE WRITTEN EXAMINATION

The Unemployment Compensation Act requires that examination papers of candidates shall be marked by a committee designated by the Board of Review, with the approval of the Governor, consisting of school teachers in this Commonwealth.

Answer sheets were used for all examinations. A candidate placed his answers to all test questions on a specially prepared form which could be scored without recourse to the test pamphlet.

The process of scoring for the August 1937 examination was one of merely checking the answers to the various questions. In order to do this work a loud speaker system was used and an announcer read the correct answers while 125 school teachers did the scoring on individual papers, (Exhibit EK-4), (117-118-127).

A different method of scoring was used for the December 1937 examinations. Different answers were printed on the answer sheet and the applicant was directed to enclose in a circle the answer he thought was correct. A system was devised by which a red line could be printed on the answer sheet so as to pass through the correct answers to the questions (123). The scoring process consisted simply of deducting from the total the number of answers which did not appear on the red line. This was merely a routine clerical job. Employes of the Board (many of them applicants for positions under civil service) did this job. (EK-e) (1076).

It was possible to substitute answer sheets for the original answer sheets after they had been sent back to the offices of the Board of Review (1096).

The Secretary of the board discovered in the desk of

one of the employes of the board five or six answer sheets (1100). These answer sheets were checked and it was discovered that the examinee numbers were the same as the numbers given to applicants for civil service positions, one an employe of the board (1100). The Board of Review did not dismiss the employe in whose desk the answer sheets were found (1102). In fact, this employe and others whose substitution answer sheets were found in his desk later received civil service appointments (1103). According to the Secretary of the first Board of Review, there was no investigation of the incident.

Many corrections were noticed on answer sheets, but there was no way of determining, even through laboratory tests, whether the change in the answer was made by the applicant or by some employe of the Board of Review.

PASSING POINT

The passing grades for the August 1937 examination were determined by taking seven times the number of positions to be filled in the central and district offices and five times the number of positions to be filled in county offices. For instance, if there were 100 senior stenographic positions in the central office the 700 highest were placed on the eligible list. No persons below the 700th person in the written test was considered any further (404-405). Another limitation used was never to go below the fortieth percentile, i.e. 40% of all applicants in a particular series. For instance, if there were 100 applicants only the 40 highest would go on the eligible list (406-407).

In the December 1937 examination the procedure was to take 10 times the number of positions to be filled (415). Additional persons were also added to the eligible lists in accordance with a fixed ratio as for instance, 10 for every 100 jobs (408).

The procedure in the December examination unquestionably lowered the passing point. On 105 eligible lists certified the passing point was Zero (Exhibit 10, 11). The effect was that in some counties Zero was a passing grade, in others for the same position a high grade was required (408-409). Where the passing grade was Zero a person could simply write his number on the examination paper, not answer any questions and still get a civil service rating as passing the examination (409). Example—in Philadelphia County for the senior interviewer the passing point was Zero, while for the same examination for Dauphin County the passing point was 175 questions answered correctly (410).

The determination of passing points were decided after the written examinations had been held (411).

The procedure used by the board in determining the passing point brought about a variation in different counties. Eligibility was determined solely on the basis of the written test score. One who had a slightly lower score in the written test than another failed to be placed on the eligible list, although his total score might have been appreciably higher than another who was placed on the eligible list. And at the same time the passing score for written examinations varied in districts (415-421).

It was possible for a person in one county to have Zero in his written examination and by his subsequent oral examination and his rating for education and experience to get a position (411-412), while in another county he would be required to have 75% in the written examination before he could take an oral examination (412).

The certification of lists carrying 10 times the estimated number of vacancies was always more than adequate (426). For example—the first Board of Review certified 493 names on the senior interviewer list (passing point 0) for Philadelphia County (426). The records of the personnel section show as of March 11, 1940, that only 39 persons have been appointed from this list (426). In many classifications state, district and county lists were established but only county lists were used in making appointments. The passing point in many cases varied on all three of the lists for the same classification. Example—for senior interviewer the passing point for the state list was 209 correct answers in the written examination, for the District list 214, for the county list 0 (416). Due to the method used by the Board of Review of transposing names from the state and district lists to the county lists, cases were discovered where people having a much higher converted score who were lower on the lists than other people having a low converted score (419). Example—on the senior interviewer lists for Philadelphia County No. 49 on the list had a converted score of 65.7 while No. 50 on the list had a converted score of 92.0 (419).

After the lists had been established the Secretary of Labor and Industry requested the Board of Review to break down the Interviewer lists and certify to him a separate list for both males and females for these positions (425). That procedure made it possible for a person who was low on the original list to achieve a better place on the new lists and thus come within reach of a position (425).

EVALUATION OF EDUCATION AND EXPERIENCE OF APPLICANTS

The third component part of the examination which played a part in the applicant's final score was the evaluation of education and experience. The first two were the written and oral examinations. As in the oral interview the sole use made of evaluating education and experience was to assist in determining the rank the candidates would have on the eligible lists (Exhibit EK4) page (47) (239-240).

The evaluation of this education and experience of each candidate was accomplished by means of an evaluation chart. With the detailed evaluation chart it was possible to classify the types of experience which the candidate listed on his application. This evaluation covered the past ten years only. Table III (Exhibit EK4, page 51), gives the weights assigned to the various grades of experience and education.

The work of evaluation was difficult. While charts and standards were supplied, these had to be interpreted (251-252). The persons doing this technical evaluating work were appointed by the first Board of Review but no special qualifications were required. (14-17). Some of the persons employed were competent, others not. It is not believed that any had any prior experience in this type of work (251-256).

It was discovered early in the work of evaluation that the charts used were inaccurate and faulty, but, although this was known, no effort was made to correct them (307). Due to the faulty charts there were certain situations where an applicant's credits could be reduced and at the same time his standing on the lists increased (285-286). Example—Experience A was work similar to work in the Division of Unemployment Compensation or any similar governmental agency. Experience B was generally work showing a large amount of supervision and direction. Candidate X, who had ten years of Experience A would receive 27 points credit. Candidate Y who had ten years of Experience B would receive 19 points credit. Candidate Z who had 5 years of Experience A, (19 points), and five years of Experience B (13 points), would receive 32 points credit or 5 points more than Candidate X.

Mention should be made of the special consideration given candidates for position in the accounting service. A list of eligibles was established in this service on the basis that the education and experience score should not be considered beyond November 10, 1937 (1105). This list of eligible was certified about July of 1938. After the list of eligibles was certified there was complaint that the number of provisional employes on certified lists was not sufficiently high (1106). The certified list was recalled and a questionnaire sent out to all persons whose names appeaered on the list of eligibles asking them to indicate any additional education and experience they had between August 2, 1937 (first examination closing date) and December 1, 1937 (1106). This meant that all applications had to be revalued and a new list established which was certified in November of 1938 (1106-1107). The civil service appointments were made from the new list (1107). There were a large number of changes in the ranks of applicants as developed in the second evaluation as compared with the first evaluation, particularly in connection with employes who had received provisional appointments (1110). This was due to the fact that the chart established by the first Board of Review for evaluating education and experience gave four (4) points credit to any person employed by the Division of Unemployment Compensation for any amount of time, even a day, and seven (7) points credit to a person employed six months or more (1110). The same points of credit were not given to applicants in comparable jobs working in private industry (1110).

While the evaluation process was going on an organized group in the division picketed the offices of the Board of Review frightening many of the girls, stenographers and clerks, working there (1108). This situation was brought to the attention of the first board and an agreement was made that representatives of the organized group would sit down with the chief of the evaluating section for the purpose of allowing them to satisfy themselves that proper credit had been given to members of this group (1109). This procedure continued for many days during the time the evaluating section was re-evaluating the accounting applications (1109). At least two of the representatives and others in the group later received civil service appointments in the accounting series (1109).

The evaluations of many applicants were changed. In certain cases the changes were made, either up or down, by the Board of Review on its own request (249-250). Those doing the work of evaluating thought at the time that the ratings given by the board were not right. In fact, a memorandum was made for his protection by the Supervisor of the evaluating section (257-259). In other cases reviews and changes came as a result of communications from applicants, questioning their scoring (297). These changes were made on orders of the first Board of Review (299-305-309).

ORAL EXAMINATIONS

The oral examination was one of the component parts of the examination in those grades of positions for which oral interviews were required. The oral examination was for the purpose of sizing up an applicant generally and judging his ability to occupy the position for which he was applying (145). There were 90 series of positions, and oral interviews were given in 57 of these (Exhibit EK-4). Table II (Exhibit EK-4) shows in which positions interviews were held and the relative weights assigned to each of the three scores.

The oral examinations were given in 20 series of positions in the August 1937 examination and 37 series for the December 1937 examination.

The August oral examination was conducted by three persons who traveled from point to point (119-121); but in the December examination 27 boards of two (2) members each were created (183) (142). These boards had charts called Personal Interview Charts for each applicant who appeared before them and on which they scored the qualifications of each applicant. The charts, although the same in classifications and subjects covered, were vastly different in the score range (442). In the August chart the score range was from 56 to 100 while in the December examinations the score range was from 0 to 100 (442) (Exhibit 207). An applicant in the August examination could not receive a score lower than 56 while in the December examination he could receive 0.

There was also wide variance in the scoring of the various board members in the December examination. As an example, one board member marked 112 applicants out of 432 between 95-100, while another board member marked no persons out of 465 between 95-100. This difference in scoring affected the standing of those applying for positions on the state lists. (Ex. 203) (Ex. 206) (Ex. 208).

The 27 boards in the December examinations were under one person who was given the responsibility, by the Board of Review, of selecting interviewers throughout the state and setting up the boards (139). The interviewers sat in their local communities where the possibility was great that they would know some of the applicants to be interviewed (144). No special qualifications were required for the oral interviewers (14) (41). One case was discovered where a person was conducting the oral examinations while he himself was competing (31, 32-167). This person later received a civil service appointment and is still employed in the service (31-32-167).

Although the policy of the board was not to give re-orals, nevertheless, there are cases on file where re-orals were given and in these cases the applicant received a higher score (Exhibit No. 200-201).

The Director of the State Employment Service expressed his opinion on a number of cases of persons employed in civil service who had been incorrectly graded in oral examinations, either too high or too low, pointing to specific cases where it was evident that general appearance, ability, personality, background and education were given undue or insufficient consideration; the spread in grades between certain individuals was too great (213-232); and in some cases grave injustice was done (233).

The Oral Interviewing charts were marked by the boards in pencil and many show changes but there was no way of determining whether these changes were made originally by the Oral Board or by employes of the Board of Review.

Many oral charts were found in the files that contained no initials of the oral interviewers so there was no way of ascertaining whether there were bonafide charts.

The Oral Interviewing Boards conducted interviews in the various offices of the division. At the completion of each day's work the Oral Interviewing Charts were placed in the possession of the receptionists to be bundled and mailed to the Board of Review at Harrisburg.

The set of instructions issued by the first Board of Review permitted the interviewers to ascertain whether the applicant was a provisional employe of the Division (See copy of instructions) (Exhibit 204).

The chairman of the seven Oral Interviewing Boards for Philadelphia County, sometime after the completion of the oral interviewing program, asked that all appointments in certain Philadelphia positions be held up since a grave mistake had been made in oral examination charts because of ambiguous wording thereon. There was considerable correspondence on this subject but nothing was done about it and the appointments were not held up (1172-1179).

FALSIFICATION OF APPLICATIONS

The Unemployment Compensation Act of 1936 provided for Civil Service in the Division of Unemployment Compensation and Employment service, and required applicants for positions to submit applications under oath (1071). For some unknown reason the Legislature in 1937 amended the act eliminating the requirement of swearing or affirming to the truth of the statements made on the applications (1022).

The statements made in these applications were checked by sending inquiries to the schools and also to employers the applicant indicated on his application (1206-1207)

If the reply from the school or employer raised any doubt whether the statements in the application were correct then they were required to be verified by the applicant (1207). The first Board of Review took the position that the facts stated in an application were deemed prima facia to be correct and that verification by applicants was not required unless doubt was cast on the correctness of the statements (1206).

In the entire civil service program the gravest situation discovered is the matter of falsification of applications and this was most prevalent in higher grade positions (1022) (1079). As stated before, after the written examinations were held inquiry sheets went out to employers and educational institutions listed on the applications for the purpose of verifying claims of employment and education made by applicants (1023). The answers to these inquiry sheets were in most cases, received by the Board of Review by March 1938 (1023). It was discovered after August 1939 that although the answers to the inquiry sheets denied completely many of the applicant's claims of employment and education yet nothing had been done about it (1023). In other cases it was discovered that the credits, given to the applicants for education and experience, falsely claimed, had been eliminated by the Board of Review and such applicant's total score correspondingly reduced (1023) (Exhibit 20). There were at least 100 cases of substantial falsification brought to the attention of the first board of Review and it either failed or refused to act thereon (1046-1047-1048). The first board held hearings on falsification and at some of these hearings the applicants admitted that certain statements on their applications were false, but nothing was done to certify the applicant for summary dismissal (1049). In fact, the first board only dismissed 19 applicants for falsification of applications (1052). 5000 applications were examined by the present Board of Review and this examination shows that an average of 10% of the applications showed falsifications (1080).

Many applicants were cleared of falsification by the first board at hearings at which the applicant did not appear. After these hearings, their scores were revised (1090) (1091).

In addition, it was discovered in some cases that inquiry sheets, alleged to have been returned from employers, were forged or evidenced perjury, but were placed in the folders of various applicants and the true inquiry sheets destroyed (1035) (1073). There is evidence of a conspiracy between certain of the temporary employes of the Board of Review (1036-1042).

Good civil service practice requires that all applications should be investigated prior to appointment (68). This was not done.

In fact not only were many persons hired without any investigation of the accuracy of the statements in the applications (28-108-110), but no check was made until after the eligible lists were certified (108). There was no way of checking whether applicants were instructed to falsify applications (97), but testimony of applicants disclosed they were advised to make their applications look good, such advice being given by managers of employment offices and supervisors (100). No action was taken in respect to persons giving such advice (100-101).

Some persons who gave false information were not dropped from the lists (21, 70, 71), and were given appointments (22), and are still employed (71); others were removed from the lists for false statements or their status on the listst changed (18, 69, 70). (Exhibit 21).

APPLICATIONS RECEIVED LATE

The first Board of Review in its rules and regulations set definite deadlines for the filing of applications (1083). The deadlines for the various classifications are shown in table known as Table II (Exhibit EK-4). It was announced publicly that applications received after these particular dates were invalid and that such applicants would not be granted an opportunity of taking examinations (1083). Thousands of applications were filed late and most of these were rejected for this reason. Many of those rejected were

mailed the next day following the closing date (1084). Every applicant was supposed to be treated equally under the definite deadline rule (1083) but such was not the case (Exhibit 102). Many applications received late were nevertheless accepted (1084) some being late as much as a week (1084) and in one case a year (Exhibit 100). In quite a few cases the applicants who filed late applications later received civil service appointments (1085).

CERTIFICATION OF ELIGIBLE LISTS AND APPOINTMENTS THEREFROM

Persons in the Unemployment Compensation Division of the Department of Labor and Industry are, under law, appointed by the Secretary of Labor and Industry, who sends the appointees to the director of the division for assignment (4); however, in actual practice the appointing power was delegated to the personnel director of the department (83, 84).

Appointments were made from lists of eligibles established by the first Board of Review, which also changed and deleted names from the lists (26). Appointments were made from the first three, four or five names on the eligible list depending on the number of persons to be appointed. Those who were not available were not counted in the first names (49, 50). A person whose name had been considered three times and not appointed was not thereafter considered, and such persons should have been dropped from the eligible list. This was not always done (51, 52, 54, 55).

No reasons need be assigned why a particular person is selected from the eligible list and in practice none is assigned (54).

For examinations held August 25, 27, 1937, the first group of eligible lists (statistical series) were certified as early as December of 1937 and all the eligible lists for the August examinations had been certified by March of 1938.

For the examinations held in December 1937 the eligible lists were not certified by the Board of Review until the latter part of the year 1938, and, during the months of November and December, 1938, and January 1939, between 1/3 and 1/2 of the total number of civil service employes were appointed to replace provisional appointees (46, 49) (107-106). While ten to twelve months elapsed before the certifications were made one or two months are considered sufficient time (49).

By direction of the former Secretary of Labor and Industry the junior and senior interviewer eligible lists were broken down as to sex and separate eligible lists were established for males and females. This made it possible for one having a low rating on the consolidated list to achieve a much better position on the broken down lists (425-426).

USE OF UNOFFICIAL ELIGIBLE LISTS

The section of the Unemployment Compensation Law dealing with the certification of lists provides that the board shall certify to the Secretary for each administrative district and for the state as a whole, lists of the names of persons receiving a passing mark, ranking such persons in the order of magnitude.

This section of the act was complied with. But in addition thereto, at least ten days before the official lists were certified, an unofficial list was sent to the Secretary of Labor and Industry by the Board of Review (769). The official list sent to the secretary ten days later showed many changes in the relative positions of persons as shown on the unofficial lists. These changes resulted in some persons receiving appointments while others seemingly lost appointment (Exhibit 101).

The Executive Director of Unemployment Compensation and Employment Service suggested the use of this unofficial list (769) and received copies of such lists.

APPOINTMENTS FROM STATE, DISTRICT AND COUNTY LISTS

For many positions and classifications there were three certified lists, STATE, DISTRICT and COUNTY, although the Unemployment Compensation Act recognizes only State and District lists (sec. 208 (i)); and in an opinion of the Attorney General the County lists were declared illegal (Exhibit 65). In many cases the name of the same applicant would appear on all three lists. The former Secretary of Labor and Industry would appoint from the district or county list first and last from the central list. Even though most of the appointments for the same classification were made the same day, the applicant, if appointed from the district or county list, would not be considered on the central list. The action sheets would be marked in back of his name "P. H." meaning previously appointed (781). Many of the people who were so appointed on the county and district lists were later furloughed after only a few months' work. The reason given by the Department was budgetary. (See action sheets on District and Central Lists for Administrative Officers). (Exhibit 66).

WAIVERS BY PERSONS ON ELIGIBLE LISTS

The Unemployment Compensation Act provides that in making appointments the Secretary shall select from the three persons ranking highest on the list of eligibles, the only person in such first three who is not to be considered for the time being is the one found to be unavailable.

When appointments were made to lower grades of positions in the Bureau of Unemployment Compensation, accompanying the letter of appointment was a letter asking the employe to waive for the higher position for which he was entitled to be given consideration (776). No waivers went out before the appointment; they accompanied the letter of appointment (777). As an example, if an applicant was on a $2400 eligible list and also on a $3000 list, if he accepted appointment on the $2400 list he would be asked to waive appointment from $3000 list and would not be considered for the $3000 position (775-779). This system of waivers changed the relative positions of names on the eligible lists for the higher salaried positions.

There is some evidence of political pressure to secure waivers from persons on more than one eligible list through statements that if such waivers were not signed the applicant's name on the eligible list would be passed over. It was alleged that such practices were brought to the attention of the former Secretary of Labor and Industry (Exhibit 60). There is also evidence that officials

of the division requested waivers from subordinates (Exhibit 61).

APPOINTMENT AFTER THREAT

It was testified that during the period when the Dauphin County Grand Jury Investigation was "burning hot" an applicant for a position approached the Executive Director, wondering when he was going to be appointed. This applicant alleged he had certain information which he was going to release to the Dauphin County District Attorney unless he was appointed. It turned out this applicant had been working for the Board of Review and it seems had made notations of things which had happened and who was responsible for them. These happenings apparently related to changes in classifications and were recorded on sheets of paper which were read by the Executive Director and called to the attention of the Secretary of Labor and Industry and the Chairman of the Board of Review. Efforts were made to secure a copy of these papers but the applicant refused to surrender them (345-354).

The Executive Director advised this applicant he would be appointed since he was on the eligible list. He was asked to surrender the papers but alleged that he had given them to a friend who was with him outside the Executive Director's office. A stenographer in the outside office said no contact had been made with any other person and that the applicant had pushed some papers down his trousers (345-354).

He received an appointment but the Executive Director did not get the papers. The details in these papers could not be recalled. The applicant said he would give the papers to the Secretary nine months after his appointment had been made, that is, at the end of the probationary period. He would not do it before because he knew his appointment would be voided. Subsequently, this person's application could not be found in the files (345-354). The then Secretary of Labor and Industry testified that this person received an appointment without knowledge of the situation here recited and that he was later considered "batty" (789-792).

TEMPORARY CIVIL SERVICE APPOINTMENTS

A letter was sent out November 15, 1938 offering persons on certain eligible lists temporary civil service positions for one month (784). Many refused these temporary positions (785); but the people who accepted them actually became permanent civil service employes because they were retained in these positions past the probationary period of nine months. They are still employed in the division. The Secretary of Labor and Industry protested against these temporary appointments at the time (786) but was overruled by the Social Security Board representatives who devised the system (785-789).

UNEMPLOYMENT COMPENSATION TREASURY UNIT

In the Treasury Department a unit has been organized the duties of which are to issue payroll and benefit checks, to receive employer contributions from the Secretary of Labor and Industry, transmit them to the Federal Government, and to receive from the Federal Government and act as custodian of and pay out funds to cover the administrative costs of the Unemployment Compensation System and benefits to those entitled thereto (637) (670). The Treasury Unit is not concerned with claims for unemployment compensation but is concerned with forged and lost unemployment compensation checks and with the reconciliation of balances (645). It does not actually write benefit checks; they are drawn by the Unemployment Compensation Division of the Department of Labor and Industry, but signed in the Treasury Department (721-722) by machine (655). However, the Treasury Unit compares each check with the requisition (654).

The law provides that payments shall be made out of the Unemployment Compensation Fund, under the control of the State Treasurer, under such system of requisitioning and accounting as the Governor, Secretary of Labor and Industry and State Treasurer shall determine (650) (673). A written agreement was entered into in which was inserted a clause authorizing the State Treasurer to appoint such personnel, subject to proper budget approval by the Social Security Board, as was necessary to perform his allotted functions (655-656). This was deemed by the State Treasurer as vesting in him power to appoint the personnel of the treasury unit (657).

The agreement referred to above was entered into in January 1938 between the Governor. the State Treasurer and the Secretary of Labor and Industry, in respect to the employes of the Treasury Department Unit of the Unemployment Compensation Division (Exhibit 40). The existence of this agreement was not known by Executive Director of the Division of Unemployment Compensation and Employment Service of the Department of Labor and Industry until it was shown to him by your committee (356).

The agreement referred to above contained the following:

> "The State Treasurer shall appoint such personnel, subject to proper budget approval by the Federal Social Security Board, as may be necessary to perform his allotted functions."

The executive director deemed this vested the appointing power in the State Treasurer although payrolls were signed by the Secretary of Labor and Industry (359). No section of law authorized such an agreement and the Social Security Board has stated recently that all personnel in the treasury unit should be under civil service, but nothing has been done to bring these employes under civil service (359). These treasury unit employes are appointed the same as other employes of the Treasury Department; they are political appointees, but paid out of funds to administer the Unemployment Compensation Law which requires civil service. It is believed the former Secretary of Labor and Industry signed the agreement under compulsion (360); he was definitely against the appointment of persons, not under civil service, in the Treasury Unit (361).

The former Secretary of Labor and Industry objected to the State Treasurer appointing employes in the Treasury Unit and conveyed his objections to both the then Governor and State Treasurer (755). The Secretary also objected and presented his views to the Social Security Board at Washington (744-747). But that board sup-

ported the State Treasurer in his views (744-747). The Secretary did not agree with the decision of the Social Security Board but was overruled (738).

The Secretary of Labor and Industry was the only one with power to requisition monies from the administrative fund (741); he is the one who must sign the budget, including the treasury unit, which is submitted to the Social Security Board at Washington (741); all payrolls including the treasury unit must be signed by the Secretary (739).

This procedure occurred when the State Treasurer and Secretary of Labor and Industry were on opposite po litical sides (356).

The State Treasurer insisted his unit should be as large as possible; he wanted all checks written in his department, saying it was a treasury function (357). He went over the head of the former Secretary of Labor and Industry and the Executive Director and contacted the Social Security Board and got it to enter into a verbal agreement that employes of the treasury unit would be given a qualifying examination which would be satisfactory to the Federal Board. (357).

Such a qualifying examination was given but it was only open to employes of the Treasury Department and other state employes working on Capital Hill (707). This examination was supervised by an employe of the Treasury Department (676) who not only drew up the examination questions but conducted such oral examinations as were given (708). Although applications were filed no check was ever made to verify statements made in the applications (709). No lists were ever compiled as the examination was merely a qualifying, non-competitive one (677-708).

Between 80 and 100 persons are employed in this unit (638); they are appointed by the State Treasurer (742). The number and compensation of these employes is controlled by a budget which must be approved by the Federal Social Security Board (639). The State Treasurer feels that in the absence of specific authority in the Unemployment Compensation Law to make appointments such authority nevertheless exists in him (646-647).

These employes do not have a civil service status. They may be removed at the will of the State Treasurer for any reason; they have no tenure (666, 667). They are paid from the Administrative Fund, the moneys in said fund coming from the Federal Government (640).

IMPROPER CLASSIFICATION OF EMPLOYES CLASSIFICATION SURVEY COMMITTEE

The Classification Survey Committee is composed of employes of the Board of Review, of the office of the Executive Director, and of the Federal Government (322-325). The committee sent out a form D.U.C.E. 362 to employes of the Division on which each employe was asked to fill in a description of his job including the duties and responsibilities. This work has been completed and all forms returned (325).

These forms are now being analyzed (326), and when the work has been completed it will be found whether employes are working in the proper classification or are subject to change (327).

The committee is not concerned with recommending persons; it is only interested as to duties and responsibilities and to see that persons who are placed in positions receive the salary of that position (332).

It has been found that per diem employes are occupying positions which should be filled by civil service employes (328). As many as 500 per diem employes were found in one division and seemingly no effort was made to remove them although employed contrary to law (343-344).

Many cases were reviewed which in the opinion of the Survey Committee showed improper classifications. These erroneous classifications resulted in appointees receiving larger or smaller salaries than they were entitled to. The variations ranged from small amounts to as much as $600 per annum (328-342).

It seems there are more persons improperly classified than are correctly classified (338); but prior to this work nothing was done, yet it must have been known to exist (339).

According to a report received from the Classification Survey Committee by your committee there were as of March 15, 1941, 2079 positions in the central office of the division. This included the Treasury Unit and the Board of Review. Of this number, 1108 are filled by Civil Service employes, 695 positions are filled by provisionals and there are 276 vacant positions.

Of the 1108 civil service employes only 491 or 44% are working in the classification for which they were appointed. The remaining 617 or 46% are working out of position in either a higher or lower capacity (Exhibit 54)

PROMOTIONS

Rules and Regulations governing promotions were adopted by the Board of Review on February 2, 1940, pursuant to its authority under law. The Executive Director, in order to put the promotional program into operation, issued executive office bulletin No. 24 outlining the requirements of the promotional rules and setting up a procedure to be followed. As a result of the above Rules and Regulations and executive bulletin No. 24, the first promotions were started through on April 1, 1940, and up to August 1, 1940 approximately 94 promotions had been completed. In its general investigation of the promotional system your committee considered only these 94 promotions.

The Executive Director of the bureau stated that recommendations for promotions started with the individual supervisors, from the ground up, on through the various chiefs until they finally reached the Secretary of Labor and Industry for his approval (827). But bulletin No. 24 issued by the Executive Director states—"The Associate Directors will initiate Form B.E.U.C. 375 (Recommendation for Promotion)." "The Associate Director will then route Form 375 to the immediate supervisor of the employe being considered." It appears that many of the promotions were recommended or suggested by those in authority (see copies of correspondence Promotion File) in fact, some of the correspondence indicates that associate directors were insisting on the supervisors signing promotion forms.

Of the 94 people promoted 59 received promotions to the next higher classification; 11 were reclassified with no salary increase; and twenty-four promotions involved a skip of one or more classifications.

The Unemployment Compensation Law section 208(j)

as amended 1937, May 18, P. L. 175 provides that promotions "shall be based upon merit and upon the superior qualifications of the employe to be promoted as shown by his or her previous service record under this act."

Merit and superior qualifications are to be determined from information on the merit rating cards which have been studied by your committee.

The difficulties experienced in analyzing merit rating cards is well illustrated by the following cases.

Mr. X was appointed originally to a Civil Service position from an $1860 Assistant Accountant list, but was assigned as an Assistant to the Director of Employment Service. He never worked as an accountant in the Division although appointed from the accounting list. He received six service ratings, while the other assistant accountants only received three or four service ratings. In addition, Mr. X was rated on a supervisor's rating card while the other assistant accountants were rated on general rating cards, which meant two classifications less. Mr. X was thus given an opportunity for a much higher score.

In comparing service rating cards it was found that some individuals in the same classification were given ratings on cards having 14 subjects while others were classified on cards which only had 12 subjects. The ones classified on the cards having 14 subjects would receive higher ratings than the ones classified on the cards with only 12 subjects. When using 12 subject cards cases were discovered where only 11 subjects were checked for some individuals, while in other cases 12 subjects were checked. This difference in checking amounted to five points in the service rating score.

There were also cases of employes in the same classification who did the evaluating work for each other. Six field supervisors were appointed. all at a salary of $4200 per year. Two of these supervisors evaluated the other supervisors although they were all members of the same group. For instance, A and B evaluated the services of other supervisors, then A evaluated the services of B, and B evaluated the services of A. The ratings of A and B were exactly the same while the ratings of the other supervisors were all below the ratings of A and B. A received a promotion from a $4200 position to a $6000 position.

Another example was that of senior account, Y, who was later given an increase of $2000 by way of promotion on the ratings of his superior, rated practically all of the other senior accountants of the division. The ratings of the other accountants were generally low.

There are cases in the same classification where one person was rated by two or three people with the results that ratings varied.

In selecting persons to be promoted employes who were below the position for which the promotion was to be made, even three or four grades removed, were considered (863). There were cases where a person in the next lower grade, who had equal or superior qualifications, was jumped over by a person down in grade (863) (864).

The Executive Director in explaining this procedure felt it was fair because at the time of promotion he was eliminating all errors that were made at the time of the original civil service appointments (866) (867).

The Associate Director of Unemployment Compensation stated that he recommended the promotion of a person from a $3000 classification to a $5000 classification without considering anybody in the $4200 classification. After promotion this employe wrote the justification, which was approved by the Associate Director, for furloughing the person in the $4200 classification for budgetary reasons. This same associate director also stated that the merit rating cards should not be the basis for deciding who should be promoted (971-972) and that persons with low service records were promoted while other persons with higher service records were not promoted (965-966). Some people were promoted who rated below average in various classifications (962). One individual who ranked number 5 in comparison with six administrative officers in his classification, was jumped from $3000 to $5000 and the others with superior service ratings were passed over (954). There were other cases of the same nature (983). Consideration was given to prior outside service and other state service in judging whether or not a person should be promoted within this agency (983). Persons were also recommended for promotion by superiors who did not have supervision over the person (998) (1000). Cases were discovered where people were recommended for promotion who shortly before had been recommended for dismissal by their superiors.

The Secretary may, by reason of lack of funds or curtailment of work, furlough any employe in the division. The act provides that such employe shall be reinstated to the list of eligibles and shall be given preference for all future appointments in the same grade or a lower grade. Such eligibility for reinstatement is to remain for a period equal to the employe's service under the act but in no case for a period longer than two years. The policy has been adopted in certain cases of promoting people to higher grades from which an employe had been furloughed and during the period for which such furloughed employe was entitled to preference (990-991).

III

REVIEW OF COURT OPINIONS

Several questions regarding rights of employes, rights of the employer (Secretary of Labor and Industry) and the powers of the Board of Review have been decided by the Superior Court of Pennsylvania. These decisions are of great importance and the committee is of the opinion that a review of the opinions is desirable in this report.

The decisions cover cases involving (1) Minimum Qualifications of applicants; (2) Late applications; (3) Falsification of applications and falsification passed on by one board subsequently reversed by another board; and (4) Meetings of the Board of Review.

1. Minimum Qualifications. In the case of KASSARICH v. UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, 139 Pa. Super. Ct. 599, the Board of Review had directed the Secretary of Labor and Industry to dismiss the appellant for the reason that he did not possess the minimum qualifications for the position of Senior Interviewer to which he had been appointed December 13, 1938. The appellant had been placed on the list of eligibles by the first Board of Review which had certified him as meeting the minimum requirements for the position.

The new board reviewed the appellant's qualifications

and decided he did not have the minimum requirements as established by the rules and regulations.

The court held that the case did not turn on the interpretation of the rules and regulations by the Board of Review because the act of the first board in certifying the appellant on the list of eligibles could not be revoked, reviewed or reconsidered in the absence of fraud, misconduct, or misrepresentation after his appointment to a civil service position and his retention beyond the probationary period, either by the board which had certified the list or by a subsequent board. The court said—"Any errors in the selection of the list of eligibles, not arising from fraud, misrepresentation or misconduct, is cured by the appointment."

This conclusion followed since the power to dismiss a permanent civil service employe is restricted to the grounds enumerated in section 208(o)(s) of the Unemployment Compensation Law.

2. Late Applications. In the case of SPEER v. UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, 140 Pa. Super. Ct. 207, the appellant filed an application for the position of Senior Interviewer. Subsequently, on November 23, 1937 she asked permission to change her application so as to apply for the position of Junior Interviewer. This permission was granted by the former chairman of the board on November 30, 1937. The closing date for filing applications was November 10, 1937. An applicant had to file an application for each position for which he or she desired to take an examination. She was later placed on the Junior Interviewer lists and was appointed as a Junior Interviewer on December 7, 1938.

On October 20, 1939, after notice and hearing, she was ordered removed from her position by the present board and her name stricken from the Junior Interviewer lists and restored to the Senior Interviewer lists, on the ground that the former board had no authority to permit her to change the position applied for in her application after the date for filing applications had closed.

The court held that in the absence of fraud, misrepresentation or misconduct the present board had no authority, under the act, to review, reconsider or revoke the action of the former board.

3. Falsification. In the case of THURSTON v. UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, 140 Pa. Super. Ct. 254, the appellant was dismissed by the present board because he had misrepresented his educational training in his application for employment, thus securing a higher rating on the eligibile list. He stated on his application high school attendance of four years and graduation therefrom. He later admitted he never attended or graduated from any high school. The court sustained the present board saying: "It is desirable as a matter of public policy that the civil service employes under the statute shall be composed of honest and truthful persons; and fraud and misrepresentation in securing the appointment, are grounds for dismissal."

Four other cases decided by the Superior Court deal with this matter of falsification of applications. All of these cases were decided in the opinion reported in RYAN v. UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, 143 Pa. Super. Ct. 8. In all of these cases there was falsification, relative to scholastic training, in the applications. After learning of these falsifications, credits given the applicants, which were based on false statement, were deleted and the rating or grade of the applicant revised to conform with the deletion. In two of the cases it appeared that the deletions and the revised rating was made with the consent of at least two members of the Board of Review, and that the applicant was notified by the Secretary of the Board of this action. In the other two cases, action by two members of the Board was not proved. The court held that where two members of the Board had consented to the revision of the grading of the applicant this constituted a bar to a subsequent action by the board in the absence of fraud or misconduct on the part of the board, and that a subsequent board could not revise the action of the prior board. But in the two cases where concurrence by two members of the board in the revision of the grading did not exist, the court held that the deletion of credits for scholastic training and the revision of the grading as originally made was not a bar to the subsequent reconsideration of the subject by a succeeding board. While the court in these cases recognized the right of the Board of Review to reconsider an application which contained falsifications and accept in lieu thereof truthful statements of scholastic training in order to decide whether an applicant possessed the requisite qualifications for eligibility, nevertheless, it said that "any willfully dishonest or untruthful statement as to either business experience or educational training should have rendered him (the appellant) ineligible." The court, however, declined to upset action of the prior board concurred in by two members "even though the substitute finding (of the subsequent board) would seem more in accordance with the facts of the case."

4. Meetings of the Board of Review. In the case of THOMAS v. UNEMPLOYMENT COMPENSATION BOARD OF REVIEW (not reported when this division was written) the decision of the present Board of Review was opened and the record returned to make findings of fact on vitally important matters. These matters related to the action of the former board in respect to discrepancies in the appellant's educational record and the present board was instructed to ascertain whether the prior board had held a hearing and "had considered and passed upon the willful or intentional character of the material misstatements or misrepresentations (in the application) which it admittedly contained." The court held that there must have been formal action as a board concurred in by at least two members and not action by two members separate and apart from a board meeting.

IV

DISCUSSION OF THE ADMINISTRATION OF CIVIL SERVICE IN THE DIVISION OF UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATIVE SYSTEM

The Unemployment Compensation Law was adopted December 5, 1936 at a special session of the General Assembly. The session was called by the Governor in advance of the regular session, commencing a month later, in order to have a law in force providing for contributions by employers into a state system of Un-

employment Compensation for the protection of Pennsylvania workers, thereby preventing 90% of the Federal excise tax on employers from flowing into the Federal Treasury. The Federal Social Security Law imposed an excise tax on employers, measured by payrolls, and then provided for a credit equal to 90% of this tax to employers of those states which had enacted laws providing for contributions into an Unemployment Compensation Fund equal to this credit.

Since these contributions were to commence as of January 1, 1936, it became necessary to have an act effective during the year 1936 and also to speed the set up of an administrative system in the Department of Labor and Industry to handle the enormous amount of detail involved.

On January 1, 1937, a three member Unemployment Compensation Board of Review was appointed in accordance with Article II, section 203 of the Pennsylvania Unemployment Compensation Act. This Board, among others, had the duty of administering the civil service provisions of the act. In carrying out this duty the board set up a civil service unit and employed the necessary technical and clerical assistants to prepare and administer civil service examinations.

After a survey had been made to ascertain the types of services and grades of positions needed, an information circular was prepared, which contained material deemed necessary for informing persons desiring to apply for positions in the Division of Unemployment Compensation and Employment Service.

Specialists and technical experts prepared questions for ninety different examinations which were printed in booklet form for distribution to the examination centers. Prior to the printing of the booklets the questions were typed by employes of the board, some of whom were applicants for civil service positions. Even though the booklets were guarded, copies were found in the possession of some employes of the board, and according to the testimony, they also reached some provisional employes before the examination date.

After the examinations were given, the booklets were collected at the examination centers and were taken to the offices of the Board of Review for scoring. Section 208 (h) of the act provided that, "Examination papers of such candidates shall be marked by a committee designated by the board, . . . consisting of school teachers in this Commonwealth." The papers for the examination given in August 1937, were so marked by school teachers, but the papers of the examination given in December 1937, were marked by employes of the board, under the supervision of school teachers.

PASSING POINT

One of the first problems the board had to decide was a passing point for the examinations. It decided there should not be any fixed passing point as for instance "70" out of a possible "100", but adopted the policy of placing on the list of eligibles, a number of persons having a ratio to the estimated number of positions to be filled. The number of applicants who could qualify on the state and district lists in the first examination was fixed at seven times the number of positions to be filled, and, on the county lists five times the number of positions; but if the number qualified by the above formula exceeded 40% of the total number applying for a class of positions then only the 40% standing highest in the written examination were deemed qualified.

In the pamphlet entitled, "One Year of Civil Service," published in November 1938, by the Board of Review, the formula adopted to determine the passing point, and which is described above, was set forth, and this formula was adhered to in the August 1937 examination but not in the December 1937 examination. In the latter examination the ratio was changed to ten times the number of positions to be filled and the limitation of 40% of the applicants was eliminated. This elimination made possible a passing point of "Zero", and, on 105 eligible lists, the passing point actually was "Zero". Many persons were later appointed to positions, particularly in the stenographic series, who made "Zero" in the written examination.

Section 208 (f) of the act provide that, "The same standard shall apply with respect to all applicants in the same grade of employment." This admonition in the law was regarded by the use of the zero passing mark. Applicants examined in some districts and counties could pass with a "Zero" while in others they were required to get a comparatively high examination score to secure a position on the eligible list.

Good civil service practice requires that the passing point be established before the examinations are held. The board failed to do this before the second examination but established the passing point thereafter.

After the examinations the question of ranking the candidates from highest to lowest on the eligible lists, remained to be determined. The board decided that the test score alone should not be used to determine this but that the education and experience of each eligible candidate should also be evaluated. This meant giving each candidate a numerical value for the type and amount of education and experience as revealed on his application. It was also decided to give oral interviews to eligible candidates in certain grades of positions. This interview was also expressed in terms of a numerical score, to be combined with the score of the written test and that of the education and experience.

EVALUATION OF EDUCATION AND EXPERIENCE

The evaluation of the education and experience of each candidate was numerically expressed by means of a chart. This chart was set up by one of the technical experts employed by the board.

Under the chart the experience background of the applicants was divided into 4 levels called A, B, C, and D. Experience to be classified under A had to be a type of work similar to the work for which the applicant was applying. Experience B was work of a supervisory nature in the field applied for or similar to it. Experience C was routine work in any field, and Experience D included all borderline types of work.

The education of the applicants was divided into two classes called A and B. Education under A was specialization in the field of immediate value to the job and all phases of education not in the A field automatically came under classification B.

This evaluation both in education and experience cov-

ered the past ten years only, the ten years being measured from the closing date for the filing of applications.

The evaluation of an applicant's education and experience, even with the use of the chart, was highly technical and necessitated the use of judgment on the part of the evaluators. The persons doing this evaluating work were provisional employes appointed by the Board of Review. None of them had any previous experience in this type of work. In fact, practically all of the evaluators were themselves applicants for positions in the division and were evaluating applications of candidates for the same positions for which they were applying.

It was discovered early in the work of evaluation that the chart used for this purpose was faulty. The defects were brought to the attention of the board but no attempt was made to correct them. Under this faulty chart an applicant's rating could be changed from a higher (A) to a lower (B) classification, and by the change the applicant's standing on the eligible list would be advanced. The highest credit for experience, 27 points, was for ten years of work similar to that in the Division of Unemployment Compensation.

But if an applicant had only five years of such experience and five years of supervising B experience he received a total of 32 points. So also the highest credit for ten years supervising B experience, 19 points, could be exceeded where an applicant had five years of such experience and five years of routine work C experience. For these two experiences he received a credit of 22 points. This faulty chart was used to advantage by employes of the board and provisional employes of the division as is evidenced by visible changes on the applications from higher to lower ratings in order to secure the additional points.

The chart used also favored the provisional employes of the division. The chart gave four points credit to any person employed in the division for even one day and seven points credit to a person employed one day over six months.

These four or seven points of credit were not given to candidates working in comparable jobs in private industry. This policy was adopted by the board, notwithstanding that section 208 (f) of the act provides; "The same standards shall apply with respect to all applicants in the same grade of employment."

Special consideration was also given by the board to candidates for positions in the accounting service. This consideration helped provisional employes through the use of the four and seven points given for service in the division. After the eligible lists had been certified, in the accounting series, to the then Secretary of Labor and Industry, many of the provisional employes in this classification complained they did not stand high enough on the eligible list to secure a civil service appointment. The former board thereupon recalled the eligible list and re-evaluated the candidates' education and experience up to and including Dcember 1, 1937, which was after the closing date for filing application. This re-evaluation gave all provisional employes additional credits and made it possible for them to move upward on the second eligible list which was certified. Many of these applicants later secured civil service positions.

The former Board of Review, after an act of picketing, also gave an organized group special consideration by allowing representatives of this group to evaluate the applications of all of its members along with one of the evaluators of the board. Many members of this group later received civil service appointments.

ORAL INTERVIEWS

The third part of the examination procedure (in those series where it was used) was the oral or personal interview. The oral interview was designed to evaluate the personal qualifications of the applicant to ascertain whether he would be suitable for the position for which he applied.

Two procedures were used for the interviewing of applicants in the examinations administered August 1937, two interviewing boards of three members each, interviewed approximately 2000 candidates. These boards traveled from place to place throughout the state conducting the interviews. For the December 1937 examinations, twenty-seven boards of two members each, sat at various fixed points in the state and interviewed approximately 10,000 candidates.

Charts were employed by the members of these boards to report the results of the interviews. The interviewer recorded his judgment of the candidate by placing a check mark in the appropriate circle on each qualification indicated on the chart. Each circle had a number and by adding the numbers of the checked circles the candidates numerical score for the interview could be determined. The average of the two or three scores (depending on whether it was a two or three man board) represented the applicant's final interview score. An interview chart was used by each member of the board for each candidate. After the interviews were completed the interviewers were instructed to initial and date their respective charts, in order to prevent the substitution of other charts. Your commitee, however, discovered many charts that were neither initialed nor dated, but there was no way of determining whether or not they were substitute charts or whether they were actually charts which the interviewers had neglected to initial or date. It was also found that many of the oral interview charts in the files of the Board of Review show changes and erasures, but whether these were made by the original interviewing boards could not be determined.

The interviewing chart used by the boards in the August examination had a score range from 56 to 100 in numerical value while in the December examination the score range was from 0 to 100. Thus, a candidate who took the August examination could not receive a score lower than 56, while a candidate taking the December examinations could receive Zero. It has been noted before that a candidate in the December examination could also receive Zero for his written test score and still be eligible for position.

The members of the oral boards, selected by the first Board of Review, had no previous experience in this type of work. In the second examination these persons were citizens of the same community in which they sat as interviewers.

The first Board of Review in its book "One Year of Civil Service" states that "at no time did members of the boards know the names of candidates whom they interviewed." It is true they did not know the names because the candidates were all scheduled for their oral interview by examinee number, and this scheduling was

handled in the Harrisburg office. But many of the candidates who appeared before the boards were known by one or more of its members. Many candidates for positions have admitted that they knew members of the oral examining boards. One of the reasons given by the first Board of Review for granting re-orals to certain candidates before another oral interviewing board, was the fact that the candidates had been originally marked low, due to personal prejudices of members of the original oral board. It was discovered that a number of one of the boards was himself a candidate for a position in the division. This member interviewed candidates for the same position for which he was applying and later secured a civil service position in the same classification.

The oral interview of a candidate lasted generally from three to fifteen minutes and many of the interviews were merely perfunctory. As an example, the interview of one candidate consisted of getting a pack of cigarettes for a member of the board.

It appears from a study of the oral interviewing charts of many candidates, now employed in the division, that the boards generally marked provisional employes high. This may have been due to the fact that the set of instructions issued by the first Board of Review to the interviewing boards permitted them to ascertain whether the applicant was a provisional employe of the division.

Mention should also be made of the fact that the tendency of local boards to mark candidates either high or low very materially affected their respective standings on the eligible lists. As an example, candidates A and B apply for the same position and have equal qualifications. Candidate A appears before a board which marks candidates generally high and Candidate B appears before a board which marks candidates generally low. Candidate B will be placed lower on the state lists and his chances of receiving a civil service appointment are thus lessened.

The chairman of the Oral Interviewing Board of Philadelphia County in a letter dated August 18, 1938, addressed to the Secretary of Labor and Industry, asked that all appointments be held up stating that "a grave mistake has been made in marking these oral examination charts" . . . because of "the ambiguous wording of the last two columns of the chart."

The boards of which he was chairman interviewed over 2700 candidates out of approximately 10,000 interviewed throughout the state in the December 1937 examinations.

The appointments were not held up and there does not appear to have been any efforts made to correct the situation about which he complained.

TOTAL SCORE

The next problem was the combining of the various scores to determine the standing of an applicant on the eligible list.

All scores had to be combined to obtain one composite score. In combining the scores, different weights or values were assigned to each of the two or three parts of the examination as the case might be. The relative weights assigned to each of these scores varied for different positions. In the Senior Interviewer series, for example, the weight assigned for the written test was 4, for education and experience 2, for oral interview 4. In the Statistical series the weight for the written test was 5, and for education and experience 5. After the weighing of the scores a complicated technical statistical procedure was used to combine them according to the weights assigned.

ELIGIBLE LISTS

When the scores were combined the then board prepared eligible lists and notified candidates of their standings thereon. The original lists, which turned out to be only preliminary, were then sent to the Secretary of Labor and Industry. Ten days later another set of eligible lists were certified to the Secretary and these were designated by the Board of Review as the official lists. It was from these second lists that the civil service appointments were made. A comparison of the two sets of lists shows many changes in the relative positions of the candidates, which resulted in some persons receiving appointment while others seemingly lost appointment. The Executive Director of Unemployment Compensation and Employment Service suggested the use of the unofficial lists and received copies of them. There is no provision in the Unemployment Compensation Act for such preliminary lists and the reasons why the standing of persons on the official list changed from that on the unofficial list has not been explained.

Section 208 (i) of the act provides, "The board shall certify to the Secretary for each administrative district and for the State as a whole, lists of the names of persons receiving a passing mark, and shall rank such persons in the order of magnitude commencing with the highest rating for the specified grade of employment." In addition to certifying district and state lists as provided for in the act, the board also certified county lists.

The Attorney General in formal opinion No. 37 states—"There is no requirement or authority for certification of county lists." Some of these county lists were for several counties which were combined within administration districts. For example, the counties of Montour, Schuylkill, Northumberland, Snyder, Union and Columbia, comprised District 6. In Schuylkill and Columbia counties the board also certified county lists for positions as Manager, Senior and Junior Interviewer, but certified one combined list for these three classifications for the other four counties. This same condition existed in other districts of the State and your committee cannot discover the formula or policy the then board adopted in deciding which counties should be combined on one county list and which should have separate lists.

The former Secretary of Labor and Industry requested the then Board of Review to establish male and female eligible lists in the receptionist and interviewer classifications. The certified lists in these classifications were thereupon broken down into separate lists according to sex.

Section 208 (i) provides, "In certifying lists of eligibles for the various grades in any class of employment, the board shall certify persons taking identical examinations on all lists of eligibles for all grades in such class of employment for which they are qualified."

The breaking up of the lists as to sex made it possible for persons having low ratings on the consolidated list to achieve better standings on the separate lists and thus secure civil service appointments.

APPOINTMENTS FROM ELIGIBLE LISTS

When eligible lists had been established the next step was the appointment by the then Secretary of Labor and Industry, of persons from these lists.

Section 208 (j) of the act provides, "The Secretary shall make appointments to positions created under this act, and shall fill vacancies as they may occur from the lists of eligibles certified to him by the board."

The act further provides that the Secretary in making these appointments, "shall select from the three persons, ranking highest on the list of eligibles for the grade of employment in the administrative district, or in the state as a whole, as the case may be, the applicant most suitable for the position in the grade of employment for which a vacancy exists, taking into consideration his experience and personal qualifications with sole reference to merit and fitness for the position to be filled."

If, upon inquiry by the secretary, a person on the list of eligibles is found to be not available for employment or cannot be located, his name shall not for the time being be considered among the three names from which a choice is to be made. For the second vacancy the secretary shall make selection from the highest three persons remaining on such list of eligibles who have not been within his reach for three separate vacancies. The third and any additional vacancies shall be filled in like manner."

The then secretary adopted the policy of making appointments from either the county or district lists first and last from the state lists. This policy was adopted because it was felt that a person would rather work in his own county or district than in the state office at Harrisburg, for the same salary. Although most of the appointments for the same classification were made the same day, the applicant, if appointed from the district or county list, would not be considered on the state list. There were personnel or "action" sheets for each appointment showing the three persons whom the secretary considered and the one he appointed. These action sheets show that if the applicant received an appointment from the district or county list and his name was within reach on the state list a P.A., (Previously appointed), would be marked in back of his name. The applicant was not given any option to decide whether he wanted consideration on the state list. This was automatically decided for him by the then secretary. This procedure worked a hardship and was unfair to many applicants who received appointments from district or county lists and were never considered on the state lists, because many who were appointed from these county or district lists were later furloughed after only a few months work for budgetary reasons.

The act provides that the secretary in making appointments, shall consider the three persons ranking highest on the eligible list, the only persons not to be considered for the time being are those found to be unavailable. The secretary, in making appointments to the lower grades of positions, would send with the letter of appointment, another letter asking the applicant to waive his right to appointment to a higher position to which his standing on another eligible list entitled him. For example, if an applicant was on both the $2400 and $3000 Administrative Officer lists and he received an appointment to a $2400 position, he would be asked to waive his right to be considered for a $3000 position. This system of waivers made it possible for the secretary to reach persons on eligible lists which he could not have reached had not the waiver system been employed.

Your committee found that the eligible lists were in the possession of Democratic headquarters in one district of the state and that applicants for positions whose names appeared on several eligible lists, were called and told that they would be sure to secure a civil service appointment to a lower grade of position if they would sign a waiver to their right for consideration to a higher grade of position.

Officials in the division are known to have asked their subordinates to sign waivers, stating that they wanted to appoint certain applicants who could not be appointed unless other applicants waived their rights for consideration for these positions.

Another device used in the appointing process was the so-called "Temporary Civil Service." Letters were sent out to applicants on various lists, by the then Secretary of Labor and Industry, asking if they would accept temporary work for approximately one month. The persons who accepted these temporary positions were practically either at the time provisional employes or former employes of the division. All those who accepted these temporary positions, about 200 in number, have remained as employes up to the present time. On May 5, 1939, the Executive Director wrote a letter to these employes in which he said, "There is no such thing as a temporary civil service appointment since any position marked temporary in the budget and filled by a person from civil service is exactly the same as a permanent civil service appointment, with all the rights thereunder."

QUALIFICATIONS OF APPLICANTS

The Unemployment Compensation Act (Sec. 208 (3)) required the Secretary of Labor and Industry, by rule and regulation, to prescribe the qualifications to be possessed by persons desiring employment. Rules and Regulations were issued by the then Secretary of Labor and Industry on June 15, 1937, which were binding on the Board of Review.

Under these rules and regulations specific qualifications were set up for each classification for which an examination was to be given.

Good civil service practice requires that those applicants who do not possess the minimum qualifications be weeded out prior to the examination or at least before the eligible lists are certified. The failure of the then Board of Review to follow this procedure resulted in many of those, not entitled to examination, being placed on the eligible lists and securing appointment.

Where appointment was secured and the probationary period served, removal of these persons from their position for lack of minimum qualifications became impossible under the decision of the Superior Court in Kassarich v. Unemployment Compensation Board of Review, 139 Pa. Super. Ct. 559. There was no power under the act to remove an employe for lack of minimum qualifications. This was a matter to be determined before appointment. The appointment cured the defect.

The above decision shows the necessity for amendment

of the Unemployment Compensation Act to require applications to be passed upon, as to minimum qualifications, before examination and also the vesting of a power in the Secretary of Labor and Industry to remove, for this reason, those inadvertently appointed.

Since certain employes are now occupying positions illegally because of lack of minimum qualifications your committee debated whether the act should be amended to remove such persons. In view of the fact that the Superior Court has passed on the question and has confirmed the right of these employes to their positions, the committee believes they should not now be penalized for mistakes of administration particularly since they do not occupy positions by reason of fraud or misrepresentation.

FALSIFICATION OF APPLICATIONS

A different situation, however, exists where an applicant has deliberately falsified his application by spurious claims of scholastic and work experience. The committee is of the opinion that no distinction should be made in these cases between those where the falsification was discovered and credits deleted by the then Board of Review with subsequent restoration to these eligible lists, and those who have not had the benefit of a review of their applications to delete such false statements. In the language of the Superior Court "any wilfully dishonest or untruthful statement as to either business experience or educational training should have rendered him (them) ineligible." Ryan v. Unemployment Compensation Board of Review, 143 Pa. Super. Ct. 8.

The check which has been made of applications by the present Board of Review shows that about 10% of the applications filed were false in varying degrees, and testimony disclosed that some applicants were advised to make their applications look good, such advice being given by managers of employment offices and supervisors.

Notwithstanding that certain applications were known to have been falsified, the then Board of Review cleared many applicants after hearings at some of which the applicants were not even present. Credits based on false claims of scholastic and work experience were deleted and employes retained or their names continued on eligible lists. Only 19 persons were dismissed by the first board for falsification, although section 208 (s) of the act specifically requires removal. Where credits were so deleted the persons guilty of falsification may not, under the decision of the Superior Court, be removed. It is to be observed that falsification was particularly prevalent in the higher grade positions.

The Unemployment Compensation Act as originally adopted required all applicants to submit application under oath. An amendment of 1937 eliminated this oath requirement. The amendment may have been in part responsible for the false statements contained in many applications.

The committee found that many employes are occupying positions as a result of falsification of their applications and believes the act should be amended to provide for the removal of appointees where it is subsequently discovered that false or fraudulent statements were made and this power to remove should be made applicable to those now occupying positions. The Superior Court, in passing on this matter of falsification, said that, "It is desirable as a matter of public policy that civil service employes under the statutes shall be composed of honest and truthful persons; and fraud and misrepresentation in securing the appointment, are grounds for dismissal." The Superior Court also said, "such a detailed misrepresentation of the facts must have been intentional, and its effect should not be condoned or overlooked." Ryan v. Unemployment Compensation Board of Review, 143 Pa. Super. Ct. 8.

About August 15, 1939, the then chairman of the board, Mr. Myers, issued verbal orders to the board's secretary, directing that letters be sent to many applicants clearing them of falsification. There are no minutes of a board meeting indicating that the chairman was authorized to give such instructions. On February 3, 1941, Mr. Prindible, a board member who left the service on August 23, 1939, submitted an affidavit stating that he had concurred in the action of the chairman. Thus, without any formal authorization by the Board of Review, that can be determined from the evidence, many cases of falsification were cleared by these two members, near the end of their term of office.

In the case of Thomas v. Unemployment Compensation Board of Review, 19 Atl. (2d S) 488, the court held that formal action was required in such cases saying we mean "Formal action taken by the board as a board, concurred in by at least two members present and not the action of two individual members of the board, taken separately and apart from a meeting of the board."

Your committee also found that some of the inquiry sheets sent out for the verification of applicants' education and experience records were forged. Evidence indicates that certain temporary employes of the division were responsible for such acts.

LATE APPLICATIONS

The first Board of Review, in its various public information circulars, announcing the examinations, set definite deadlines for the filing of applications.

These circulars read, "The last day for filing applications for these positions will be November 10, 1937." The applications must be postmarked before midnight November 10, 1937."

In spite of this public announcement hundreds of applications were filed late. The board under the deadline rule rejected practically all of them even though many were postmarked the day following the closing date. Notwithstanding the deadline rule and the action on the majority of late applications the board did accept some late applications. Some of the applications thus accepted were late, as much as one week, and in one case a year. The applicant who filed the application approximately one year after the closing date received a civil appointment about a month after he filed his application. Many of the others whose late applications were accepted also received civil service appointments.

Where appointment was secured and the probationary period served, removal of these persons from their positions on the ground that the then board had no authority to accept applications filed late, while denying such privileges to many other applicants, was decided in the case of Speer v. Unemployment Compensation Board of Re-

view 140 Pa. Super. Ct. 207. There was no power under the act to remove an employe who had been granted special privileges such as the acceptance of a late application. The appointment cured the defect.

This decision shows the necessity of an amendment of the Unemployment Compensation Act vesting in the Secretary of Labor and Industry the right to remove those inadvertently appointed under such circumstances. The committee believes that those now holding positions in the division as a result of administrative mistakes should not be penalized since they do not hold these positions by reason of fraud or misrepresentation.

TREASURY UNIT

Section 603 of the act provides, "The State Treasurer shall be the custodian of the Unemployment Compensation Fund and the Administrative Fund." This section also provides that, "all payments from such funds shall be made under such system of requisitioning and accounting as the Governor, the State Treasurer, and the Secretary shall determine."

Pursuant to this section an agreement was entered into, January 1938, between the Governor, State Treasurer and the Secretary of Labor and Industry, setting up such a system of requisitioning and accounting. Into this agreement was inserted a clause, which authorized the State Treasurer to set up a "Treasury Unit of Unemployment Compensation," and to appoint such personnel as was deemed necessary to this unit.

Section 202 of the act provides, "The Secretary of Labor and Industry shall have power . . . to appoint and fix the compensation of such employes in such offices and in the department as he may deem necessary to administer this act, subject to the provisions of section 208 of this act." Notwithstanding this section of the act, which vested the power of appointment exclusively in the Secretary of Labor and Industry, the State Treasurer deemed that the aforementioned agreement vested in him the power to appoint the necessary personnel to the "Treasury Unit" and if it did not, he had such power under general law.

Your committee can find no section of the act which authorized the insertion of the clause in the agreement giving the State Treasurer the power to appoint personnel, in fact the Attorney General in opinion number 1116, stated that such clause was illegal.

Before the signing of the agreement, the then Secretary of Labor and Industry was advised by the Deputy Attorney General, assigned to the Division of Unemployment Compensation, that there was no section of the act which gave anyone but the Secretary of Labor and Industry the power to appoint the personnel necessary to the administration of the Unemployment Compensation Act.

The then Secretary of Labor and Industry objected to the State Treasurer appointing these employes and conveyed his objection to both the State Treasurer and the Governor, but was overruled.

The Secretary of Labor and Industry still persisted and carried his objection and views to the Social Security Board at Washington. That Board overruled the Secretary and sustained the State Treasurer in his views.

An agreement was then entered into between the State Treasurer and the Social Security Board, giving the State Treasurer the right to appoint the personnel in this Treasury Unit on the condition that a qualifying examination would be given such employes by the State Treasurer. The State Treasurer was allowed to make original appointments from the group passing such examinations, but agreed that all future appointments would be made from eligible lists established by the Board of Review. This agreement was not lived up to by the State Treasurer, and appointments made thereafter to fill vacancies in this unit as late as the early part of 1941 were not made from any eligible list established by the Board of Review.

In order to carry out the first part of his agreement with the Social Security Board the State Treasurer gave qualifying examinations. These examinations were open only to employes of the Treasury Department and those working at the State Capitol. The giving of this examination necessitated some expense as interviewers had to be hired, proctors employed, schools rented and the necessary examination material prepared. Although applications were filed for these positions, no effort was made to verify the information on them and no lists were ever compiled showing the results of the examination.

Up to the present time (May 10, 1941) certain of the persons employed to administer this examination have not been paid although they have contacted the State Treasurer or his employes many times to secure such payment.

There are between 80 and 100 persons employed in the Treasury Unit, all appointed by the State Treasurer. None of them have civil service status and may be removed at the will of the State Treasurer for any reason. All of these employes are paid from funds furnished by the Federal Government to administer the Unemployment Compensation Law.

The Secretary of Labor and Industry is the only person empowered to requisition monies from the administrative fund, he is the one who must sign the budget, including that for the Treasury Unit, for approval by the Social Security Board, and all payrolls must be signed by him.

Your committee is of the opinion that the original agreement giving the State Treasurer authority to appoint the personnel in the Treasury Unit is contrary to the provisions of the act. But due to the fact that the employes of this unit are performing a treasury function and that the State Treasurer is responsible for the acts of employes performing duties under him, the act should be amended so as to give the State Treasurer the authority to appoint such personnel as is necessary. This personnel should however be appointed from civil service lists prepared by the Board of Review and employes so appointed should have the same civil service status as employes of the Division of Unemployment Compensation.

PERSONNEL OF BOARD OF REVIEW

Section 203 of the act provides. "There is hereby created in the Department an Unemployment Compensation Board of Review. The board shall consist of three members

nominated and appointed by the Governor, by and with the advice and consent of two-thirds of all the members of the Senate, for terms of six years each."

The act further provides, "The board may appoint a secretary to hold office at its pleasure."

The board has the duty of hearing appeals arising from claims of compensation and also of giving civil service examinations and preparing the eligible lists for certification to the Secretary of Labor and Industry.

Section 20 (1) of the act gives the board power to "employ from time to time, when necessary, experts and necessary clerical assistants to review applications, prepare and conduct such examinations." At all other times the necessary personnel to carry on the duties and functions of the board are appointed by the Secretary of Labor and Industry.

Your committee is of the opinion that the board should be given the power under the act to appoint all the necessary personnel to carry on all its functions and not be limited in its appointive power to the time when it is merely preparing or giving examinations.

A great part of the board's work in hearing appeals is of a semi-judicial nature, necessitating at times decisions contrary to the views of officials of the division. The division therefore could, if it saw fit, hamper the board in its work if it did not appoint the necessary personnel to enable it to function.

UNEMPLOYMENT COMPENSATION CLASSIFICATION SURVEY COMMITTEE

Mention should also be made of the Classification Survey Committee, a committee within the division composed of representatives of the Board of Review, Social Security Board, and the Executive Director's staff.

This committee made a survey of every position in the division, inventorying the duties and responsibilities concerned but it did not consider the efficiency of the individuals occuping the positions.

Although the complete report of this committee was not available when this report was written, the incomplete report shows that forty-six percent of the personnel in the central office of the division are working out of classification. As an example, it was found that $2100 supervisors were performing the work of $1140 clerks and vice versa.

In an organization as large as the division, it is probably necessary to make a systematic survey from time to time, but as this survey is a check on the efficiency of the personnel assignments in the division, it should be conducted by the Board of Review and not by the division itself. The Board of Review has the duty of establishing the eligibility lists for the various classifications and it should have the further responsibility of seeing to it that appointees are assigned to duties within the classification for which they are appointed.

PROMOTIONS

The Unemployment Compensation Act was amended May 18, 1937 P. L. 658, giving the Secretary of Labor and Industry the power to promote civil service employes to higher grades of positions.

This act provides that "Vacancies in positions subject to the provisions of this section, whether such positions be newly created or vacated for any reason by any former incumbent, shall be filled, in so far as practical, by promotions from among employes holding positions in the lower grades. In all cases, an employe to be promoted shall possess the qualifications specified for the position, and shall have served not less than six months (including service during any probationary period, but not including service during any provisional employment) in a position under the provisions of this act. Promotions shall be based on merit and upon the superior qualifications of the employe to be promoted as shown by his or her previous service record under this act. The secretary may promote an employe to a higher position to which such employ has been certified as eligible by the board, provided that the board shall, in certifying such employe, satisfy itself that the employe possess the qualifications prescribed by the secretary for the higher position. Before making such certification, the board may require any employe or employes to take such qualifying or competitive examinations as the board may prescribe."

Pursuant to its authority under this act, the present Board of Review, on February 2, 1940, issued rules and regulations governing promotions within the division. The Executive Director issued office bulletin number 24, outlining the requirements of the promotional rules and setting up a procedure to be followed.

Under the rules and regulations an employe to be promoted, had to be approved by his immediate superior, by the associate director of the division in which he was working, by the Executive Director and by the Secretary of Labor and Industry. After these persons had approved the promotion, a promotional form was sent to the Board of Review for decision as to whether or not the employe had the minimum qualifications for the position to which he was being promoted. If the board gave its approval, the promotional form was returned to the Secretary of Labor and Industry for final decision as to whether he desired to make the promotion.

About November 15, 1938, the Division started keeping service rating cards for civil service employes. The employes were marked on such qualities, as Production, Judgment, Health, Tact, Leadership, etc. There are five levels of rating such as Exceptional, Above Average, Average, Below Average and Unsatisfactory, with numerical values, from five to one, given to each.

The service rating cards were marked periodically, but the method used was haphazard and in some instances it appeared there was collusion among some of the employes to secure good service ratings for each other.

In one instance employes marked the rating card for their superior. The ratings received by the superior were high. This individual was later recommended for and received a promotion which involved a salary increase of $2000 per year. In another case two employes rated all other employes in their classification and then rated each other, they gave each other the same rating but the ratings of all the other employes were lower. One of these two persons later received a promotion involving a salary increase of $1800 per year. In another case one employe rated all other employes in his classificattion, giving them lower ratings than he himself received. He was rated by his superior and later received a promotion involving a $2000 salary increase.

There were many cases where persons within the same classification were rated on different types of merit rat-

ing cards. Some were rated on what was known as a general merit rating card and others on what was known as a supervisor's merit rating card. As the general rating cards had fewer listed qualities than the supervisor's cards, those employes rated on the latter type card had an opportunity to obtain an additional 10 points in score.

So far as its effective use in the promotional system is concerned, the value of the merit rating cards has been negligible. More serious than this is the entire disregard by officials of the division, of service rating cards as a factor in promotion. This disregard has been based on the fact that the service rating system is not deemed reliable. Nevertheless this system was initiated by officials, who recognized its imperfections, but failed to substitute a new one. The Executive Director testified that he could not make a recommendation for the betterment of the present service rating system and it is a fact that this system accords with the provisions of the act.

Some rather interesting ideas regarding the use of the promotional system were held by various officials of the division, especially the Executive Director. He stated he was using the promotional system to correct all the errors he felt had been made in the original civil service appointments. Cases were cited by him where it was claimed that persons were appointed to lower positions although they possessed qualifications to serve in higher positions, and he felt this could be corrected in making promotions. He also stated that after all these corrections had been made in the division, then the general orderly method of promotions, that is step by step up through the various grades, should be adopted, rather than skipping grades as was done in many cases in the present promotional program.

Officials of the division testified before your committee that persons were recommended for promotion to a higher classification, involving a jump of one or more classifications, without considering persons in those classifications which were jumped over. The provision in the rules and regulations issued by the Board of Review that promotions "Are not to be limited to employes occupying a position in a lower class, but shall be made by the Secretary without regard to the employes' previous position," might have been administered in such a way as to permit the promotion of an employe more than one grade at a time, where there was no eligible in intervening grades.

Such cases would have been the exception rather than the rule. But there were 46 cases out of 129 promotions involving a jump of one or more classifications. There are no records to show that any consideration was given to employes in intervening grades in any of these 46 cases. In fact the Associate Director of Unemployment Compensation admitted he recommended the promotion of an employe from a $3000 classification to a $5000 classification without considering anyone in the $4200 classification, and that he had recommended another individual for promotion from a $2100 classification to a $3600 classification without considering anyone in the same or intervening classifications. This same official stated that service ratings should not be the basis for promotion and admitted that persons with low service ratings were promoted while those having higher service ratings were passed over. He also admitted recommending one individual for promotion who ranked next to last in his service ratings, involving a $2000 salary increase, and passed over the rest of the employes in this classification.

Your committee could continue with many more examples, all of which indicate that officials in the division made little or no comparison of service ratings to ascertain the person with the superior qualifications, but promoted on a hit or miss basis completely ignoring the provisions of the act.

It was also testified that consideration was given to prior service elsewhere, either state service or service in private industry, to determine whether an employe should be promoted.

Much of the confusion which exists in the present promotional system could in the opinion of the Committee, be eliminated if the Personnel Bureau kept personnel action sheets on promotions the same as they do on appointments. This factual record would show those employes who were considered, those who were promoted and the reasons why. Such a record would enable the Secretary to discover whether recommendations for promotions were of persons who had superior qualifications as shown by their previous service ratings.

Another situation was discovered which may nullify one of the principles of civil service. Employes in certain grades of positions were furloughed for budgetary reasons. Some months later, (but during the period the furloughed employes were entitled preference under the provisions of the act) employes from lower classifications were promoted to the positions from which these employes had been furloughed. If this policy is allowed to continue any civil service employe can be furloughed and by declaring the position vacant for a few months and then promote an employe to the same position.

The act should be amended to prohibit promotions to positions from which persons were furloughed for the period of time during which such furloughed employes are eligible for re-appointment.

It is also believed to be good civil service practice to restrict promotions to those persons who are qualified by competitive examinations for the positions to which the promotion is to be made and your committee believes the act should be amended in this respect. In such competitive examinations due credit may be given for the prior service record of the employe.

Your committee also believes that in case an employe is promoted and is shortly thereafter furloughed that his service in all positions occupied shall be cumulated not exceeding two years, in order to preserve his status on the eligible lists.

LEAVE OF ABSENCE

Under certain conditions, permanent employes of the division may receive leave of absence without pay. The conditions set up for the granting of such leave provide:—

1. That the leave of absence shall be limited to a period of nine months.
2. That no leave shall be granted except with the approval of the Executive Director.
3. No leave shall be granted until all annual leave has been exhausted and in case of sickness, all annual and sick leave exhausted.

Prior to May 2, 1941 the rules and regulations provided that no leave would be granted for the purpose of enabling employes to accept positions elsewhere. The leave

of absence form bore the following: "Applications based on desire to accept temporary employment elsewhere will not be considered."

May 2, 1941, new rules and regulations were issued and the above prohibition was eliminated. The leave of absence forms issued at the same time did not have the prohibition printed on its face.

Your committee found quite a few cases where employes were granted leave to accept other positions and most of these were granted prior to May 2, 1941, in spite of the rules and regulations.

If an employe was granted a leave to accept another position outside the division, he was given the privilege of returning to his job if for any reason he so desired.

One employe of the division was granted a leave of absence in 1939 to accept a provisional job in the division at a higher salary than his civil service position paid.

Your committee is of the opinion that no leave of absence should be granted employes to permit them to accept positions outside the division. In private industry employes are not given the permission to leave their jobs in order that they might try other jobs, which, they can quit, if unsatisfactory, and then return to their former positions.

Perhaps persons who receive leave of absence or resign from the division should have their names placed on the eligible list putting them in line for appointment when a vacancy occurs.

V

RECOMMENDATIONS

Your committee proposes certain recommendations which in its judgment will improve the administration of the civil service system in the Division of Unemployment Compensation and Employment Service. These recommendations fall into two general classes, administrative and legislative. The administrative may be remedied by changes in the rules and regulations issued by either the Board of Review or the Secretary of Labor and Industry, while the other changes must be effected by the Legislature.

THE ADMINISTRATIVE RECOMMENDATIONS PROPOSED ARE:

(1) The civil service examination passing point should be established by the Board of Review before the examination is given rather than after it has been completed.

(2) Some percentile passing figure should be established by the Board of Review before each examination, thus eliminating any possibility of a zero passing point.

(3) The rules and regulations established by the Board of Review should require the Secretary of Labor and Industry to maintain action sheets on promotions, similar to those now kept on appointments. These action sheets should indicate the employes who were considered for promotion, the employes securing promotions and the reason for such action.

THE LEGISLATIVE RECOMMENDATIONS PROPOSED ARE:

(1) The Secretary of Labor and Industry should be given the power to remove all persons hereafter inadvertently appointed to civil service positions, who lack the minimum qualifications for such positions and those hereafter appointed in violation of the rules and regulations of either the Secretary of Labor and Industry or the Board of Review.

(2) The Secretary of Labor and Industry should be given the power to remove all persons who received their civil service positions through fraud and misrepresentation and such power should apply to present as well as future employes of the division.

(3) The power of the Board of Review to give promotional examinations under the act should be mandatory rather than discretionary. Every employe should be required to take a promotional examination and the Secretary of Labor and Industry should be required to make his promotional selection from the three persons ranking highest on the promotional list.

(4) The Board of Review should be given the power to appoint all its personnel.

(5) No person should be promoted to a position from which another was furloughed for the period of time during which the furloughed employe is eligible for reappointment.

(6) The Secretary of Labor and Industry should have the power to demote civil service employes for inefficiency and employes demoted should be given the right to appeal to the Board of Review the same as in cases of dismissal.

(7) The Board of Review should not be required to certify the entire list of eligibles to the Secretary of Labor and Industry, but should certify three names for one position, or if more than one position is to be filled, the number certified should be five times the number of vacancies divided by three.

(8) The Board of Review should be given the responsibility of making periodic surveys of the responsibilities and duties of every employe in the division.

(9) All applicants should be required to file civil service applications under oath.

(10) The State Treasurer should be given the power to appoint the employes of the Treasury Unit of Unemployment Compensation, but such appointments should be made only from civil service eligible lists established by the Board of Review.

In conclusion, it is the belief of this committee that the enactment of the legislative recommendations together with the adoption of the administrative ones, will improve the civil service system in the Division of Unemployment Compensation and Employment Service, but the committee is also of the opinion that improvement of the system depends in a large measure upon the adoption of sound policies and methods by the administrator.

Respectfully submitted,

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